

FDA pressured to combat rising 'food fraud'

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The expensive "sheep's milk" cheese in a Manhattan market was really made from cow's milk. And a jar of "Sturgeon caviar" was, in fact, Mississippi paddlefish.

Some honey makers dilute their honey with sugar beets or corn syrup, their competitors say, but still market it as 100 percent pure at a premium price.

And last year, a Fairfax man was convicted of selling 10 million pounds of cheap, frozen catfish fillets from Vietnam as much more expensive grouper, red snapper and flounder. The fish was bought by national chain retailers, wholesalers and food service companies, and ended up on dinner plates across the country.

"Food fraud" has been documented in fruit juice, olive oil, spices, vinegar, wine, spirits and maple syrup, and appears to pose a significant problem in the seafood industry. Victims range from the shopper at the local supermarket to multimillion companies, including E&J Gallo and Heinz USA.

Such deception has been happening since Roman times, but it is getting new attention as more products are imported and a tight economy heightens competition. And the U.S. food industry says federal regulators are not doing enough to combat it.

"It's growing very rapidly, and there's more of it than you might think," said James Morehouse, a senior partner at A.T. Kearney Inc., which is studying the issue for the Grocery Manufacturers Association, which represents the food and beverage industry.

John Spink, an expert on food and packaging fraud at Michigan State University, estimates that 5 to 7 percent of the U.S. food supply is affected but acknowledges the number could be greater. "We know what we seized at the border, but we have no idea what we didn't seize," he said.

The job of ensuring that food is accurately labeled largely rests with the Food and Drug Administration. But it has been overwhelmed in trying to prevent food contamination, and fraud has remained on a back burner.

The recent development of high-tech tools -- including DNA testing -- has made it easier to detect fraud that

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might have gone unnoticed a decade ago. DNA can be extracted from cells of fish and meat and from other foods, such as rice and even coffee. Technicians then identify the species by comparing the DNA to a database of samples.

Another tool, isotope ratio analysis, can determine subtle differences between food -- whether a fish was farmed or wild, for example, or whether caviar came from Finland or a U.S. stream.

The techniques have become so accessible that two New York City high school students, working with scientists at the Rockefeller University and the American Museum of Natural History last year, discovered after analyzing DNA in 11 of 66 foods -- including the sheep's milk cheese and caviar -- bought randomly at markets in Manhattan were mislabeled.

"We put so much emphasis on food and purity of ingredients and where they come from," said Mark Stoeckle, a physician and DNA expert at Rockefeller University who advised the students. "But then there are things selling that are not what they say on the label. There's an important issue here in terms of economics and consumer safety."

It is not clear how many food manufacturers, importers and retailers are testing products, but large companies with valuable brands to protect have been increasingly using the new technology, said Vincent Paez, director of food safety business development at Thermo Fisher Scientific, which sells some of the equipment and performs laboratory analysis, including DNA testing.

Still, of the hundreds of customers who bought 10 million pounds of mislabeled Vietnamese catfish -- including national chains and top rated restaurants -- only one or two caught the deception, said Assistant U. S. Attorney Joseph Johns, who prosecuted the Fairfax fish importer. "It was the rare exception, not the norm," he said.

Heinz USA and [Kraft Foods](#), two giant food makers with well- established internal controls, nevertheless fell victim to "Operation Rotten Tomato," a conspiracy in which the scion of a California farming dynasty was indicted this month. He was accused of disguising millions of pounds of moldy tomato paste as a higher-grade product and selling it to foodmakers.

And E&J Gallo, the nation's largest wine seller, sold 18 million bottles of Red Bicyclette Pinot Noir between 2006 and 2008 that had been filled in France with wine made from cheaper merlot and syrah grapes, according to a French court that last month indicted a dozen of its citizens in a scam dubbed Pinotgate.

At the FDA's first public meeting on food fraud last year, groups across the industry complained that it is not doing enough.

"If it's not going to hurt or kill someone, FDA's resources are limited enough that they can't take time to address it," said Bob Bauer, a spokesman for the National Honey Packers & Dealers Association and the North American Olive Oil Association.

Both groups have petitioned the FDA to set standards for honey and olive oil, which would make it possible for companies to sue competitors that sell an adulterated product. The olive oil industry has been waiting for FDA to act on its request since 1991; major honey and beekeeping groups have been waiting since 2006. An agency spokesman said those requests are pending.

One longtime crabmeat seller on the Chesapeake Bay said he has complained, without results, to the FDA for years about a competitor who imports cheap crab and repackages it as Chesapeake blue crab, a different species that can be sold for twice or three times the price.

The National Seafood Inspection Laboratory, part of the Marine Fisheries Service, randomly sampled seafood from vendors between 1988 and 1997; it found that 34 percent had been mislabeled and sold as a different species. In 2004, scientists at the University of North Carolina estimated that 77 percent of snapper sold in the United States is mislabeled.

"With the recession, people are trying to make money in any way, shape or form," said William Gergits, a co-founder of Therion International LLC, which specializes in DNA-based testing services. "Southeast grouper and red snapper fisheries here are limited. If you think about all the restaurants in Florida, there's not enough supply to go to those restaurants."

Despite growing imports, the FDA inspects just 2 percent of fish coming into the United States from other countries.

The agency wants to create a surveillance system that would alert regulators to likely fraud, said Jennifer Thomas, director of enforcement at FDA's Center for Food Safety and Applied Nutrition. She said the FDA regularly swaps intelligence with two other agencies that share responsibility for catching seafood fraud. It has also bought a \$170,000 DNA sequencer for its Seattle field office.

She pointed to several FDA actions against food fraud in recent months, including the first debarment of a seafood importer, suggesting that may be a deterrent.

Peter Xuong Lam, president of Virginia Star Seafood Corporation of Fairfax, was convicted last year of selling the mislabeled catfish. Ten other individuals and companies were also charged. Lam was sentenced to five years in prison and is barred from importing food into the United States for the next 20 years.

Authentication should be a standard practice throughout the food industry, Stoeckle said: "If it's simple enough that high school students with some supervision can do it, it moves out of the research application to something you can do regularly."

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