

# Perry Johnson Registrars Food Safety, Inc.

## Food Fraud: A Complex Issue for Complex Supply Chains

	Autrition Typical Values Energy Value (Calories Protein Carbohydrate (of which Sugars*	per 100ml Per 150   180 kJ 260 kJ   40 kcal 60   0.5 g 0.   9.0 g 1
www.pjrfsi.com		9.0 g 1 0.1 g 1

### Food Fraud: A Complex Issue for Complex Supply Chains



Food fraud is a growing issue throughout the global food industry as supply chains grow longer and more complex. As consumer demand grows, often outstripping supply or production capacity, the potential of counterfeit or otherwise fraudulent supply grows alongside; not only do some counterfeit or otherwise adulterated products pose a threat to consumer health, but the brand and reputational damage for an organization can be significant.

More than ever, trends of consequences for food fraud are falling upon corporate leaders in the form of criminal liability. The combination of health hazards and financial reporting, as well as the growing scale of some food fraud schemes means that this brunt of responsibility is unlikely to shift anytime soon.

How, then, to detect, rectify – and most importantly, prevent – food fraud?

Defined in the most basic terms, food fraud is the act of *intentional* deception for economic gain using food, from counterfeit ingredients to stolen goods on the marketplace. This also includes the sub-category of "Economically Motivated Adulteration" (EMA). A key aspect of food fraud is that while it may not always lead to a public health vulnerability, there will always be some form of economic threat involved. Some examples of food fraud can include: dilution of products such as oils, unauthorized or unsanitary repackaging, cargo theft, or even expired date code tampering/" refreshing".

Prevention of food fraud relies first upon understanding the motivations behind the fraud, or in other words, the root cause. As previously mentioned, economic gain, rather than harm to public health is the primary motivator to those engaged in food fraud. These are intentional actions made in such a way as to avoid detection by regulators or those looking to stop such activities. After all, it makes perfect logical sense to want to make economic gains for as long as possible without interference.



While specific measures to be taken within an organization may depend upon what regulations and standards they are subject to, there are several measures that ought to be undertaken as a general best practice. Performing a vulnerability assessment, for starters, over all areas where fraud may be an issue will assist with putting together a prevention strategy for those areas. Documentation of the assessments' results and the plans assembled thereafter may save a good deal of time and confusion, especially in a crisis. Alternatively, a hazard analysis that looks at not only general hazards such as proper storage or production line issues but includes potential food fraud may offer similar insights. Overall, however, disclosing or confirming the management of *all* risks to revenue can be the simplest, most straightforward way to identify and monitor areas of food fraud concern.

Synthesizing whatever programs or plans are put in place into one comprehensive prevention strategy is a great step towards ensuring that all employees in an organization are aware of potential food fraud hazards. Compiling the results of any vulnerability assessments, audit results, the organization's food fraud policy, and the chosen methods into one comprehensive document is a solid starting point. Given that perpetrators of food fraud are striving to remain undetected, having as many "eyes on the issue" as possible is key to seeing problems as soon as they occur. Additionally, keeping track of things such as audit and assessment results may assist in identifying trends over time, another way of seeing new vulnerabilities as they form.

Given the unique needs, vulnerabilities, and other assets of each organization, there is no "one size fits all" approach to constructing a food fraud prevention strategy. Finding methodologies and metrics that work best for your business's own internal structure and existing processes will lead to success more so than attempting to implement a plan that works for a different organization. PJRFSI is here to help – food fraud can be a daunting area! For more information or free resources on this subject matter, visit our website at www.pjrfsi.com or call (248) 519-2523.



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