



The EU Food Fraud Network and the System for Administrative Assistance & Food Fraud

Annual Report 2017

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Introduction

This report presents statistics for the year 2017 on the cases exchanged in the AAC (Administrative Assistance and Cooperation System). You will notice an increase in the number of cases, both in the AAC-AA and the AAC-FF, which shows that, although there is no obligation to use the system, the competent authorities in the Member States have now taken the habit to use the system for requests regarding non-compliances and suspicions of food fraud to their counterparts in other Member States.

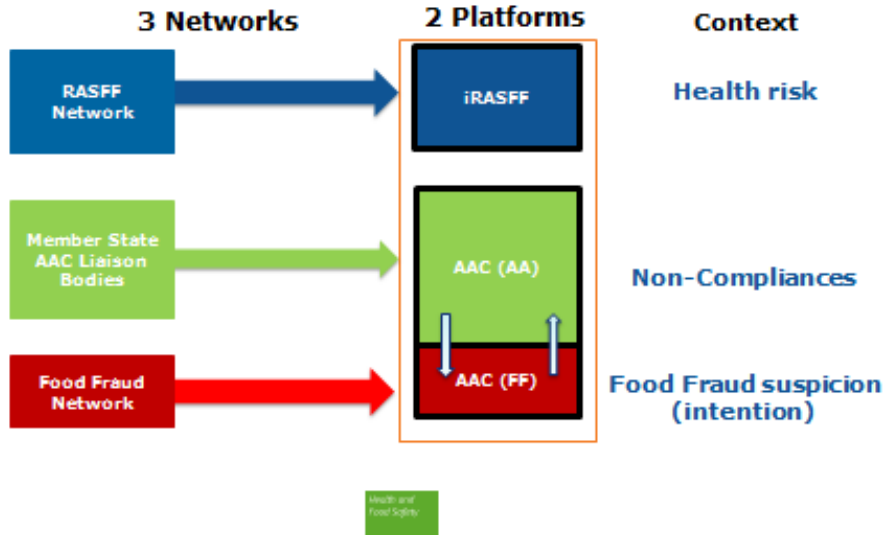
This report also gives some examples of EU-coordinated cases dealt with in 2017. In this context, it should be noted that DG SANTE has strengthened its cooperation with the Joint Research Centre (JRC), which provides support in the area of analytical testing methods to detect fraud in the food chain, with other Directorates-General in the Commission such as DG AGRI, MARE, TAXUD and OLAF, with the European Food Safety Agency (EFSA) for the risk assessment of emerging risks regarding food fraud, and with Europol in the framework of the international cooperation towards the coordination of police investigations as illustrated in some of the examples given below.

The preparatory work on the Integrated Management System for Official Control (IMSOC), which will integrate current EU-managed IT systems such as TRAdE Control and Expert System (TRACES) and the EU's alert systems (RASFF/AAC and EUROPHYT), as foreseen by the new Official Control Regulation, started in 2017.

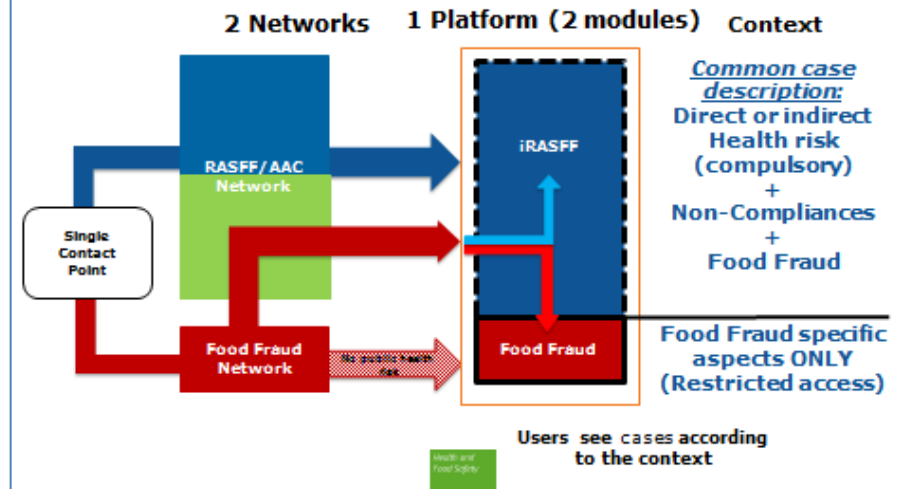
One of the priorities set following the High-level meeting of 26 September 2017 held in the wake of the fipronil incident (see page 15) was to explore where communication chains and the use of the alert systems such as the Food Fraud/Administrative Assistance and Cooperation, the Rapid Alert System for Food and Feed (RASFF) and the Trade Control and Expert System (TRACES) can be improved to enhance efficient detection and coordination of food fraud. In consequence, legislative adjustments will be needed in 2018 as well as the development of a combined platform for the RASFF and Administrative Assistance and Cooperation (AAC) systems in order to bridge the gap between the two systems (see schemes of current and future RASFF/AAC workflows below).



RASFF/AAC CURRENT FLOW



RASFF/AAC FUTURE FLOW



Cases in the AAC-AA (Administrative Assistance and Cooperation in non-compliance cases not presenting risks to public health)

The AAC is a dedicated IT application known as the **Administrative Assistance and Cooperation System (AAC)** that has been made available for Member States. For more information, we refer to the 2016 Annual Report:

(https://ec.europa.eu/food/sites/food/files/safety/docs/food-fraud_network_activity_report_2016.pdf).

The AAC is split into two instances, one dealing with non-compliances classified as fraudulent activities along the agri-food chain (AAC-FF) and the other dealing with any other non-compliance (AAC-AA).

A total of **597** cases have been exchanged within the AAC-AA in 2017. The fact that this number is considerably higher than last year is partly due to the fact that in the framework of the first EU coordinated control programme on online offered food products, the Member States were asked to identify websites which offer for sale specific types of products that are clearly not in compliance with the EU food law and to use the AAC AA to report these cases. Furthermore, several cases were transferred from the RASFF to the AAC system.

The list of cases exchanged in the system does not represent the entirety of non-compliances occurring in the EU. In fact, there is a significant caveat in the statistics provided below: differently from the RASFF, the AAC works on a voluntary basis and only for cross-border non-compliances. For instance, this report does not include the activities that Member States carry out at national level.

Figure 1 shows a comparison between the number of cases in the AAC AA since its creation

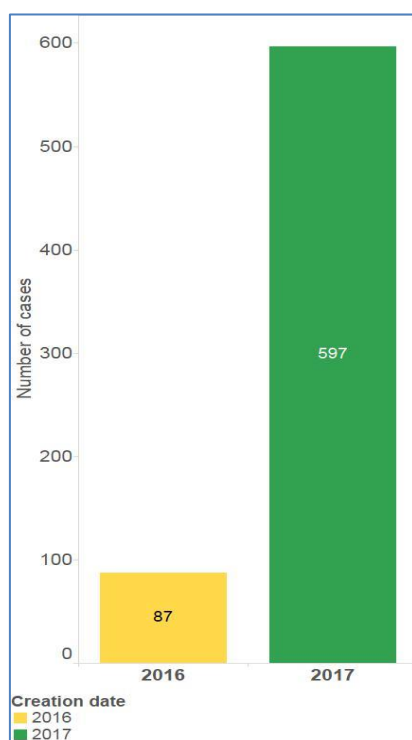


Figure 1 – Number of cases in AAC AA in 2016 and 2017

Figure 2 shows the number of cases created in the AAC AA system per MS during 2017.

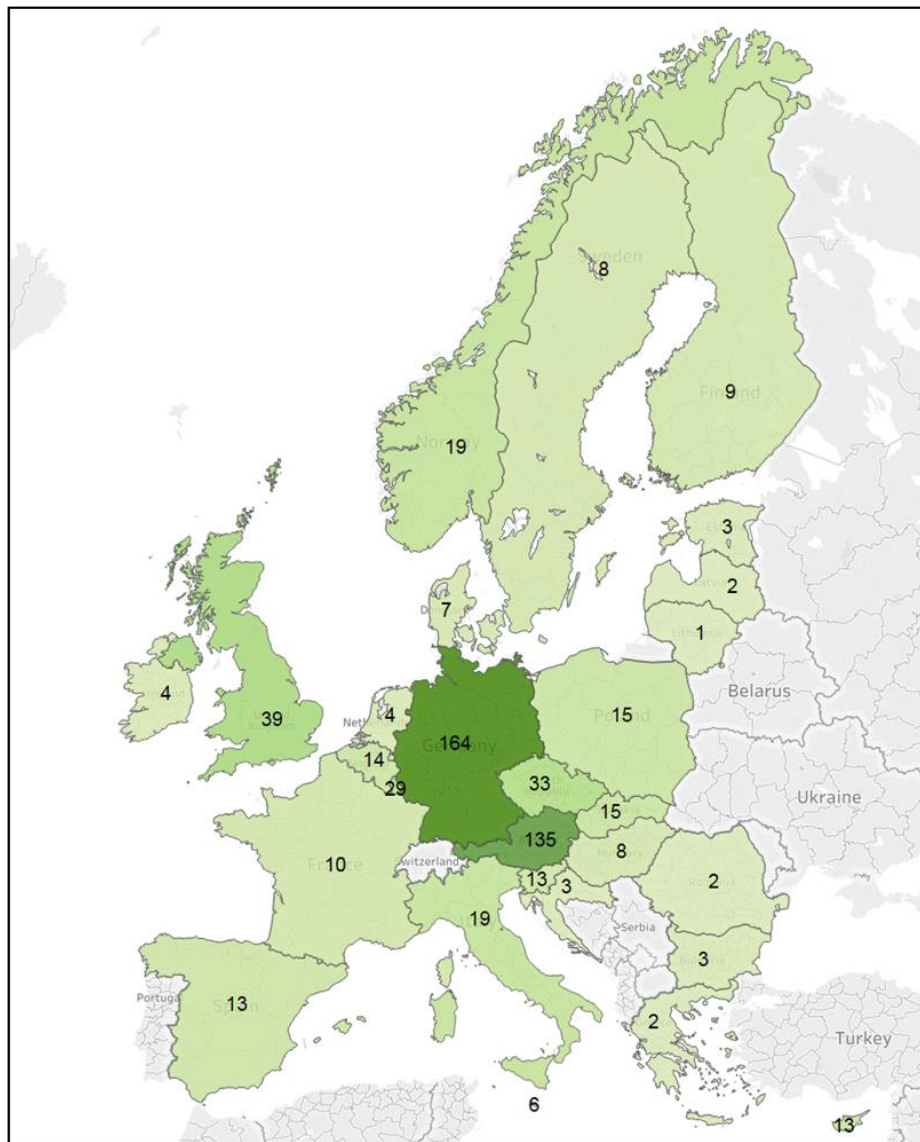


Figure 2 - Number of cases created in the AAC AA system per MS in 2017

The numbers show that Germany and Austria have taken the habit of using the system for exchanges on non-compliances.

Figure 3 shows the number of cases per type of non-compliance in the AAC-AA in 2016 and 2017

Bearing in mind that each case often presents more than one violation, the following classification has been created by taking into account the major alleged violations reported by Member States. Moreover, Member States can further specify the violations outside the categories provided in the system.

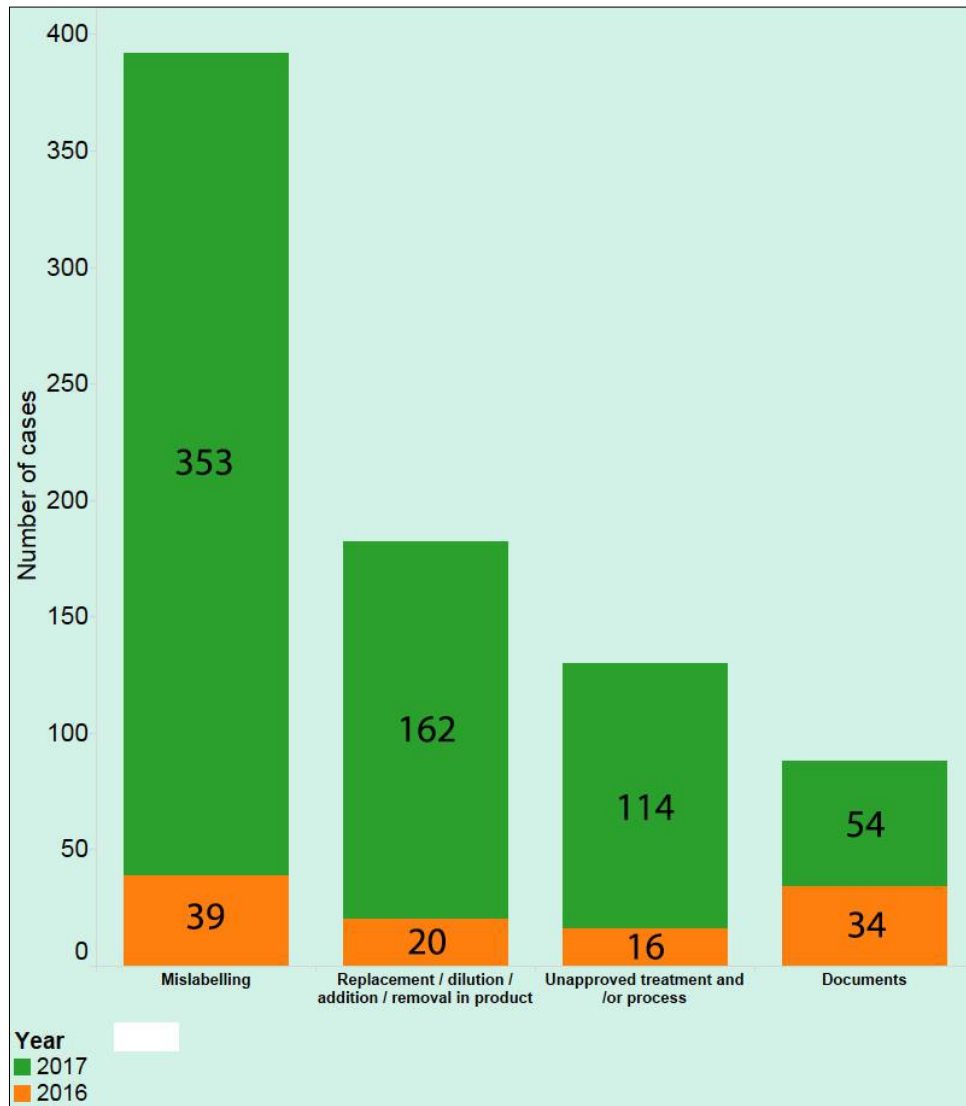
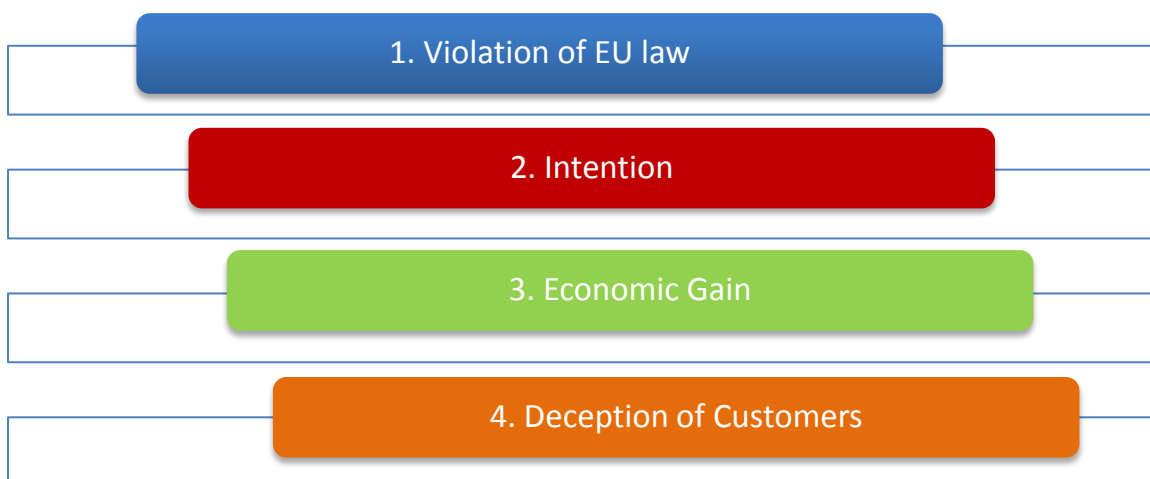


Figure 3 - Cases per non-compliance in AAC AA in 2016 and 2017

Cases in the AAC-FF (suspected food fraud)

As previously outlined in the 2016 Annual Report, the Commission developed **four key operative criteria** to distinguish whether a case should be considered as food fraud or non-compliance: if a case matches all four criteria, then it is considered a suspicion of food fraud. These criteria are not codified in the legislation, but they generally correspond to the rules currently in place in the Member States to address food fraud. The criteria are:



1. Violation of EU law entails a violation of one or more rules codified in the vast EU food and feed legislation.

2. Intention can be verified through a number of factors which give strong grounds to believe that certain non-compliances are not happening by chance, such as the replacement of a high quality ingredient with a lower quality one, in big quantities. In fact, if a **contamination** due to production processes is possible, when an ingredient is mostly replaced with a lower quality one there is **substitution**, which often implies fraudulent intent.

3. Economic gain consists in the fact that the non-compliance must bring some form of economic advantage, which should not be marginal.

4. Deception of Customers is the last criteria and allows completing the circle. It entails some form of deception such as altered colouring or altered labels which mystify the true quality (or, in worse cases even the nature). Moreover, often the deceptive element may also come in the form of a public health risk, due to the fact that some real properties of the product are hidden (i.e. in the case of undeclared allergens).

A total of **178** cases were exchanged in the AAC FF in 2017. The list of cases exchanged in the system does not represent the entirety of food fraud incidents occurring in the EU. In fact, there is a significant caveat in the statistics provided below: differently from the RASFF, the AAC works on a voluntary basis and only for cross-border non-compliances. **For instance, this report does not include the activities that Member States carry out at national level.**

Figure 4 shows the evolution in the number of cases in the AAC FF from 2015 to 2017

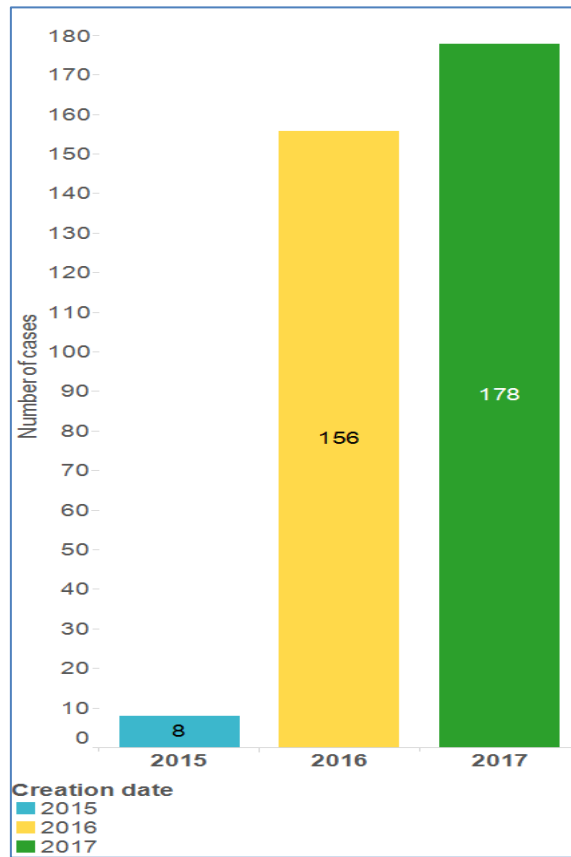


Figure 4 – Number of cases in AAC FF in 2015, 2016 and 2017

Figure 5 shows the number of cases created in the AAC FF system per MS during 2017

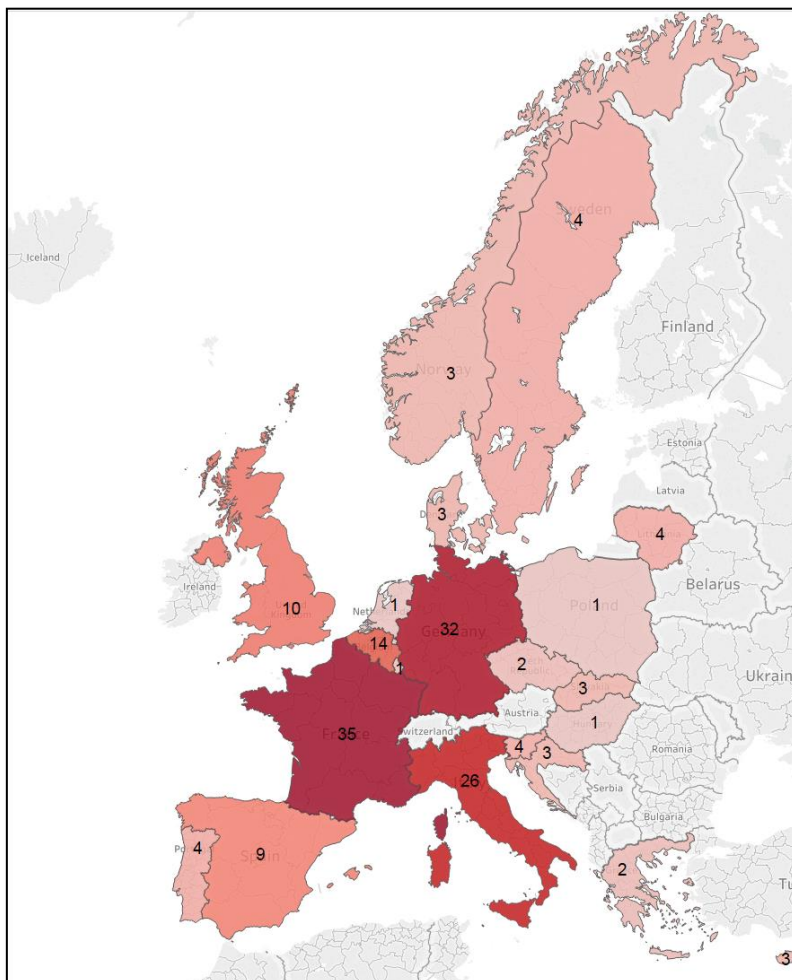


Figure 5 - Number of cases in the AAC FF system per MS in 2017

Figure 6 shows the number of cases per type of non-compliance in the AAC-FF from 2015 to 2017

Bearing in mind that each case often presents more than one violation, the following classification has been created by taking into account the major alleged violations reported by Member States. Moreover, Member States can further specify the violations outside the categories provided in the system.

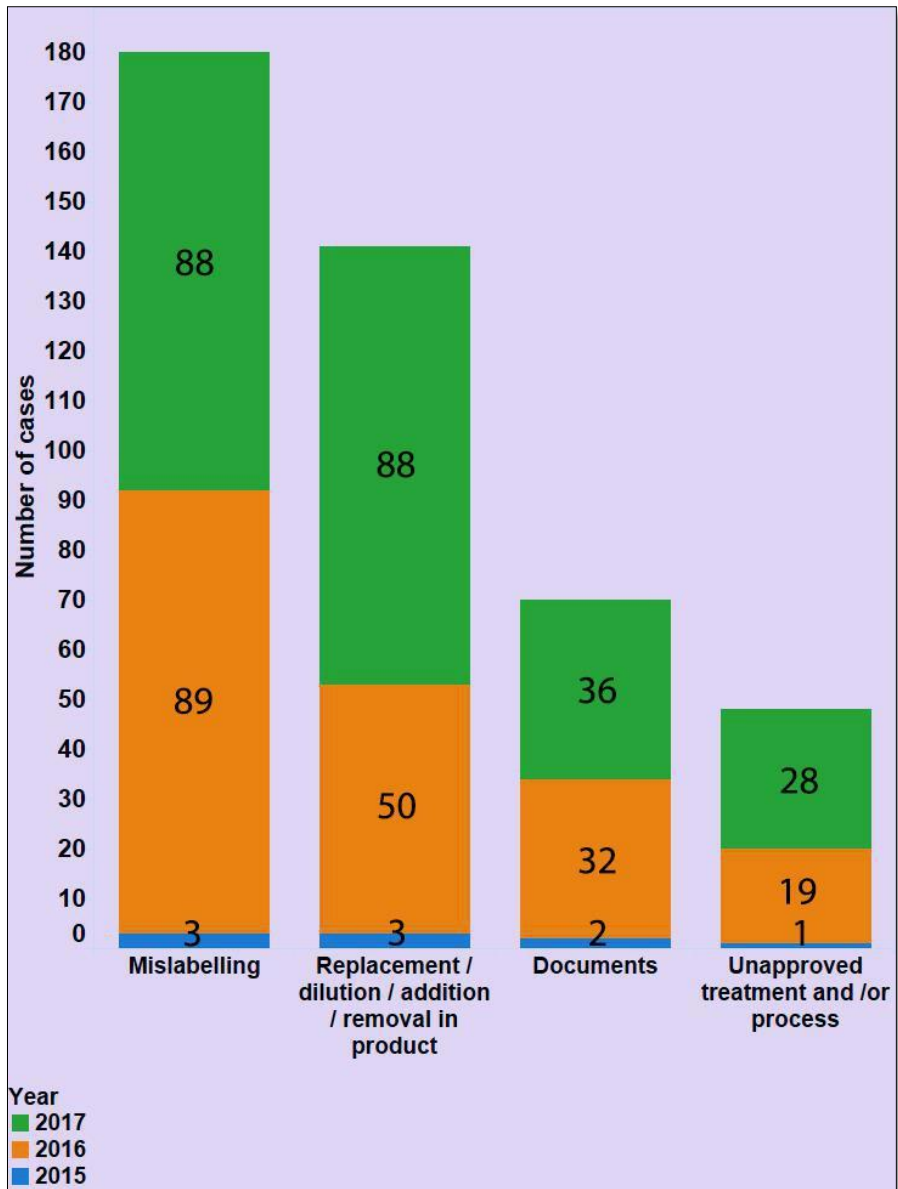


Figure 6 - Cases per non-compliance in AAC FF in 2015, 2016 and 2017

Figure 7 shows the number of requests and responses in the AAC-FF in 2017

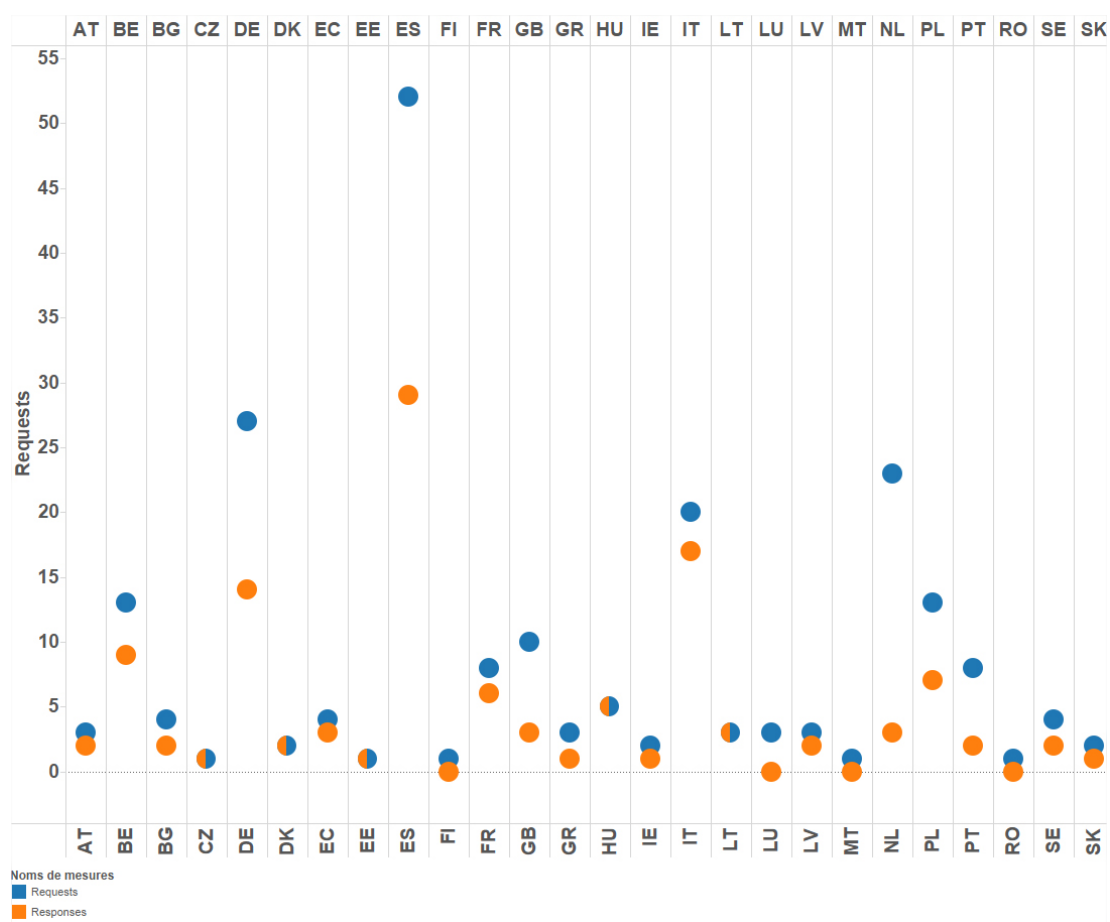


Figure 7 - Number of request/responses in AAC FF in 2017

Response Rate													
	AT	BE	CZ	BG	DE	DK	EC	EE	ES	FI	FR	GB	GR
Requests	3	13	1	4	26	2	4	1	52	1	8	10	3
Responses	2	9	1	2	13	2	3	1	29	0	6	3	1
Response rate (%)	66.67	69.23	100.00	50.00	50.00	100.00	75.00	100.00	55.77	0.00	75.00	30.00	33.33

	HU	IE	IT	LT	LU	LV	MT	NL	PL	PT	RO	SE	SK
Requests	5	2	20	3	3	3	1	23	13	8	1	4	2
Responses	5	1	17	3	0	2	0	3	7	2	0	2	1
Response rate (%)	100.00	50.00	85.00	100.00	0.00	66.67	0.00	13.04	53.85	25.00	0.00	50.00	50.00

The information in the above diagram and table was extracted on 12 February 2018 and it has to be taken into account that the figures contained therein also include requests that have been introduced only recently and/or relate to cases that are still under investigation and for which the requested country has not yet been able to supply a response. The requests launched for information only have not been taken into account. Cyprus, Slovenia and Croatia are not in the diagram because they did not receive any requests.

EU Coordinated Cases

Under Article 40 of Regulation (EC) No 882/2004 the Commission has the duty to *coordinate without delay the action undertaken by Member States when it, further to information received from them or from other sources, becomes aware of activities that are, or appear to be, contrary to feed or food law and are of particular interest at Community level, and in particular when:*

- a) such activities have, or might have, ramification in several Member States;*
- b) it appears that similar activities have been carried out in several Member States; or*
- c) Member States are unable to agree on appropriate action to address non-compliances.*

Relying on the AAC system for this task, the Commission created **16 EU Coordinated Cases** concerning fraudulent practices in 2017. In an EU Coordinated Case the Commission has different prerogatives stemming from Article 40 of Regulation (EC) No 882/2004 and Implementing Decision 2015/1918:

- a) Coordinate the action undertaken by Member States¹;*
- b) analyse the information exchanged through the AAC² and exchange aggregated data for the purposes of coordination³;*
- c) in collaboration with the Member State concerned, send an inspection team to carry out an official control on-the-spot⁴;*
- d) request that the competent authority of the Member State of dispatch intensifies relevant official controls and reports on the action and measures taken⁵;*

The Commission acts as an intelligence hub for Member States, which actively participate and are regularly consulted on each case. The results of EU Coordinated Cases are one of the many examples of how the European Commission can positively affect the life of EU citizens.

Cooperation between Europol and the European Commission in the fight against food fraud has been strengthened even more in 2017. Food fraud issues that are the subject of OPSON operations are also being handled by the EU Food Fraud Network and data on food fraud issues available to the Commission are shared with Europol. For example, the Commission will contribute to OPSON VII by the data gathered following the above-mentioned first e-commerce control project⁶.

¹ Article 40(1) of Regulation (EC) 882/2004.

² Article 7(c) of Commission Implementing Decision 2015/1918.

³ Article 1 and Article 3(4) of Commission Implementing Decision 2015/1918.

⁴ Article 40(3)(a) of Regulation (EC) 882/2004.

⁵ Article 40(3)(b) of Regulation (EC) 882/2004.

⁶ https://ec.europa.eu/food/safety/official_controls/legislation/ccp/online-offered-food-2017_en

Examples of EU-Coordinated cases in 2017

a) Follow-up to the Fipronil incident

In the summer of 2017, the food industry was shaken up by the **fipronil incident** (illegal use of fipronil in poultry farms resulting in contamination of eggs and poultry meat).

The follow-up to the Fipronil incident was discussed at the High-level meeting on 26 September 2017. The Member States and the Commission agreed on 19 concrete measures to reinforce the EU's action against food fraud. The main measures include:

- Implementation of EU-wide monitoring plan on the presence of illegal substances in eggs and poultry;
- Improvement in risk communication between Member States and Commission;
- Strengthening the existing flexibility in residue monitoring;
- Coordinated approach to risk management at EU level;
- Improvement in interaction and use of the Rapid Alert System for Food and Feed (RASFF) and the Administrative and Cooperation System (AAC) and a possible establishment of a combined platform and a single contact point for the two systems;
- Capacity building activities including trainings and regular crisis exercises; and
- Stronger interaction with criminal proceedings.

More information about these measures can be found on DG SANTE's webpage https://ec.europa.eu/food/safety/rasff/fipronil-incident_en.

b) Illegal treatment of tuna

The European Commission was informed by some representatives of the fish industry in the spring of 2016 about two main fraudulent activities in the tuna sector. The first illegal practice was the sale of tuna as fresh tuna when it should be sold as canned tuna. Only tuna caught by vessels able to freeze it at -18C and to maintain this temperature at all times until arrival at destination can be sold as fresh. Tuna kept in brine (-9C) should be canned.

The second illegal practice was the change of colour with the use of additives (legal substances (*e.g.* vegetables extracts, salts)) or illegal (such as carbon monoxide). These additives transform the fish to present it and sell it as fresh fish.

DG SANTE estimated the economic gain generated thanks to these fraudulent practices at 200 million euro/year. Fresh tuna is sold around 12–15€ per kg, whereas canned tuna is worth 4-6€ per kg.

A clear increase of the number of scombroid syndrome notifications (allergic reaction) was noted in the Rapid Alert for Food and Feed system (RASFF) in the first half of 2017.

DG SANTE alerted the Member States, warned the tuna industry and established a list of tips to be used during the inspections by competent authorities. An audit in one Member State was carried out by the Health and Food Audits and Analysis Directorate in 2017 and audits in other Member States are planned in 2018.

The fact that there have been no recent alerts in RASFF relating to histamine poisoning shows that the tuna industry took the issue seriously. DG SANTE is working on a clear limit on the quantum satis for authorised additives in fresh tuna and clarifications on what is considered as processed fish.

Further legal actions to better guarantee the final destination of the tuna according to its conservation temperature are currently under discussion. Reinforced controls in the Member States and further audits are planned in 2018.

c) Adulteration of beeswax

In 2017, it was brought to the attention of the European Commission that beeswax intended for use in apiculture as a foundation for honey combs may be intentionally adulterated with paraffin and stearin for a purpose of economic gain.

There is a potential risk for animal health related to presence of stearin in beeswax foundations. Belgian field trial demonstrated greatly increased mortality of worker bee brood as of a 15% (lowest tested level) of stearin addition.

There is also additional potential risk of adulterated beeswax entering the food chain in the form of honey combs. Companies are offering more often honeycomb instead of honey in jar to demonstrate the authenticity of the product. In those cases, contaminated wax sheets are integrated in the honey comb and can be potentially eaten by the consumers as indicated on the products label.

To establish the scale of the problem, the Commission signalled it to the Member States and to the stakeholders and asked for their feedback on this matter. Their replies are being assessed.

d) Examples of measures taken in third countries following cases coordinated by the Commission

Where a threat to public, animal or plant health is identified, the Commission may take immediate actions ranging from a complete prohibition of trade (or imports) to the imposition of so-called special import conditions (e.g. compulsory pre-export testing and/or testing at the Union's borders to verify compliance with EU requirements) or delisting of establishments and revoking the non-EU country's permission to prelist its establishments.

Where less immediate, but nonetheless significant, deficiencies and risks are identified, a number of actions, supplementary to those outlined above, are available (e.g. request for an action plan, strong letters or high level meetings with competent authorities of the country in question).

In 2017, in the framework of the cooperation with Third Countries in the fight against food fraud, several EU Coordinated cases resulted in DG SANTE contacting the non-EU countries concerned asking to carry out investigations at the premises of suspicious establishments or announcing reinforced checks or even the withdrawal of the establishments of origin of the products from the list of establishments from which imports into the EU Member States are authorised. Such delistings occurred e.g. in a case of nitrofurans in shrimps from India, a case of carbon monoxide treatment of frozen tuna loins from Indonesia, a case of prohibited drugs in seafood from Vietnam.

More information on food fraud is available on the webpage of DG Health and Food Safety⁷.

⁷ http://ec.europa.eu/food/safety/official_controls/food_fraud_en.