

## First AFI North America meeting in Boston

The first Anti Fraud Initiative meeting in North America was held October 11-12, 2010 in the Marlowe hotel in Boston, prior to the Expo East organic trade show.

The meeting was an initiative from Robynn Schrader, CEO of the National Cooperative Grocers Association, with the support of IOAS, UNFI and EOCC.

Over 40 persons attended; certifiers, traders, distributors, retailers, representatives of the Organic Trade Association and the Accredited Certifiers Association, and two staff from the National Organic Program of the USDA.

While already a series of meetings have taken place in Europe, it was a first such meeting on the topic in North America. The Anti Fraud Initiative started in Europe early 2007, at a time when many new suppliers were entering the system. Three individuals with a track record in organic quality assurance; Bo van Elzakker, Beate Huber and Jochen Neuenendorff, volunteered to organize multiple stakeholder meetings to discuss the issues.

During the two day meeting, speakers from a variety of backgrounds introduced the topic. The atmosphere was open, everybody was there to learn. A number of known examples were reviewed and there were vivid discussions to get an idea in how far fraud is an issue in the organic industry in North America, how it looks like, why it happens and what can be done about it. It is important to note that it is not just new suppliers or in far away countries. In a survey conducted among US certifiers, these confirmed that there are also domestic cases.

A number of fraud cases are unveiled because of complaints, whistleblowers and tip-offs, and better use should be made of this information. It should also be dealt with by professionals. An example was given of a genuine organic grower who was subject to a bad mouthing campaign from some in his surroundings. And of another producer who was hit by the fall-out of a scandal while he was no part of it himself.

Better timing of the annual inspection would also help. Residue testing has become a big thing in Europe. However, it is quite expensive. Not just the test but mainly the investigation to explain how the residues got in the product. Residue testing of product on the shelf has limited value, it better to be done during the production cycle. While it is a useful tool to detect irregularities, residue free is by no means proof that a product is organic.



## AntiFraud Initiative

There was some debate about the competence of the average organic inspector to conduct fraud investigations. While some training can be given to help them detect fraud, investigations are more the work of forensic experts. One such an expert, from the financial sector, said that the symptoms were very similar. That same expert said that it is much cheaper for the industry to deal with the issue proactively rather than after some cases are exposed in the press.

One particular initiative was presented, Sherlock, to add specific measures onto the regular certifier's work, to improve the rate of detection (and therefore prevention). Based on a risk assessment, which banks on worldwide experiential knowledge, certifiers are asked to do some extra exercises during the annual or unannounced visit. Forensic auditors investigate when fraud is suspected. This is targeting high risk situations. It is not a burden or a cost for the vast majority of genuine organic producers. It is an international private sector initiative, an add-on to a company's QMS that complements and cooperates with the NOP.

There was a well received presentation from the USDA Deputy Administrator Miles McEvoy, of the National Organic Program. He explained the progress in making the regulation more effective. He for example announced that suspensions, revocations and re-instatements are to be published. The US has a public complaints mechanism (lacking in many European countries). Complaints are welcome at [NOPcompliance@usda.gov](mailto:NOPcompliance@usda.gov)

The meeting concluded that there is more to be done on awareness raising and that a next meeting would be useful, with a larger audience. A small team was identified to take the initiative further.

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