



The Fight against Food Fraud



DG SANTE

Unit: Alerts and Traceability
Eva SIEGENER

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tagada toidu autentsus?
Hotellis Euroopa, Tallinn, EE,
24th Sept. 2019

Health and
Food Safety

Counterfeit baby milk powder*: EU case

1. A large brand of baby milk powder identifies counterfeited and adulterated products on the EU market and for export to China (early 2017).
2. Information to NL competent authorities.
3. A request for Administrative Assistance and Cooperation is created (NL February 2017).
4. A second request for Administrative Assistance and Cooperation is created (DE March 2017).
5. Links are established in DE, PL, LT (and in BG?).
6. Several companies in NL and DE are trading with China + e-commerce companies.
7. NL and DE request the Commission to coordinate actions & investigations.
8. Involvement of EUROPOL.
9. Crime network dismantled in PL.

* Not an infant
formula

Counterfeit baby milk powder*: EU case



**Violation of
EU rules**



Intention



Economic gain



**Deception of
customers**

Counterfeit baby milk powder*: EU case



**Violation of
EU rules**

- **EU Food Law**
 - Labelling
 - Certification
- **Intellectual Property Rights**

Counterfeit baby milk powder*: EU case

Counterfeiting

Intention



Counterfeit baby milk powder*: EU case



Economic gain

- 98.8 Tons seized (164.666 packs)
- Economic gain per pack: 9.92€
- = €1,64 million

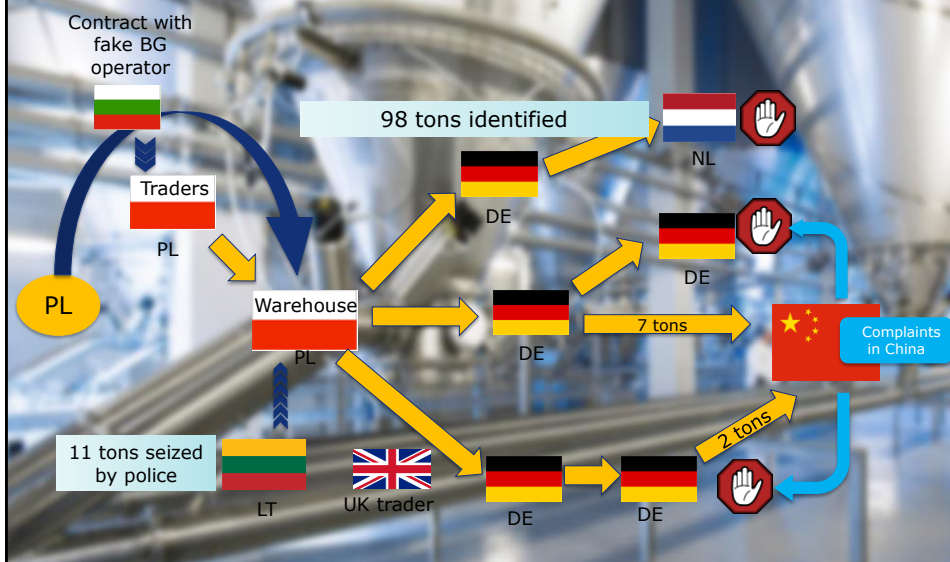
Counterfeit baby milk powder*: EU case

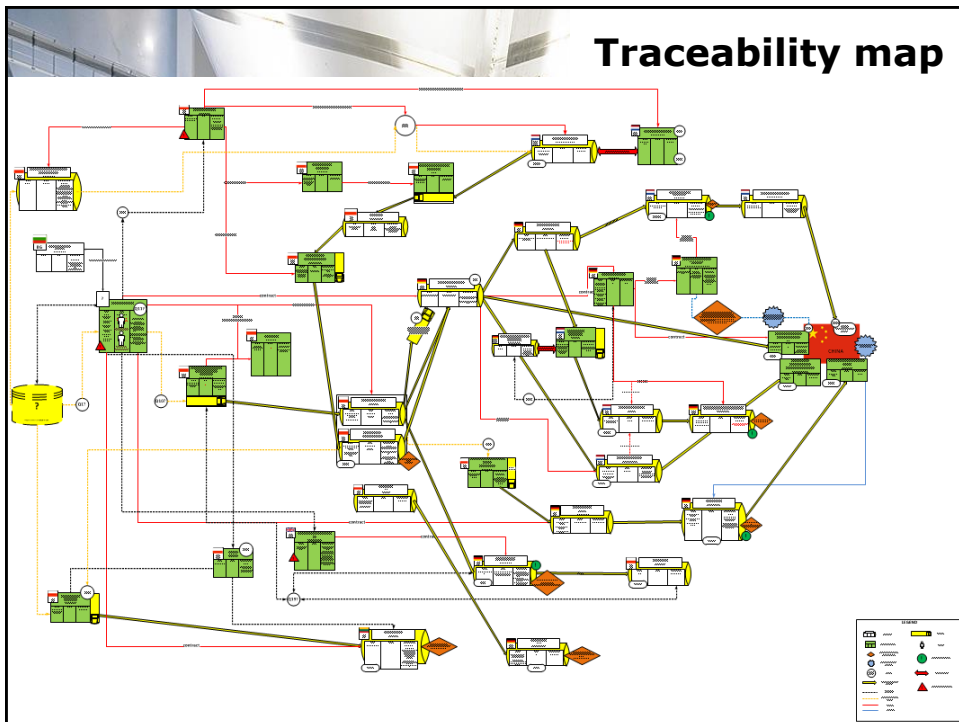
- **Nutritional risk:** non-identified vegetable fat detected, lower value (vitamins, calcium, phosphor)
- **Health risk:** microbiological contamination (enterobacteriaceae, bacillus cereus, enterococci)
- **Reputational risk** impacting commercial relations (company, EU authorities)

Deception of customers



Simplified traceability map





Counterfeit baby milk powder*: EU case

- *The counterfeit product basically consists in skimmed milk powder;*
- *which has been further elaborated (addition of vegetable fat, vitamins);*
- *It was produced and blended by a company approved to produce skimmed milk;*
- *It was wrapped and packed with the counterfeited packaging by another company specialised in wrapping;*
- *The production and wrapping establishments were placed under police surveillance;*
- *98 tons of counterfeit products have been seized in different warehouses in Europe.*

Counterfeit baby milk powder*: EU case

COUNTERFEIT

L: 10064023 13:49
04A 19.04.2018

REAL

L: 10064023 7:25
04B 19.04.2018

- Real product has thicker font
- Real product has the time expressed in four values (13:49), fake sample is 7:25 (should have been 07:25)

Counterfeit baby milk powder*: EU case

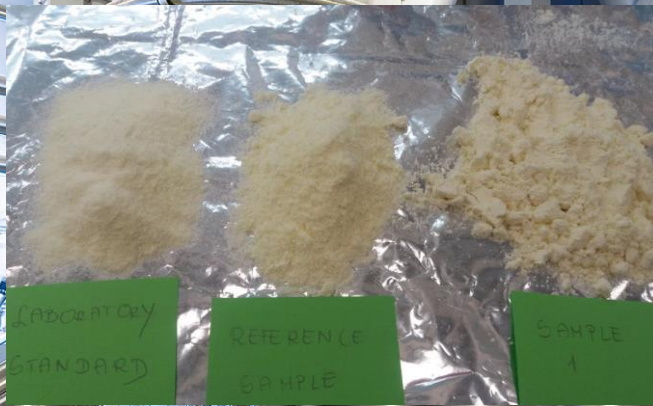
COUNTERFEIT

REAL



- Real scoop is bigger
- Real scoop has an inner scale for doses
- Fake scoop has matte finish

Counterfeit baby milk powder*: EU case



- Sample 1 (fake product) is beige, whereas the reference sample (original product) is more yellowish.
- Sample 1 (fake product) has a different structure, is more sticky and creates lumps.

Counterfeit baby milk powder*: The Outcome

Public health risk
discarded

1

Illegal production
stopped in Poland

Localization of **production**
establishments/actors

2

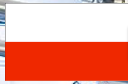
Criminal organisation
identified in Poland

Ongoing judicial
investigations (PL/DE)

3

Coordination under
EUROPOL
Case handed over from
EU Food Fraud Network

Epilogue ...



Joint operation between Spanish national police and EUROPOL:

→ Factory of packing counterfeit powder milk was dismantled

Operation started after Polish authorities warned EUROPOL about move of the criminal organisation's headquarters from Poland to Spain

Epilogue



*Powder milk was packed in thermic bags with no label
Possibility to the fraudulent organisation to adapt the product packaging to the country of distribution
A total of 4 dangerous PL criminals were detained.*

Ongoing judicial procedure

Food Fraud



An old problem
with new
worldwide
challenges

Food Fraud – an old Problem

- **Ancient Greece and Rome:** adulteration of wine
- **13th Century:** King John in England introduced penalties for the adulteration of bread.
- **Adulteration of bread (sand chalk added)** remained a issue and until 1860:
 - "let the buyer beware" principle applied: the buyer was responsible for the quality of goods before purchase.
 - "The worst food comes to the poor...and their poverty makes them buy and their necessity makes them eat. Their stomachs are the waste-baskets of the State."
- **Adulteration of Food and Drink Act of 1860**, was the first general law to regulate the sale of adulterated foods in Britain.



A bit of history...

2019: Polish meat scandal (economic losses)

2017: Fipronil in eggs (massive economic losses)

2012-2014, Czechia and Poland: methanol poisoning from the sale of illegal spirits (59 casualties)

2013: Horse meat in beef products (massive economic losses)

2008, China: Milk and infant formula adulterated with melamine (50.000 sick babies and around six fatalities)

1999, Belgium: Dioxin found in food (massive economic losses)

1981, Spain: "rapeseed oil" fraud intended for industrial use (20.000 people affected - 370 to 835 deaths)





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Food Fraud is back on the agenda

EU anti-fraud office to be tasked with investigating food fraud

Plans to extend OLAF's mandate mapped out in incoming European Commission

This article is powered by EU Food Law

30 Aug 2019 | NEWS

European Parliament resolution of 14 January 2014 on the food crisis, fraud in the food chain and the control thereof (2013/2091(INI)) (2016/C 482/04)

Food fraud continues due to dip in the leisure industry

The rising number of leisure businesses going bust is continuing food fraud problems, says industry insider, and butchers are paying the price.

Finnish Presidency –VETPHYTO Priorities

- > AMR, -> animal health and food safety aspects
- > Animal welfare
- > Animal health
- > Food fraud
- > New breeding technologies
- > New seed legislation



Mission letter

Brussels, 10 September 2019

Stella Kyriakides

Commissioner-designate for Health

Health and Food Safety

Counterfeit and pirated goods amounted..



2013
to 2.5 % of world trade in 2013;
and up to
5 % of EU imports
from third countries

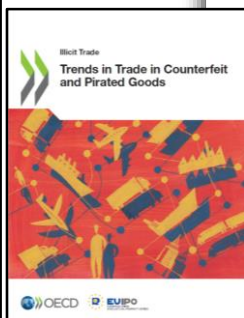
2016
3.3% of world trade,
and up to
6.8% of EU imports
from third countries

21

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Trends

Table 4.4. Estimates of main counterfeit and pirated product categories, 2016



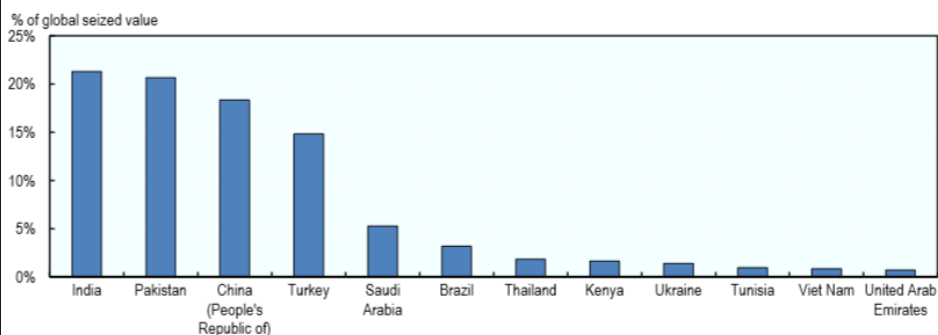
HS product category	Share in global trade of fake goods (%)	Value of fake exports (USD billion)
Electrical machinery and electronics (85)	35.0	138.0
Jewellery (71)	12.6	49.8
Optical, photographic, medical apparatus (90)	6.7	26.7
Clothing, knitted or crocheted (61)	6.3	24.8
Machinery and mechanical appliances (84)	5.0	19.7
Footwear (64)	3.5	13.9
Clothing and accessories, not knitted (62)	3.4	13.6
Toys and games (95)	3.0	11.8
Furniture (94)	2.9	11.5
Vehicles (87)	2.5	10.0
Articles of leather; handbags (42)	2.1	8.5
Other made-up textile articles (63)	2.0	8.1
Foodstuffs (02-21)	1.6	6.2
Plastic and articles thereof (39)	1.5	6.1
Perfumery and cosmetics (33)	1.4	5.4
Miscellaneous manufactured articles (96)	1.2	4.6
Pharmaceutical products (30)	1.1	4.4
Watches (91)	1.1	4.2
Knitted or crocheted fabrics (60)	0.7	2.6
Tobacco (24)	0.6	2.3

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Where it comes from...



Figure 2.1. Top provenance economies for counterfeit foodstuff, 2011-2013



<https://www.oecd-ilibrary.org/docserver/9789264278349-en.pdf?expires=1568984791&id=id&accname=oid031827&checksum=1181CE112BB9E216197A76305E28A027>

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23

Where it goes to...

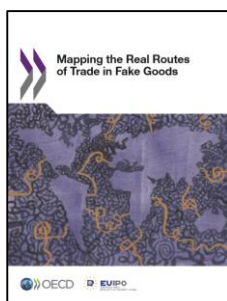


Table 2.3. Economies producing counterfeit foodstuff, 2011-2013

Producing economy	Destinations	Transport mode
China	EU	Road
	US	Unknown
	Japan	Air
	Chile	Sea
	Western Africa (Benin, Senegal, Nigeria)	Sea
	Northern Africa (Morocco, Algeria)	Sea
	Saudi Arabia (transit point)	Air - sea
Turkey	Yemen (transit point)	Air - sea
	EU	Road
	Serbia	Road
	Saudi Arabia (transit point)	Air - sea
India, Pakistan, Indonesia, Viet Nam and Thailand	Yemen (transit point)	Air - sea
	Saudi Arabia (transit point)	Sea
Ethiopia and Kenya	Yemen (transit point)	Sea

<https://www.oecd-ilibrary.org/docserver/9789264278349-en.pdf?expires=1568984791&id=id&accname=oid031827&checksum=1181CE112BB9E216197A76305E28A027>

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Facts



OVER €100 million worth of fake food and drinks seized in latest Europol-INTERPOL operation (Dec. 2018 – Apr. 2019)

- **> €100 million worth of potentially dangerous food and drinks seized**
- **672 individuals were arrested + ongoing investigations.**
- **Police, customs, food authorities and private sector across 72 countries*.**
- **7.000 tonnes and 33 million litres of potentially dangerous fake food and drink seized (67 000 checks carried out at shops, markets, airports, seaports and industrial estates).**



European Commission

- *Tampered expiry dates on cheese and chicken, controlled medicines added to drink products and meat stored in unsanitary conditions were some of the offenses discovered during the operation.*
- *Illicit alcohol was the most seized item, totaling over 33 000 tonnes, followed by cereals and grains (+/- 3 628 tonnes) and condiments (+/- 1 136 tonnes).*

OPSON VIII Participating countries

Albania, Australia, **Austria**, Belarus, **Belgium**, Botswana, **Bulgaria**, Burundi, Cambodia, Cameroon, Chile, China, Congo (Democratic Rep.), **Cyprus**, **Czech Republic**, **Denmark**, Ecuador, Eritrea, Eswatini, Ethiopia, **Finland**, **France**, Gabon, Gambia, **Germany**, Ghana, **Greece**, Guinea Bissau, **Hungary**, India, Indonesia, **Ireland**, **Italy**, Jordan, Kenya, Lesotho, Liechtenstein, **Lithuania**, Malaysia, Mauritania, Moldova, Montenegro, Namibia, Nepal, Nigeria, North Macedonia, Norway, Paraguay, Peru, **Portugal**, **Romania**, Russia, Rwanda, Seychelles, Singapore, Somalia, South Africa, South Korea, South Sudan, **Spain**, **Sweden**, Switzerland, Tanzania, Thailand, Togo, Uganda, Ukraine, United Kingdom, Uruguay, United States, Zambia, Zimbabwe

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Legal framework to act

R 178/2002 on the General Food Law

R 1169/2011 on Food Information to Consumers

R 767/2009 on Feed

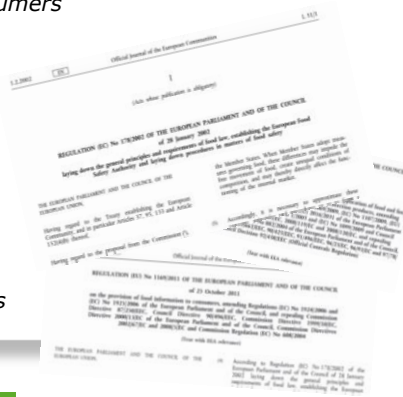
R 882/2004 → R 2017/625 on Official Controls

CiD 2015/1918

Operators: ensuring compliance

Authorities: verifying compliance

Commission: Guardian of the Treaties, cooperation, relation with non-EU countries



Are MS structures effective in dealing with food fraud?

Food inspectors without forensic capacities

Police inspectors without food expertise

Not necessarily a high priority compared to other criminal activities (when no public health risk)

Possibility to identify emerging risk

Ability to coordinate investigation

Capacity to work on equal terms with other investigative services



How can we ensure that fraudsters are penalised?

Easy choice: the risks of getting caught are low and there are no proper deterrents

Not traditionally a high priority for prosecution/judicial services

Lengthy process (public health risks)

Lack the necessary range of administrative measures /penalties



Main problems

Reputational risks. Food fraud incidents result in a loss of consumers' confidence in the EU food system. This adds to the impacts on the functioning of the internal market and on trade.

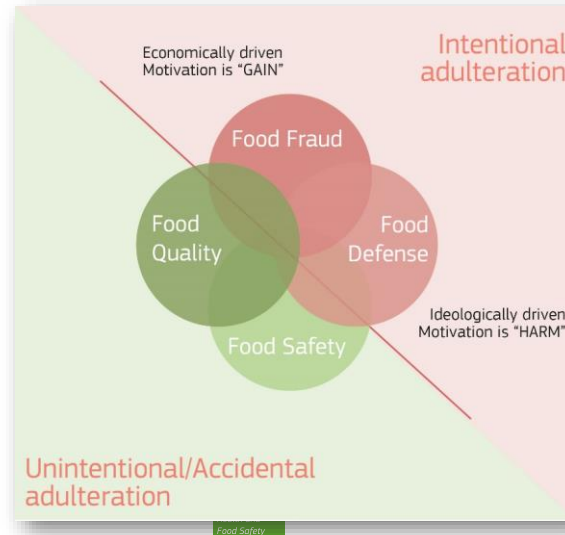
A safety-centric system. Food safety management systems are not specifically designed to detect fraudulent actions, particularly in cases not involving health risks. Several cases of food fraud might thus go undetected.

A global challenge. The complexity and the cross-border character of the agri-food chain increases the risk of fraud.



Threats to public health
Impacts on legitimate trade
Consumers: confidence
Companies: money
Authorities: credibility

Definition



Definition (2)



Mislabeling

- Expiry, provenance (unsafe origin), toxic Japanese star anise labeled as Chinese star anise
- Mislabelled recycled cooking oil



Unapproved enhancement

- Melamine added to enhance protein value
- Use of unauthorized additives (Sudan dyes in spices)



Dilution

- Watered-down products using nonpotable/unsafe water
- Olive oil diluted with potentially toxic tree oil



Concealment

- Poultry injected with hormones to conceal diseases
- Harmful food coloring applied to fresh fruit to cover defects



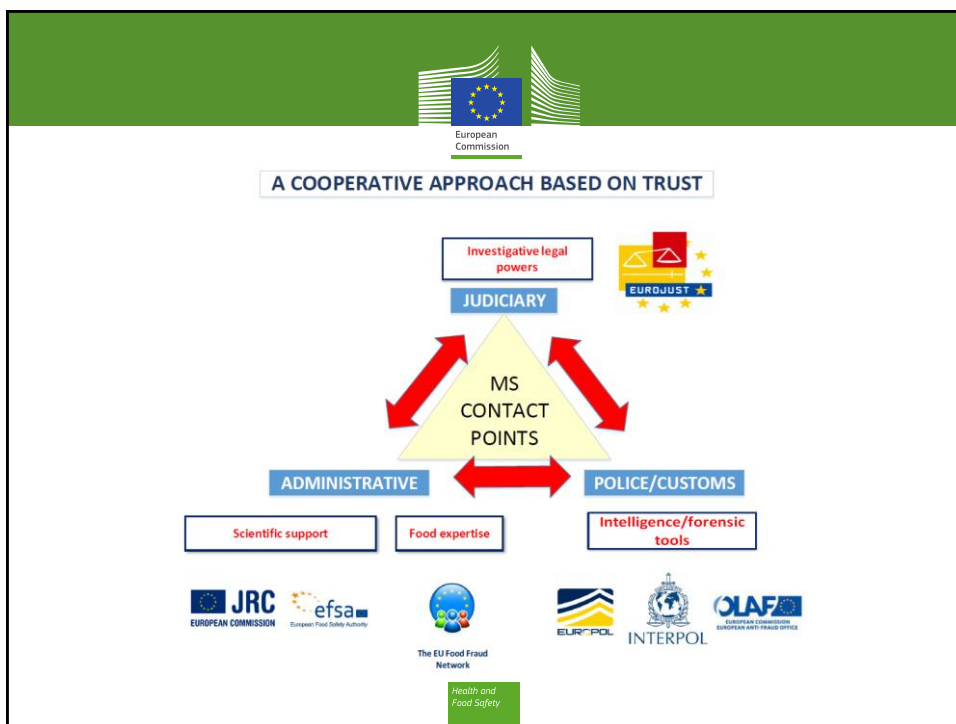
Substitution

- Sunflower oil partially substituted with mineral oil
- Hydrolyzed leather protein in milk



Counterfeiting

- Copies of popular foods not produced with acceptable safety assurances



European Commission

Members of the Food Fraud Network (FFN)


28 national contact points in the EU countries

Switzerland, Norway, Iceland, EFTA surveillance

European Commission (Unit SANTE.G5)

Associated EU body: Europol

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EU information systems

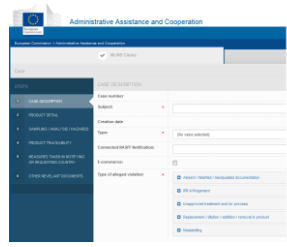
iRASFF (new generation electronic and interactive notification platform of RASFF)

- **RASFF**: Notification implying serious health risks (3638 in 2018, 3768 in 2017)
- **AAC_NC***: Notification for non-compliant products. 1153 requests and information in 2018 (85 in 2016, 602 in 2017)

AAC_FF*: Notification with suspicion of fraud

TRACES: Certification and identification traceability





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EU cooperation activities

Operations OPSON: Europol/Interpol joint initiative targeting trafficking in fake and substandard food and beverages.

OVER €100 MILLION WORTH OF FAKE FOOD AND DRINKS SEIZED IN LATEST EUROPOL-INTERPOL OPERATION

23 June 2018
Press Release

More than €100 million worth of potentially dangerous food and drinks was seized in the latest Operation OPSON, coordinated by Europol's Intellectual Property Centre, Customs Cooperation and INTERPOL. 472 individuals were arrested so far, with investigations ongoing in many countries.

Police, customs, national food regulatory authorities and private sector partners across 78 countries took part in the five-month OPSON VII operation which ran from December 2016 through April 2018.

In total, some 16 000 tonnes and 33 million litres of potentially dangerous fake food and drink was seized as a result of more than 67 000 checks carried out at shops, markets, airports, seaports and industrial estates.

Tampered expiry dates on cheese and chicken, controlled medicines added to drink products and meat stored in unsanitary conditions were some of the offences discovered during the operation.

As in previous operations, stock alcohol was the most seized item, totalling over 33 000 metric tonnes, followed by cereals and grains (nearly 3 600 metric tonnes) and condiments (nearly 1 100 metric tonnes).



Specialised trainings in the framework of the **Better Training for Safer Food** for food inspectors, police and customs officers and judicial authorities of the EU



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Activities on Food Fraud



The EUROPEAN FOOD FRAUD NETWORK & EU COORDINATED CASES



EU-WIDE COORDINATED CONTROL PLANS

horse meat (2013/2014), fish substitution (2015), honey (2015 / 2017), online offered food (2017), Herbs and Spices (2019)



TRAINING FOR FOOD FRAUD

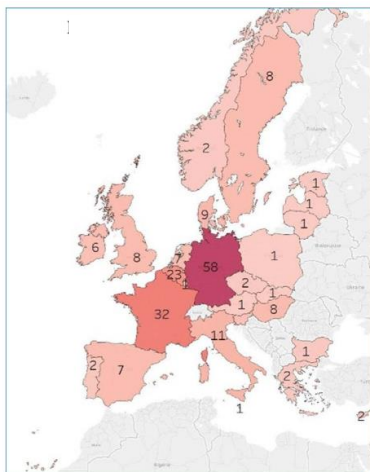
Specific workshops on eCommerce and Investigation Techniques



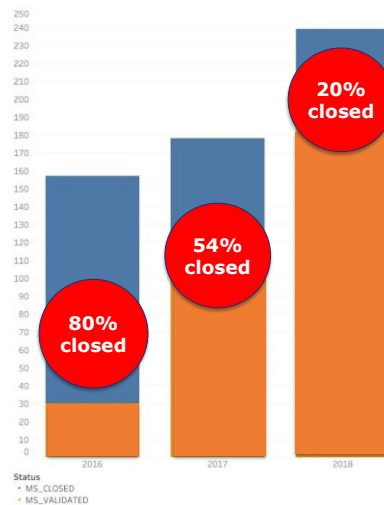
LEGISLATION ON OFFICIAL CONTROLS (OCR)

EU Reference Centres for food authenticity, stronger sanctions and broader scope for food fraud

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Total number of requests by requesting country (2018)



Status
 • MS_CLOSED
 • MS_VALIDATED

Status by year total number of requests

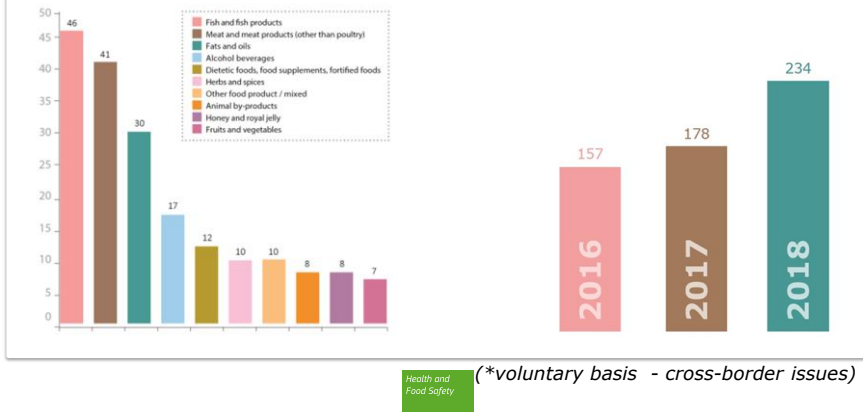
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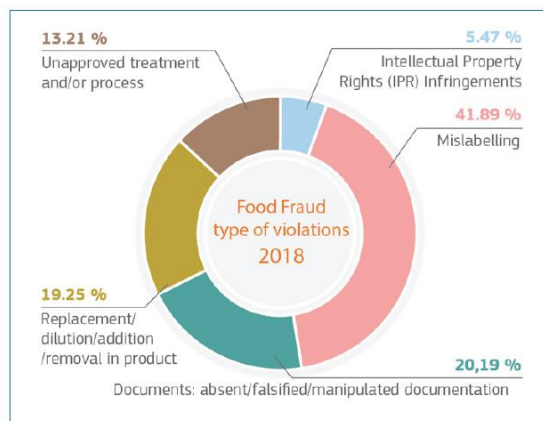
EU information systems

AAC_FF*: Notification with suspicion of fraud. 234 requests for cooperation were launched in the AAC-Food Fraud in 2018.

Activity Report: https://ec.europa.eu/food/safety/food-fraud/aas_en

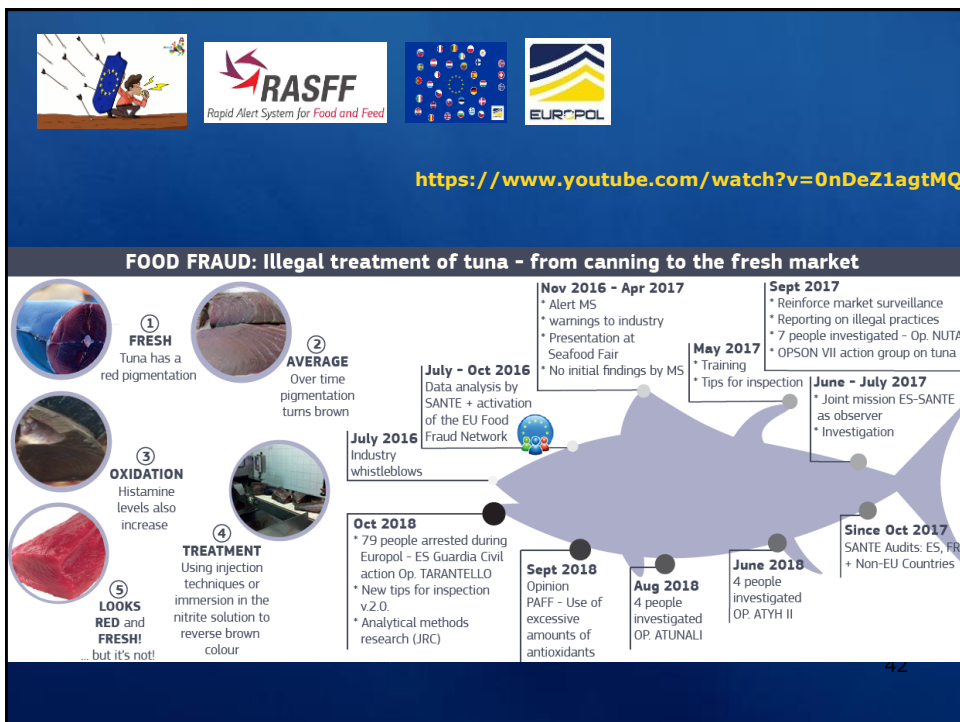


Type of suspected violation reported in the AAC-FF in 2018



Food Fraud

The Tuna case



Illegal treatment of Tuna – From canning to the fresh market



**Violation of
EU rules**

- **Tuna frozen in brine sold as fresh instead of being canned *(Reg. 853/2004)**
- **Treatment of the fish (unauthorised/ authorised additives) to promote a change of colour *(Reg. 1333/2008)**
- **Provision of food information to consumers *(Reg. 1169/2011)**

Illegal treatment of Tuna – From canning to the fresh market

- **Intentional use of authorised (antioxidant not in concordance with good manufacturing practices), unauthorized additives (nitrates/nitrites) and carbon monoxide to promote the colour change.**
- **EC warned industry several times to stop this practice**

Intention



Illegal treatment of Tuna – From canning to the fresh market



Economic gain

**Potentially > 200 million
€/year**

Illegal treatment of Tuna – From canning to the fresh market

- **Poor quality tuna sold as high quality**
- **Public health issues: a high level of histamines can lead to allergic syndrom and nitrites may lead to formation of nitrosamines (carcinogenic).**

**Deception of
customers
and on FBO level**



Food Fraud



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What next

What next?

European
Commission

Food Safety:
"I want you to **focus on the implementation and enforcement** of the extensive legislation in the areas of food safety and animal and plant health. Audits will be a crucial tool for this, notably to ensure that food imports meet our safety standards."

Stella Kyriakides

Commissioner-designate for Health

Ursula von der Leyen

President-elect of the European Commission

Mission letter

Food Fraud: 10 September 2019
"You should work with the Member States to develop a strategy with concrete measures against food fraud, drawing on the work of the European Anti-Fraud Office in this area."

What next?

- *Standing still and being mainly reactive is not an option when it comes to food fraud.*
- *Rules are rules: economic losses / consumer protection.*
- *Concrete measures drawing on the work of the European Anti-Fraud Office.*
- *Options depend on the level of ambition and consensus with Member States.*



European Commission

Inform, withdraw & report

Report or withdraw products when fraudulent or deceptive practices are suspected (whistle-blower protection and food fraud definition)

Increase information sharing with Authorities / Commission

Enhance "cross-border" cooperation

Get intelligence for prevention, search, detection and combat for other similar occurrences of fraud



Health and Food Safety



Prevent, detect & mitigate

"Think like a criminal to fight fraud"

Food Safety Systems designed to prevent / mitigate frauds

Vulnerability Assessment (supply chain mapping, socio-economic/behavioural/geopolitical analysis ...)

Plan to control identified vulnerabilities (monitoring strategy, origin/label verification, supplier audit, analytical testing strategy, anti-counterfeit technology ...)



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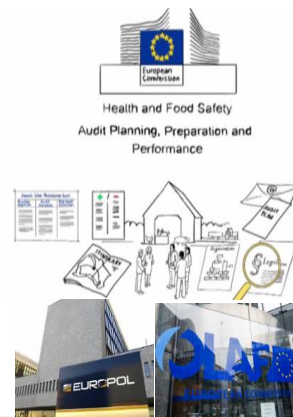


Inspect, investigate & penalise

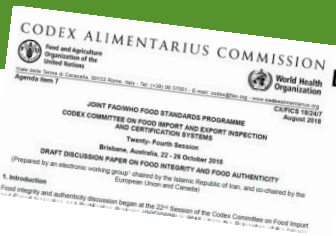

Unannounced Commission controls and "on the spot verifications"

To sensibilise administrative, investigative and judicial authorities to increase the risks of getting caught

Streamline the prosecution (judicial services): lengthy process (public health risks)



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Multilateral: Codex Committee on Food Import & Export Inspection & Certification Systems


CCFICS24 (2018): New eWG chaired by the USA and co-chaired by the Islamic Republic of Iran, the European Union and the People's Republic of China


ToRs: consider the role of CCFICS with respect to tackling the challenge of food fraud in the context of food safety and fair practices in the food trade.

Timetable for work Deadline for registration of EWG participants	22 March 2019
First draft document circulated for comments	3 June 2019
Deadline for comments on first draft	16 July 2019
Second draft document circulated for comment	September 2019
Deadline for comments on second draft document	October 2019
Final document sent to Australian and Codex Secretariats for review, translation and distribution for CCFICS25	January 2020



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** This is not an apple*

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