



United States Department of Agriculture



OFFICE OF INSPECTOR GENERAL



National Organic Program International Trade Arrangements and Agreements

Audit Report 01601-0001-21

OBJECTIVE

Our objective was to assess AMS' controls over the approval and oversight of NOP's international trade arrangements and agreements for the import of organic products into the United States. Specifically, we reviewed (1) the process used in determining whether exporting countries' organic standards are equivalent to USDA's organic standards, and (2) imported organic product compliance with USDA's organic standards.

REVIEWED

We reviewed policies and procedures of organic equivalency arrangements and recognition agreements, interviewed relevant agency officials, and visited U.S. ports of entry.

RECOMMENDS

We recommend documenting the resolution of organic standard variances and obtaining assistance from outside agencies for reviewing and verifying NOP required import documents, as well as identifying and tracking treated imported organic products.

OIG evaluated AMS' controls over the approval and oversight of NOP's agreements for international trade and the import of organic products.

WHAT OIG FOUND

The Department of Agriculture's (USDA) National Organic Program (NOP) is housed within the Agricultural Marketing Service (AMS) and is responsible for developing national standards for organically produced agricultural products. Our audit found that AMS needs to strengthen its controls over the approval and oversight of international trade arrangements and agreements for the import of organic products into the United States.

First, we concluded that AMS' process for determining equivalency of organic standards lacked transparency. NOP officials maintained documentation of the process to resolve differences between foreign and USDA organic standards, but they did not have a methodology in place to disclose the results of that process to stakeholders. Next, we concluded that AMS was unable to provide reasonable assurance that NOP required documents were reviewed at U.S. ports of entry to verify that imported agricultural products labeled as organic were from certified organic foreign farms and businesses that produce and sell organic products.

Further, imported agricultural products, whether organic or conventional, are sometimes fumigated at U.S. ports of entry to prevent prohibited pests from entering the United States. AMS has not established and implemented controls at U.S. ports of entry to identify, track, and ensure treated organic products are not sold, labeled, or represented as organic.

AMS officials concurred with our findings and recommendations, and we accepted management decision on all nine recommendations.



United States Department of Agriculture
Office of Inspector General
Washington, D.C. 20250



DATE: September 13, 2017

AUDIT
NUMBER: 01601-0001-21

TO: Bruce Summers
Acting Administrator
Agricultural Marketing Service

ATTN: Frank Woods
Chief, Internal Audits
Compliance Safety & Security Division

FROM: Gil H. Harden
Assistant Inspector General for Audit

SUBJECT: National Organic Program – International Trade Arrangements and Agreements

This report presents the results of the subject audit. Your written response to the official draft report, dated August 10, 2017, is included in its entirety at the end of this report. Your responses and the Office of Inspector General (OIG) position are incorporated into the relevant sections of the report. Based on your written responses, we are accepting your management decision for all nine recommendations.

In accordance with Departmental Regulation 1720-1, final action is required to be taken within 1 year of each management decision to prevent being listed in the Department's annual Agency Financial Report. Please follow your internal agency procedures in forwarding final action correspondence to the Office of the Chief Financial Officer.

We appreciate the courtesies and cooperation extended to us by members of your staff during our audit fieldwork and subsequent discussions. This report contains publicly available information and will be posted in its entirety to our website (<http://www.usda.gov/oig>) in the near future.

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Background and Objectives

Background

The Organic Foods Production Act of 1990 (OFPA),¹ adopted as part of the 1990 Farm Bill, required the Secretary of the Department of Agriculture (USDA) to establish national standards governing the marketing of certain agricultural products as organically produced products; to assure consumers that organically produced products meet a consistent standard; and to facilitate interstate commerce in fresh and processed food that is organically produced. During implementation, the Secretary delegated OFPA responsibilities to the Agricultural Marketing Service (AMS), which manages marketing programs for domestic and international products, such as food, fiber, and specialty crops. Through regulations finalized in December 2000,² USDA established the National Organic Program (NOP) as a regulatory program housed within AMS. NOP is responsible for developing rules and regulations for the production, handling, labeling, and enforcement of all USDA organic products. These regulations assure consumers that products with the USDA organic seal meet consistent, uniform standards.

Under OFPA, imported agricultural products may be sold or labeled as organically produced if the Secretary determines that such products have been produced and handled under an organic certification program. The organic certification program requirements must be at least equivalent to OFPA's requirements.³ AMS—through NOP—is responsible for administering organic trade arrangements and agreements with foreign countries and ensuring compliance with OFPA and Federal NOP regulations.

Imported agricultural products to be sold or labeled as organic in the United States may be certified (1) by NOP-accredited certifying agents,⁴ (2) under an equivalency arrangement,⁵ or (3) under a recognition agreement.⁶ AMS, in response to an Office of Inspector General (OIG) audit in 2005,⁷ implemented NOP instructions for accepting, processing, and making final determinations on equivalency arrangement requests from foreign countries.⁸ AMS also implemented NOP instructions for accepting, processing, and making final determinations on recognition agreement requests from foreign countries.⁹

¹ OFPA, §§ 2102 and 2104 (7 U.S.C. §§ 6501 and 6503).

² *Federal Register*, "National Organic Program," vol. 65, pg. 80548, Dec. 21, 2000.

³ OFPA, § 2106 (b) (7 U.S.C. § 6505(b)).

⁴ Certifying agents are entities NOP accredits for the purpose of certifying a farm or handling operation as a certified organic farm or handling operation in accordance with OFPA.

⁵ An equivalency arrangement is used for foreign countries whose organic standards are at least equivalent to NOP standards.

⁶ A recognition agreement is used for foreign countries that do not have organic standards in place or whose organic standards are not equivalent to NOP standards.

⁷ Audit Report 01001-0002-Hy, *National Organic Program*, July 2005.

⁸ USDA NOP, *National Organic Program Handbook, NOP 2100 Equivalence Determination Procedures*, Jan. 5, 2007.

⁹ USDA NOP, *National Organic Program Handbook, NOP 2200 Recognition and Monitoring of Foreign Government Conformity Assessment Systems*, Aug. 16, 2010.

According to NOP’s Instruction *NOP 2100—Equivalence Determination Procedures*, equivalence means that the United States has determined that a foreign government’s technical requirements¹⁰ and conformity assessment system¹¹ meet or exceed the requirements of OFPA and its regulations for implementation. To evaluate equivalence, NOP will conduct a side-by-side comparison¹² of USDA and the foreign government’s technical requirements and conformity assessment systems to determine any similarities and differences that may exist. U.S. equivalence determinations will be transparent, enabling all interested parties and the public to understand the basis for its actions. Further, in making an equivalence determination, USDA may ask a foreign government for permission to engage in one or more onsite audits to verify that the foreign government’s conformity assessment system for production, handling, and processing of organic agricultural products is functioning as indicated in the document review of the foreign country’s organic regulations and procedural manuals. The equivalence determination procedures further state that, following discussions with the foreign government, the U.S. equivalence determination will be transmitted to the foreign government by letter from the appropriate U.S. official. The letter will establish the equivalency arrangement recognizing the equivalence of the foreign government’s organic regulations to NOP regulations.¹³

If a foreign country does not have its own organic standards, or its organic standards are not equivalent to OFPA organic standards, a recognition agreement may be requested. A recognition determination assesses only the foreign government’s conformity assessment system. Under a recognition agreement, for organic agricultural products to be sold, labeled, or represented in the United States as organic, they must be certified by certifying agents accredited by the recognized foreign government and be certified in compliance with OFPA and NOP regulations. To evaluate a foreign government’s conformity assessment system’s ability to comply with NOP regulations, NOP officials will conduct a document review of the foreign government’s conformity assessment system and evaluate it using the International Organization for Standardization’s 17011 evaluation matrix.¹⁴ NOP officials will also conduct an onsite audit to evaluate that the foreign government’s conformity assessment system is functioning as indicated in the document review and in compliance with OFPA and NOP regulations.¹⁵ After the review

¹⁰ “Technical requirements” refers to a system of laws, regulations, regulatory practices, and procedures that address the production, handling, and processing of organic agricultural products.

¹¹ “Conformity assessment system” refers to all activities undertaken by a government to ensure that the applicable technical requirements for the production, handling, and processing of organic agricultural products are fully and consistently applied from product to product.

¹² Because NOP did not have enough staff resources to conduct a side-by-side comparison of organic standards when it received the first equivalency arrangement request, the Foreign Agricultural Service utilized technical assistance for specialty crops program funds to contract third party organizations with expertise in organics to perform the side-by-side comparisons. Since then, third party organizations have continued to perform the side-by-side comparisons of organic standards for NOP.

¹³ USDA NOP, *National Organic Program Handbook, NOP 2100 Equivalence Determination Procedures*, Oct. 29, 2015.

¹⁴ International Organization for Standardization’s 17011 specifies general requirements for assessing foreign accreditation bodies’ conformity assessment systems.

¹⁵ Onsite audits assess a foreign country’s organic program according to International Organization for Standardization’s 19011:2011 Guidelines for Auditing Management Systems.

and onsite audit are complete, a final recommendation by NOP officials will be forwarded to the AMS Administrator for approval.¹⁶

Currently, NOP administers equivalency arrangements with Canada, the European Union, Japan, Korea, and Switzerland. Negotiations for equivalency arrangements are underway with Mexico and Taiwan. NOP also administers recognition agreements with India, Israel, and New Zealand.

Objectives

Our objective was to assess AMS' controls over the approval and oversight of NOP's international trade arrangements and agreements for the import of organic products into the United States. Specifically, we reviewed (1) the process used in determining whether exporting countries' organic standards are equivalent to USDA's organic standards, and (2) imported organic product compliance with USDA's organic standards.

¹⁶ USDA NOP, *National Organic Program Handbook, NOP 2200 Recognition and Monitoring of Foreign Government Conformity Assess Systems*, May 6, 2015.

Section 1: Organic Standards' Equivalency Determinations

Finding 1: Organic Standards' Equivalency Determination Process Was Not Fully Transparent

AMS' process for determining equivalency of organic standards was not transparent. NOP officials maintained supporting documentation of the process undertaken to resolve identified differences between foreign and USDA organic standards, but did not have a procedure in place to document and disclose the results of that process to interested parties and the public. The lack of transparency could result in reduced U.S. consumer confidence in the integrity of organic products imported into the United States.

OFPA allows imported agricultural products to be sold or labeled as organically produced if the Secretary determines that such products have been produced under an organic certification program that provides safeguards and guidelines governing the production and handling of such products that are at least equivalent to OFPA.¹⁷ NOP Handbook instructions for equivalence determination procedures state that equivalence determinations will be transparent, enabling all interested parties and the public to understand the basis for its actions. NOP instructions state that following discussions with the foreign government, the U.S. equivalence determination will be transmitted to the foreign government by letter from the appropriate U.S. official. The letter will recognize the equivalence of the foreign system and will include, in the case of a limited equivalence determination, the obligation to adhere to any limitations or restrictions regarding the use of certain methods, procedures, processes, or substances in products to be sold, labeled, or represented as organic in the United States.¹⁸ The instructions do not specify who will be involved in these discussions or how to document and disclose the final resolution of identified differences.

As part of the process for evaluating equivalence, NOP officials are part of a working group comprised of NOP officials, Foreign Agricultural Service (FAS) officials, and the Office of the United States Trade Representative (USTR). This working group is responsible for discussions and negotiations with foreign government officials to reach agreement on how identified differences in organic standards will be addressed before recommending approval of an equivalency arrangement.

We reviewed and evaluated the determinations made for all five current equivalency arrangements. Our review of the side-by-side comparisons of organic standards, onsite audits, and other documentation, such as NOP analysis and correspondence, found that the side-by-side comparisons of organic standards identified differences in organic standards for all five equivalency arrangement requests. For example, the equivalency determination process for one of the five equivalency arrangements identified 25 procedural and 9 technical differences

¹⁷ OFPA, § 2106 (b) (7 U.S.C. § 6505(b)).

¹⁸ USDA NOP, *National Organic Program Handbook, NOP 2100 Equivalence Determination Procedures* Oct. 29, 2015.

between organic standards.¹⁹ The equivalency arrangement determination letter recognized the equivalence of the foreign system and contained only one provision stating that any products derived from animals treated with antibiotics will not be marketed as organic in the United States. NOP officials did not document and disclose the final resolution of foreign organic standards that differed from USDA organic standards. Therefore, we could not conclude that the differences were resolved prior to the issuance of the equivalency arrangement determination letter.

Additionally, one equivalency arrangement identified 68 procedural and 28 technical differences between organic standards. In this case, the equivalency arrangement determination letter contained a provision requiring wine to be produced and labeled according to NOP regulations and a provision prohibiting products derived from animals treated with antibiotics. As with our previous example, NOP officials did not document and disclose the final resolution of all identified differences in organic standards, and therefore we could not conclude that these differences were resolved.

We understand that while procedural and/or technical differences may be identified during analysis of the respective organic standards, the foreign standard is deemed equivalent if it complies with OFPA. OFPA does not require that the foreign standard be identical to the USDA organic standards. Based on our review of equivalency arrangement documentation, we could not determine whether all identified differences in organic standards were resolved in such a way that the equivalence determinations were justified. We concluded that the equivalence determination process lacked the transparency that would allow interested parties and the public to understand the basis for NOP's equivalence determinations.

NOP officials acknowledged that they maintain the side-by-side analysis that identifies differences in organic standards and the final equivalency arrangements, but that documents in support of final resolution of identified differences in standards are internal documents and are not made available to the public. NOP officials provided OIG with these internal documents which provided confirmation that the working group resolved differences in organic standards with foreign officials through meetings, telephone calls, exchange of internal documents, and negotiations. However, after examining these internal documents, OIG could still not determine the final outcome of all identified differences listed in the side-by-side analysis of organic standards. NOP officials noted that, as part of the working group, they provide technical expertise during discussions and negotiations with foreign government officials to resolve the identified differences in standards. USTR leads the negotiations and has negotiating authority for resolving international trade issues. Furthermore, NOP officials stated that negotiations are sensitive in nature; can be influenced by cultural practices, geography, markets, or political mandates; and involve numerous back and forth discussions that may require additional onsite visits to ensure a complete and accurate understanding of the differences in organic standards.

While we agree that some negotiations may be sensitive in nature and those documents are not made available to the public, NOP officials, as members of the working group, know the final outcome of those negotiations. We believe that NOP officials should be able to track and

¹⁹ Procedural differences are differences in the conformity assessment system defined in Footnote 11. Technical differences are differences in the technical requirements defined in Footnote 10.

document the final outcome of all identified differences on a single document that would be made available to the public. Developing and implementing a procedure to document and disclose the final outcome of the identified differences will provide the transparency to assure interested parties and the public that all identified differences in organic standards were resolved in such a way that equivalence determinations were justified.

Recommendation 1

Prior to issuance of future U.S. equivalence determination letters, develop and implement a procedure to document and disclose the final resolution of all foreign country organic standards identified as having differences from USDA organic standards..

Agency Response

In its August 10, 2017, response, AMS concurred with this recommendation. Foreign organic standard variances from the OFPA and USDA organic regulations, whether procedural or technical, are evaluated by AMS through onsite assessments and negotiations with foreign governments. AMS agrees that public-facing final equivalency documents do not explicitly indicate how those variances were resolved. To ensure greater transparency when establishing future equivalency arrangements, AMS will develop and implement a procedure to clearly document and disclose the final outcome of the variances from the side-by-side analysis of organic standards to assure interested parties and the public that all variances were resolved in a way that justifies the equivalence determination. AMS plans to complete this request by July 2018.

OIG Position

We accept the management decision for this recommendation.

Section 2: AMS Needs to Strengthen Its Controls over Organic Imports

Finding 2: NOP Organic Import Documents Were Not Verified at U.S. Ports of Entry

AMS was unable to provide reasonable assurance that NOP required documents were reviewed at U.S. ports of entry to verify that imported agricultural products labeled as organic were from certified organic foreign farms and businesses that produce and sell organic products. Although AMS does not have the regulatory authority to establish and implement controls at U.S. ports of entry, AMS could have worked with other Federal agencies to establish and implement controls for reviewing and verifying the authenticity of organic import certificates at U.S. ports of entry to ensure imported agricultural products were produced and handled by certified operations. The lack of controls at U.S. ports of entry increases the risk that non-organic products may be imported as organic into the United States and could create an unfair economic environment for U.S. organic producers.

OFPA assures consumers that organically produced products meet a consistent standard.²⁰ OFPA allows imported agricultural products to be sold or labeled as organically produced if the Secretary determines that such products have been produced and handled under an organic certification²¹ program that provides safeguards and guidelines governing the production and handling of such products that are at least equivalent to the requirements of OFPA.²² Foreign countries, whose guidelines and safeguards are recognized or determined to be at least equivalent to the requirements of the OFPA, may sell, label, and represent their product in the United States as organically produced and display the USDA organic seal.²³ Agricultural products sold or labeled as organic must be produced only on certified farms and handled only through certified operations.²⁴

NOP officials have recognized the risk of importing products mislabeled as organic. In 2012, NOP officials began requiring import certificates²⁵ for all shipments of organic products imported into the United States as part of the equivalency arrangement terms with foreign countries. NOP officials also determined that verifying the authenticity of organic imports from countries other than those with an equivalency arrangement was needed to further ensure the

²⁰ OFPA, § 2102 (7 U.S.C. § 6501).

²¹ Certification is the process by which certifying agents and USDA's NOP ensure that agricultural products sold, labeled, or represented as organic are produced and handled in compliance with OFPA.

²² OFPA, § 2106 (b) (7 U.S.C. § 6505 (b)).

²³ Title 7 Code of Federal Regulations, Part 205-National Organic Program, § 205.500(c), Areas and duration of accreditation (2016).

²⁴ OFPA, § 2107 (a)(1)(A) (7 U.S.C. 6506 (a)(1)(A)).

²⁵ Import certificates provide significant benefits to importers and consumers of organic products and help verify that organic products imported into the United States are in compliance with the terms of each equivalency arrangement and USDA organic standards. Information on the import certificate enables NOP officials to trace organic imports to operations certified to produce and handle organic products and verify the integrity of the imports prior to entering U.S. markets. Import certificates are completed and signed by the accredited certifying agents who verify a producer's or handler's organic certification as well the imported product's organic status.

integrity of imported organic products. In 2015, NOP officials began drafting a proposed rule to amend NOP's regulations to require all shipments of imported products intended to be sold, represented, or labeled in the United States as organic be accompanied by an NOP import certificate. NOP officials continue to work on this endeavor and estimate publishing the proposed rule in 2017.

We visited seven U. S. ports of entry to observe AMS' controls in place to oversee and enforce the terms of NOP equivalency arrangements and ensure compliance with NOP regulations.²⁶ To identify AMS' controls to ensure compliance with NOP regulations and equivalency arrangements, we observed inspections of foreign agricultural products entering the country.

We concluded that AMS had not established and implemented controls at U.S. ports of entry to ensure importers comply with the requirements of its equivalency arrangements. NOP requires import certificates to accompany shipments of organic agricultural products entering the United States as part of its equivalency arrangements. However, AMS has not formally requested assistance from other Federal agencies in reviewing NOP import certificates at U.S. ports of entry, to ensure NOP requirements are met. For example, AMS could request assistance from the U.S. Customs and Border Protection (CBP) to ensure that the required NOP import certificates are uploaded to CBP's Automated Commercial Environment (ACE) system for review by NOP officials. AMS can also utilize ACE's Partner Government Agencies message sets database²⁷ to notify CBP officials to verify that NOP import certificates are uploaded to ACE. Ensuring that NOP import certificates are uploaded to ACE would allow AMS to verify certificates' authenticity and track organic imports entering the country. Without controls in place at U.S. ports of entry to verify the authenticity of organic import certificates, non-organic products may be imported as organic, if unscrupulous parties are willing to use fraudulent organic import certificates. NOP officials investigate complaints received from consumers, accredited certifying agents, and other stakeholders concerning the authenticity of the imported organic product. These investigations may occur at any point in the supply chain, from the time the product is produced until the time product is sold.

Furthermore, AMS has not worked with other Federal agencies to establish and implement controls at U.S. ports of entry to track and verify the authenticity of required NOP documents, such as a systematic verification of import certificates. Additionally, although not mandated to do so, AMS could implement a system to capture organic import data, such as country of origin, approving certifier, description of the imported products, or volume of organic imports, at U.S. ports of entry. AMS relies on organic import data from outside agencies, such as USDA's Economic Research Service and FAS, who are mandated to collect, analyze, and share import data. These data are incomplete because ACE tracks only organic import data for

²⁶ The U.S. ports of entry we visited were in Dallas, Texas; Chicago, Illinois; New York, New York; Philadelphia, Pennsylvania; Los Angeles, California; San Francisco, California; and Seattle, Washington.

²⁷ Partner government agencies message sets are housed on the ACE system. Message sets are text messages that are tied to a harmonized tariff schedule (HTS) code. These text messages will be displayed when the HTS code is used and provide further guidance and instruction to CBP and Animal and Plant Health Inspection Service (APHIS) officials conducting inspections of agricultural products at U.S ports of entry.

products that have an assigned HTS code.²⁸ Of the over 21,800 codes, there are only 40 HTS codes available for organic products. Organic products that do not have an assigned HTS code use the HTS code assigned to the conventional product type.

NOP officials acknowledged the lack of controls at U.S. ports of entry to verify the authenticity of imported organic products but noted that they have begun to address this issue by creating new requirements, such as import certificates for all organic product shipments entering the country, whether USDA or foreign certified. NOP officials stated that once the requirements are implemented, they will commence designing controls to monitor compliance with those requirements, such as entering into an Memorandum of Understanding (MOU) with CBP and designing a system to capture organic import data for use in identifying fraudulent import certificates and reporting accurate organic import data. We commend AMS for the actions it has taken to reduce the risk of non-organic products entering the organic market. Such actions include drafting a proposed rule to amend NOP regulations requiring import certificates for all organic import shipments into the United States, and requiring NOP import certificates to accompany organic import shipments as part of the terms of equivalency arrangements they have entered into with the European Union, Japan, Korea, and Switzerland. However, for the benefits of those actions to be realized, AMS must establish controls to oversee and enforce NOP requirements at U.S. ports of entry.

To help strengthen controls, AMS should continue to work to implement the proposed rule and take action to enter into an MOU with CBP for assistance in reviewing NOP required documents for importing organic products. AMS should also request CBP to update the ACE Partner Government Agencies message sets to provide CBP officials with instructions for reviewing NOP import certificates at U.S. ports of entry and assisting NOP officials to ensure import certificates are uploaded to the ACE system. Lastly, AMS should develop and implement a plan to collect and utilize the data contained on the import certificate, such as the description of the product, approving certifier, and volume of organic product shipped, to track organic imports from foreign countries. The data from NOP import certificates could be useful for identifying fraudulent import certificates. This information could help improve NOP officials' ability to proactively investigate possible violations of USDA organic regulations, and enable AMS to accurately report organic import data. Actions to oversee and enforce its requirements play a critical role in maintaining the integrity of NOP and ensuring public trust in products labeled as organic.

²⁸ Almost all countries use a tariff classification system based on the international Harmonized System maintained by the World Customs Organization. The United States International Trade Commission maintains the U.S. HTS codes. The HTS codes are used to classify goods based on their material composition, product name, and/or intended function and to determine the tariff rate to be applied to an imported product. Interested parties may petition the United States International Trade Commission for the creation or modification of HTS codes and must include in their petition trade data such as total trade volume, number of foreign trading partners, and the frequency of trade for the commodity in question.

Recommendation 2

Execute a Memorandum of Understanding (MOU) between AMS and Customs and Border Protection (CBP) to obtain assistance from CBP officials in reviewing National Organic Program (NOP) import certificates from countries with established equivalence arrangements at U.S. ports of entry.

Agency Response

In its August 10, 2017, response, AMS concurred with this recommendation. While AMS supports establishing an MOU with CBP to obtain assistance in reviewing NOP import certificates at U.S. ports of entry, CBP officials have expressed to AMS that they have limited capacity to take on additional responsibilities and no current authority to review organic imports or NOP import certificates. In light of those concerns, AMS proposes to first develop a report outlining how AMS and CBP could collaborate in these areas under existing authorities, and present it to CBP by December 2017. If an MOU is deemed practical by both parties, AMS will work with CBP to implement a formal MOU by July 2018.

OIG Position

We accept the management decision for this recommendation.

Recommendation 3

Request CBP to update the Automated Commercial Environment (ACE) system message sets to provide CBP officials with instructions for reviewing NOP import certificates at U.S. ports of entry and the actions to take if they are not found.

Agency Response

In its August 10, 2017, response, AMS concurred with this recommendation. AMS will request that CBP update the ACE system message sets to provide CBP officials with instructions for reviewing NOP import certificates from countries with established equivalency arrangements at U.S. ports of entry. AMS' request will include instructions that would enable CBP to take appropriate action (e.g., hold product, notify AMS) when NOP import certificates are not found according to message set instructions. AMS plans to complete this request by July 2018.

OIG Position

We accept the management decision for this recommendation.

Recommendation 4

Develop and implement a plan to verify NOP import certificates at U.S. ports of entry, identify fraudulent import certificates, and capture organic import data.

Agency Response

In its August 10, 2017, response, AMS concurred with this recommendation. AMS will prepare a needs assessment for an organic verification system that validates organic import certificates, identifies fraudulent certificates and captures organic trade data. This needs assessment would form a baseline for future technology development work as resources become available. AMS plans to complete the needs assessment by July 2018.

OIG Position

We accept the management decision for this recommendation.

Finding 3: Controls Over Organic Products Fumigated at U.S. Ports of Entry Were Inadequate

Imported agricultural products, whether organic or conventional, are sometimes fumigated at U.S. ports of entry to prevent prohibited pests from entering the United States.²⁹ AMS has not established and implemented controls at U.S. ports of entry to identify, track, and ensure that treated organic products are not sold, labeled, or represented as organic. As a result, U.S. consumers of organic products have reduced assurance that foreign agricultural products maintain their organic integrity from farm to table.

NOP regulations state that measures must be implemented to prevent the commingling of organic and nonorganic products and protect organic products from contact with NOP-prohibited substances.³⁰ NOP regulations also prohibit organic products contaminated with prohibited substances at levels higher than 5 percent of the Environmental Protection Agency's tolerance level for the specific substance detected from being sold, labeled, or represented as organically produced.³¹

We visited seven U.S. ports of entry to identify AMS' controls to oversee and enforce the terms of its equivalency arrangements and recognition agreements with foreign countries. To identify these controls, we observed inspections of imported organic and conventional agricultural product shipments. Through our interviews of appropriate officials and observations, we learned that each shipment is inspected to ensure that imported fruits and vegetables are disease and pest free. If no issues are identified after inspection, the imported agricultural products are released into U.S. commerce. If disease or pests are detected, the shipment is quarantined and the APHIS official prepares an Emergency Action Notification (EAN) form and contacts the shipment's legal owner. The EAN form provides notice to the owner who must choose one of three options to mitigate the threat: (1) re-export the product to the country of origin or a third country, (2) destroy the product, or (3) treat the product to eradicate the identified pest(s).

Through interviews of appropriate officials, observations of imported agricultural product inspections, and a review of applicable documented procedures, we found that if the shipment's owner elects to treat the organic agricultural products, they are treated using the same methods and substances used for conventional products. There are no special treatment methods for organic products. This practice results in the exposure of organic agricultural products to NOP-prohibited substances. Once treated, APHIS prepares a fumigation record to document the type of treatment employed and the length of time the product was treated. The fumigation record allows APHIS to report to CBP that the pest has been eradicated and request that the organic agricultural product be released from quarantine. We concluded that AMS had not established

²⁹ APHIS procedures outline chemical and non-chemical treatment of agricultural products to prevent movement of agricultural pests into the United States. Chemical treatments include fumigants, aerosols, and micronized dust. Non-chemical treatments include heat, cold, and irradiation. Imported agricultural products may also be treated with ionizing radiation, which is also prohibited for organic products.

³⁰ Title 7 Code of Federal Regulations, Part 205-National Organic Program, § 205.272, *Commingling and contact with prohibited substance prevention practice standard* (2016).

³¹ Title 7 Code of Federal Regulations, Part 205-National Organic Program, § 205.671, *Exclusion from organic sale*, (2016).

controls at U.S. ports of entry to identify organic products that have come in contact with prohibited substances due to treatment for eradicating pests.

APHIS officials identified this issue in 2015 and alerted NOP officials to the weakness in the system. In response, NOP officials created a NOP import oversight working group, which included representatives from APHIS. The import oversight working group was tasked with recommending improvements to ensure that any shipment of organic agricultural product treated with NOP-prohibited substances is no longer represented as organic in U.S. markets. The working group is also working with APHIS officials to update the message sets database in the ACE system, which provides APHIS inspectors with further guidance for procedures to follow when inspecting a certain type of agricultural product.

NOP officials acknowledged that they will be able to use this feature to provide APHIS inspectors with guidance on additional steps to take for organic products that are treated with NOP-prohibited substances. NOP officials stated that they have provided training to APHIS port inspectors on how to identify organic products. APHIS is implementing a system to notify NOP officials when organic products are treated with NOP-prohibited substances. Additionally, the working group has updated APHIS forms to include warning statements that treated organic products must not be marketed as organic. NOP officials noted that in lieu of modifying APHIS forms, they could provide importers with NOP guidance warning importers to not market-treated products as organic after receiving notification of treated organic product shipments. On July 13, 2016, AMS posted a reminder on its website notifying U.S. importers that organic agricultural products cannot be treated with irradiation, or fumigated with NOP-prohibited substances.

We commend NOP officials for taking actions to establish controls to ensure that imported organic agricultural products that come in contact with NOP-prohibited substances are no longer sold, labeled, or represented as organic. However, in our view, NOP officials can take additional actions to provide U.S. consumers with assurance that imported products that are sold, labeled, and represented as organic have not come in contact with prohibited substances throughout the production and handling cycles. In our view, AMS should enter into an MOU with APHIS to ensure that NOP officials are notified when imported organic agricultural products are treated at U.S. ports of entry. During our audit, AMS entered into an MOU with APHIS that will allow APHIS to add language to the EAN form advising that if organic products are treated, the products can no longer be sold, labeled, or represented as organic. Further, AMS is currently working with APHIS to implement a notification system utilizing APHIS' fumigation records to provide NOP officials with notice of organic products that are fumigated at U.S. ports of entry. AMS should also request CBP to update the message sets on the ACE system that APHIS inspectors use. Specifically, the ACE system should notify APHIS inspectors of steps to take, such as providing the organic product owner with a copy of the EAN form that contains a notice that the organic product can no longer be sold, labeled, or represented as organic. Lastly, AMS should develop and implement a plan for creating and implementing procedures to track products treated with NOP-prohibited substances at U.S. ports of entry to ensure they are not sold, labeled, or represented as organic.

Recommendation 5

Execute an MOU between AMS and APHIS to ensure that APHIS officials notify NOP officials when imported agricultural products are treated with NOP-prohibited substances at U.S. ports of entry.

Agency Response

In its August 10, 2017, response, AMS concurred with this recommendation. On January 23, 2017, an MOU was executed to document the collaborative efforts between APHIS and AMS in identifying imported organic shipments of agricultural products that, prior to importation into the United States, are treated for plant pests or are treated as a condition of entry.

OIG Position

We accept the management decision for this recommendation.

Recommendation 6

Request CBP to update the ACE system message sets to ensure APHIS officials are notified of steps to take when organic agricultural imports are treated with NOP-prohibited substances at U.S. ports of entry. The steps should include a mechanism for the ACE system to notify APHIS officials to provide a copy of the EAN form that includes notice to importers that treated organic products can no longer be sold, labeled, or represented as organic.

Agency Response

In its August 10, 2017, response, AMS concurred with this recommendation. AMS is working with APHIS to develop mechanisms within the APHIS EAN system to identify, track, and ensure that treated organic products are not sold, labeled or represented as organic. AMS plans to implement these mechanisms by July 2018.

OIG Position

We accept the management decision for this recommendation.

Recommendation 7

Develop and implement a plan for creating and implementing procedures for tracking organic products treated with NOP-prohibited substances at U.S. ports of entry and ensuring those products are not sold, labeled or represented as organic.

Agency Response

In its August 10, 2017, response, AMS concurred with this recommendation. AMS and APHIS are establishing procedures to notify importers and certifiers when organic products are treated and can no longer be sold, labeled, or represented as organic. AMS plans to implement these procedures by July 2018.

OIG Position

We accept the management decision for this recommendation.

Finding 4: Onsite Audits Not Conducted Timely

NOP officials did not conduct a timely audit for one of the five countries with an equivalency arrangement and for all three countries with recognition agreements. This occurred because AMS did not establish requirements for how often it should perform onsite audits of countries with equivalency arrangements, similar to the requirements it established for recognition agreements. AMS also did not establish effective oversight controls to ensure it timely conducted onsite audits of countries with equivalency arrangements and recognition agreements. As a result, foreign governments could have reduced confidence in NOP's ability to honor its commitments in enforcing the terms of equivalency arrangements and recognition agreements.

NOP officials established NOP Handbook instructions that require an onsite audit of countries with recognition agreements be conducted every 2 years.³² However, NOP officials did not establish those same requirements for conducting onsite audits of countries with equivalency arrangements.³³ Instead of establishing formal procedures in the NOP Handbook, NOP officials stated that they expect onsite audits for equivalency arrangements to be conducted every 2 to 3 years.

As part of our audit, we compared the latest onsite audit dates for all equivalency arrangements and recognition agreements to the previous onsite audit dates. We found that one of the five equivalency arrangement audits was not done within the expected 2- to 3-year timeframe and all three recognition agreement audits were not done within the 2-year requirement. We also found that, although AMS established performance measurements for conducting onsite audits of NOP accredited certifying agents, it did not establish performance measurements for conducting onsite audits of foreign countries that maintain equivalency arrangements or recognition agreements with USDA. NOP officials stated that onsite audits were not done timely due to travel budget constraints, auditor staffing shortages, onsite audit workloads, and ongoing implementation of new organic standards by some foreign countries. To address this issue, NOP officials implemented an onsite audit tracking spreadsheet to schedule future audits and track onsite audit due dates. It is our position that to ensure accountability, in addition to this control, performance measurements designed to collect, analyze, and report to management regarding the timeliness of onsite audits are needed. Furthermore, AMS also needs to establish a 2-year requirement for conducting onsite audits of countries that maintain an equivalency arrangement with USDA.

AMS established an onsite audit performance measurement that NOP-accredited certifying agents achieve at least a 95 percent rating of compliance with NOP requirements. However, NOP officials stated that AMS did not establish a performance measurement for onsite audits of foreign countries that maintain equivalency arrangements and recognition agreements with USDA, because these require 100 percent compliance. NOP officials stated that foreign countries that are not 100 percent compliant could have their agreements revoked if they do not take immediate actions to correct deficiencies uncovered during NOP's onsite audits.

³² USDA NOP, *National Organic Program Handbook, NOP 2200 Recognition and Monitoring of Foreign Government Conformity Assessment Systems*, May 6, 2015.

³³ USDA NOP, *National Organic Program Handbook, NOP 2100 Equivalence Determination Procedures*, Oct. 29, 2015.

We believe that in order to ensure future onsite audits of foreign countries that maintain equivalency arrangements and recognition agreements with USDA are conducted timely, AMS should also establish a performance measurement for conducting onsite audits every 2 years for equivalency arrangements and recognition agreements. Establishing performance measurements for conducting onsite audits will enable NOP to publicly report on its onsite audit accomplishments. They will also ensure AMS' accountability to foreign governments' organic governing bodies of its compliance with USDA organic standards and the terms of its equivalency arrangements and recognition agreements. Therefore, we recommend that AMS develop and implement performance measurements to collect, analyze, and report to AMS management regarding the timeliness of onsite reviews of foreign countries. NOP officials agreed that establishing performance measurements for reporting to management regarding the timely completion of onsite audits is achievable and will help ensure that onsite audits are performed in a timely manner.

Performance measurements set standards that will be the basis of evaluation and reporting. Because there is no 2-year requirement for conducting onsite audits of equivalency arrangements, we recommend that AMS establish a requirement that onsite audits of countries with equivalency arrangements be conducted every 2 years and update this requirement to NOP Handbook NOP 2100. NOP officials also agreed that establishing this requirement will provide guidance for conducting timely onsite audits for equivalency arrangements and will mirror the requirements for conducting onsite audits of countries with recognition agreements.

Recommendation 8

Develop and implement performance measurements to collect, analyze, and report to management regarding the timeliness of onsite reviews for foreign countries that maintain a recognition agreement or equivalency arrangement with USDA.

Agency Response

In its August 10, 2017, response, AMS concurred with this recommendation. AMS already has a system to monitor audit frequency for accredited certifiers. The audit monitoring system will be used to collect, analyze and report to management the timeliness of the onsite reviews AMS conducted of recognition or equivalence partners as a performance measurement. AMS plans to implement these performance measurements by July 2018.

OIG Position

We accept the management decision for this recommendation.

Recommendation 9

Revise NOP Handbook NOP 2100 to include the requirement that NOP officials conduct onsite audits of foreign countries that maintain equivalency arrangements with USDA every 2 years.

Agency Response

In its August 10, 2017, response, AMS concurred with this recommendation. AMS will revise NOP 2100 *Equivalence Determination Procedures* to require NOP officials to conduct onsite audits of foreign countries that maintain equivalency arrangements every 2 years. Once finalized, NOP 2100 will become part of the AMS-NOP's quality management system. AMS plans to revise NOP 2100 by July 2018.

OIG Position

We accept the management decision for this recommendation.

Scope and Methodology

We conducted an audit of AMS' internal controls over the approval and oversight of equivalency arrangements and recognition agreements with foreign countries for the import of organic agricultural products into the United States. AMS' NOP officials administer organic equivalency arrangements with Canada, the European Union, Japan, Korea, and Switzerland. They also administer recognition agreements with India, Israel, and New Zealand. During our audit, we examined all five organic equivalency arrangements and all three recognition agreements, which were entered into between calendar years 2002 and 2015. We began fieldwork in March 2016 at AMS' National Office in Washington, D.C., and completed fieldwork in April 2017. We visited seven U.S. ports of entry located in Dallas, Texas; Chicago, Illinois; New York, New York; Philadelphia, Pennsylvania; Los Angeles and San Francisco, California; and Seattle, Washington.

We non-statistically selected the seven U.S. ports of entry by identifying the top five U.S. ports of entry that had the highest value of organic products imported in calendar year 2015 (New York, New York; San Francisco, California; Seattle, Washington; Los Angeles, California; and Philadelphia, Pennsylvania). In addition, APHIS officials recommended that we include airports where APHIS conducts the most inspections of organic fruits and vegetables (Dallas, Texas and Chicago, Illinois).

We reviewed the process that AMS' NOP officials used to determine if a foreign country's organic standards were equivalent to USDA organic standards. We also reviewed the onsite audits they conducted to verify that the foreign countries' organic standards were administered as indicated in agency regulations and operating procedures. In addition, we reviewed the agency's oversight procedures and activities designed to ensure foreign countries' compliance with existing organic equivalency arrangements and recognition agreements on an ongoing basis.

We worked with NOP officials throughout the audit to ensure that weaknesses we identified were valid, and that we correctly understood the agency's policies, procedures, and positions regarding those issues.

To accomplish our audit objectives, we performed the following:

- Interviewed NOP officials responsible for the approval and administration of organic equivalency arrangements and recognition agreements;
- Obtained and reviewed the statutes, regulations, policies, procedures, processes, and guidance instructions that applied to organic equivalency arrangements and recognition agreements;
- Identified and interviewed FAS and USTR officials involved in the process of approving organic equivalency arrangements;
- Obtained and reviewed all documents provided by NOP officials in support of their determination of foreign government organic standards equivalence to USDA organic standards and their determination of the foreign government's ability to oversee and enforce compliance with NOP regulations;

- Reviewed onsite audit reports and supporting documents to understand NOP’s official process for conducting onsite audits of foreign countries to verify organic standards equivalency, compliance with NOP standards, and compliance with the terms of the equivalency arrangement or recognition agreement; and
- Visited U.S. ports of entry to interview appropriate officials and observe controls in place to ensure compliance with USDA organic standards and the terms of equivalency arrangements with foreign countries.

During the course of our audit, we did not solely rely on or verify information in any agency information systems, and we make no representation regarding the adequacy of any agency computer systems or the information generated from them because any reference to information systems or information technology controls was presented only as background information or in documents without findings, conclusions, or recommendations.

We conducted this audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient and appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Abbreviations

ACE.....	Automated Commercial Environment
AMS.....	Agricultural Marketing Service
APHIS.....	Animal and Plant Health Inspection Service
CBP.....	Customs and Border Protection
EAN.....	Emergency Action Notification
FAS.....	Foreign Agricultural Service
HTS.....	Harmonized Tariff Schedule
MOU.....	Memorandum of Understanding
NOP.....	National Organic Program
OIG.....	Office of Inspector General
OFPA.....	Organic Foods Production Act of 1990
USDA.....	Department of Agriculture
USTR.....	Office of the United States Trade Representative

**AGENCY'S
RESPONSE TO AUDIT REPORT**



1400 Independence Avenue, SW
Room 3071-S, STOP 0201
Washington, DC 20250-0201

DATE: August 10, 2017

TO: Gil H. Harden
Assistant Inspector General for Audit
Office of Inspector General

FROM: Bruce Summers /s/
Acting Administrator

SUBJECT: Agricultural Marketing Service (AMS) Response to OIG Audit #01601-0001-21:
“National Organic Program – International Trade Arrangements and Agreements”

We have reviewed the subject audit report and agree with the recommendations. Our detailed response, including actions to be taken to address the recommendations, is attached.

If you have any questions or need further information, please contact Frank Woods, Internal Audits Branch Chief, at 202-720-8836.

Attachment

AMS RESPONSE TO OIG AUDIT REPORT 01601-0001-21: NATIONAL ORGANIC PROGRAM – INTERNATIONAL TRADE ARRANGEMENTS AND AGREEMENTS

SUMMARY

The global organic control system implemented by AMS includes controls and oversights at all levels of the system to ensure compliance. By law, operations are inspected by certifiers; certifiers are audited by NOP; and the NOP is reviewed through annual peer reviews, internal and external audits, and by other governments. The system governing organic compliance oversight extends far beyond a check point at the border; it is integrated into every level of the organic system, around the world. Organic is a process-based system in which inspectors verify production and handling practices from farm to market. Organic integrity is overseen by the work of USDA-accredited certifiers, who certify organic businesses throughout the supply chain and supply information to verify the status of organic producers and handlers. While compliance checks and testing at various points in the supply chain provide valuable information for the certification process, no single event in the chain can supplant the global organic control system.

BACKGROUND

The mission of the Agricultural Marketing Service's National Organic Program's (NOP) is to ensure the integrity of USDA organic products in the United States and throughout the world. Organic is an opt-in labeling term for food or other agricultural products that have been produced using cultural, biological, and mechanical practices that support the cycling of on-farm resources, promote ecological balance, and conserve biodiversity in accordance with the USDA organic regulations. This means that organic operations must maintain or enhance soil and water quality, while also conserving wetlands, woodlands, and wildlife. Synthetic fertilizers, sewage sludge, irradiation, and genetic engineering may not be used. To carry the USDA organic seal, products must be produced and handled by operations which have been annually inspected and certified as meeting all USDA organic requirements.

The United States system of organic certification and oversight operates as a public-private partnership. AMS relies on USDA-accredited certifiers to ensure integrity across complex supply chains. The NOP oversees approximately 80 businesses and State governments that directly certify more than 31,000 organic farms and businesses around the world. Organic certification and oversight is mostly privatized, with the private sector leading most organic certification activities. The NOP currently has 35 staff members. In 2016, U.S. retail sales of organic products reached \$47 billion.

COLLABORATION WITH OTHER AGENCIES

AMS has been working with the USDA Animal and Plant Health Inspection Service (APHIS) Plant Protection and Quarantine (PPQ) Program to identify better ways to monitor organic imports using existing staff at U.S. Ports of Entry. On January 23, 2017, the NOP and APHIS signed a Memorandum of Understanding, which is allowing NOP and APHIS to collaborate on developing controls within the APHIS Emergency Action Notification (EAN) system. This will help AMS ensure that fumigated products are not sold into the organic market. In addition, AMS

is working with the U.S. Customs and Border Protection (CBP) to identify better ways to oversee organic imports, and is exploring technology solutions that will help support fraud detection and prevention.

RESPONSE TO OIG FINDINGS

Finding 1: Organic Standards' Equivalency Determination Process Was Not Fully Transparent

Recommendation 1

Prior to issuance of future U.S. equivalence determination letters, develop and implement a procedure to document and disclose the final resolution of all foreign country organic standards identified as having variances from USDA organic standards.

Agency response: AMS concurs with this recommendation. Foreign organic standard variances from the Organic Foods Production Act (OFPA) and USDA organic regulations, whether procedural or technical, are evaluated by AMS through on-site assessments and negotiations with foreign governments. AMS agrees that public-facing final equivalency documents do not explicitly indicate how those variances were resolved. To ensure greater transparency when establishing future equivalency arrangements, AMS will develop and implement a procedure to clearly document and disclose the final outcome of the variances from the side-by-side analysis of organic standards to assure interested parties and the public that all variances were resolved in a way that justifies the equivalence determination. AMS plans to complete this request by July 2018.

Finding 2: NOP Organic Import Documents Were Not Verified at U.S. Ports of Entry

Recommendation 2

Execute a Memorandum of Understanding (MOU) between AMS and Customs and Border Protection (CBP) to obtain assistance from CBP officials in reviewing National Organic Program (NOP) import certificates from countries with established equivalence arrangements at U.S. ports of entry.

Agency response: While AMS supports establishing an MOU with CBP to obtain assistance in reviewing NOP import certificates at U.S. ports of entry, CBP officials have expressed to AMS that they have limited capacity to take on additional responsibilities and no current authority to review organic imports or NOP import certificates. In light of those concerns, AMS proposes to first develop a report outlining how AMS and CBP could collaborate in these areas under existing authorities, and present it to CBP by December 2017. If an MOU is deemed practical by both parties, AMS will work with CBP to implement a formal MOU by July 2018.

Recommendation 3

Request CBP to update the Automated Commercial Environment (ACE) system message sets to provide CBP officials with instructions for reviewing NOP import certificates at U.S. ports of entry and the actions to take if they are not found.

Agency response: AMS will request that CBP update the ACE system message sets to provide CBP officials with instructions for reviewing NOP import certificates from countries with established equivalency arrangements at U.S. ports of entry. AMS' request will include instructions that would enable CBP to take appropriate action (e.g. hold product, notify AMS) when NOP import certificates are not found according to message set instructions. AMS plans to complete this request by July 2018.

Recommendation 4

Develop and implement a plan to verify NOP import certificates at U.S. ports of entry, identify fraudulent import certificates, and capture organic import data.

Agency response: AMS will prepare a needs assessment for an organic verification system that validates organic import certificates, identifies fraudulent certificates and captures organic trade data. This needs assessment would form a baseline for future technology development work as resources become available. AMS plans to complete the needs assessment by July 2018.

Finding 3: Controls Over Organic Products Fumigated at U.S. Ports of Entry Were Inadequate

Recommendation 5

Execute an MOU between AMS and APHIS to ensure that APHIS officials notify NOP officials when imported agricultural products are treated with NOP-prohibited substances at U.S. ports of entry.

Agency response: On January 23, 2017, an MOU was executed to document the collaborative efforts between APHIS and AMS in identifying imported organic shipments of agricultural products that, prior to importation into the United States, are treated for plant pests or are treated as a condition of entry.

Recommendation 6

Request CBP to update the ACE system message sets to ensure APHIS officials are notified of steps to take when organic agricultural imports are treated with NOP-prohibited substances at U.S. ports of entry. The steps should include a mechanism for the ACE system to notify APHIS officials to provide a copy of the EAN form that includes notice to importers that treated organic products can no longer be sold, labeled, or represented as organic.

Agency response: AMS is working with APHIS to develop mechanisms within the APHIS Emergency Action Notification (EAN) system to identify, track, and ensure that treated organic products are not sold, labeled or represented as organic. AMS plans to implement these mechanisms by July 2018.

Recommendation 7

Develop and implement a plan for creating and implementing procedures for tracking organic products treated with NOP-prohibited substances at U.S. ports of entry and ensuring those products are not sold, labeled or represented as organic.

Agency response: AMS and APHIS are establishing procedures to notify importers and certifiers when organic products are treated and can no longer be sold, labeled, or represented as organic. AMS plans to implement these procedures by July 2018.

Finding 4: Onsite Audits Not Conducted Timely

Recommendation 8

Develop and implement performance measurements to collect, analyze, and report to management regarding the timeliness of onsite reviews for foreign countries that maintain a recognition agreement or equivalency arrangement with USDA.

Agency response: AMS already has a system to monitor audit frequency for accredited certifiers. The audit monitoring system will be used to collect, analyze and report to management the timeliness of the onsite reviews AMS conducted of recognition or equivalence partners as a performance measurement. AMS plans to implement these performance measurements by July 2018.

Recommendation 9

Revise NOP Handbook NOP 2100 instruction to include the requirement that NOP officials conduct onsite audits of foreign countries that maintain equivalency arrangements with USDA every two years.

Agency response. AMS will revise NOP 2100 *Equivalence Determination Procedures* to require NOP officials to conduct onsite audits of foreign countries that maintain equivalency arrangements every two years. Once finalized, NOP 2100 will become part of the AMS-NOP's quality management system. AMS plans to revise NOP 2100 by July 2018.

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