



United States Department of Agriculture

# Controls Over Imported Meat and Poultry Products



Audit Report 24601-0003-21

July 2020

OFFICE OF INSPECTOR GENERAL

# Controls Over Imported Meat and Poultry Products

## Audit Report 24601-0003-21

OIG evaluated FSIS' controls to ensure the safety of imported meat and poultry.

### OBJECTIVE

Our objective was to evaluate FSIS' controls to ensure the safety of imported meat and poultry. Specifically, we evaluated reinspections performed at FSIS import reinspection establishments and the effectiveness of the PHIS import module.

### REVIEWED

Our scope covered meat and poultry import shipments reinspected in fiscal years (FY) 2017 through 2019. We non-statistically selected three official import reinspection establishments within each of three FSIS district offices. Overall, we visited nine official import reinspection establishments.

### RECOMMENDS

FSIS should update the applicable directive with clear instructions for verifying the lot unit counts. We also recommended that FSIS conduct refresher training for IPP on the reinspection process to ensure IPP are performing the label verification and lot unit count.

### WHAT OIG FOUND

The U.S. Department of Agriculture's (USDA) Food Safety and Inspection Service (FSIS) is the public health regulatory agency responsible for ensuring that imported meat and poultry products are safe, wholesome, and correctly labeled and packaged. Based on a separate agreement, FSIS reinspects shipments of meat and poultry products from Canada differently than other foreign countries.

We did not identify any issues related to the effectiveness of FSIS' Public Health Information System (PHIS) import module. However, we did observe that seven of eight inspection program personnel (IPP) did not verify all labels (such as country of origin or the name of the product) on imported meat and poultry products. We attributed this issue to a lack of training on the label verification process for IPP. Consequently, 225 of 232 lots in our sample were not properly reinspected to determine if the imported products complied with U.S. labeling requirements.

Additionally, we determined that the actual lot unit count related to 6 of 53 shipments of imported meat and poultry products did not match the numbers listed on the corresponding official foreign inspection certificates for those shipments. We concluded that five of those shipments should not have been allowed entry into the United States because the actual lot counts were not within FSIS-allowed lot count tolerance levels, and the official foreign inspection certificates were not corrected. We attributed this condition to agency instruction not clearly stating the expected procedures for verifying numbers on official foreign inspection certificates, and to inadequate oversight of IPP. While we found no evidence that the quality of the product in the shipments did not meet U.S. standards, the control weaknesses increase the risk that ineligible product could enter U.S. commerce.

FSIS agreed with our recommendations and we accepted management decision on the three recommendations.





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



DATE: July 1, 2020

AUDIT  
NUMBER: 24601-0003-21

TO: Paul Kiecker  
Administrator  
Food Safety and Inspection Service

ATTN: Cara LeConte  
Chief Financial Officer  
Office of the Chief Financial Officer

FROM: Gil H. Harden  
Assistant Inspector General for Audit

SUBJECT: Controls Over Imported Meat and Poultry Products

This report presents the results of the subject review. Your written response to the official draft is included in its entirety at the end of the report. We have incorporated excerpts from your response, and the Office of Inspector General's (OIG) position, into the relevant sections of the report. Based on your written response, we are accepting management decision for all three audit recommendations in the report, and no further response to this office is necessary. Please follow your internal agency procedures in forwarding final action correspondence to the Office of the Chief Financial Officer (OCFO).

In accordance with Departmental Regulation 1720-1, final action needs to be taken within 1 year of each management decision to prevent being listed in the Department's annual Agency Financial Report. For agencies other than OCFO, please follow your internal agency procedures in forwarding final action correspondence to OCFO.

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.



# Table of Contents

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<b>Background and Objectives</b> .....	<b>1</b>
<b>Finding 1: FSIS Inspection Program Personnel Did Not Adequately Verify Labels</b> .....	<b>4</b>
<b>Recommendation 1</b> .....	<b>5</b>
<b>Finding 2: FSIS Inspection Program Personnel Did Not Count Lot Units</b> .....	<b>7</b>
<b>Recommendation 2</b> .....	<b>9</b>
<b>Recommendation 3</b> .....	<b>9</b>
<b>Scope and Methodology</b> .....	<b>10</b>
<b>Abbreviations</b> .....	<b>12</b>
<b>Exhibit A: FSIS Labeling Verification Procedures Sample</b> .....	<b>13</b>
<b>Exhibit B: FSIS Shipping Unit Overage Tolerance Levels</b> .....	<b>14</b>
<b>Agency’s Response</b> .....	<b>15</b>



# Background and Objectives

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## Background

The Federal Meat Inspection Act (FMIA) and the Poultry Products Inspection Act (PPIA) require foreign countries that export meat and poultry products to the United States to establish and maintain systems equivalent to U.S. standards.<sup>1</sup> Determining the equivalence of a country's food safety inspection system protects public health and facilitates trade.<sup>2</sup> The U.S. Department of Agriculture's (USDA) Food Safety and Inspection Service (FSIS) is the public health regulatory agency responsible for ensuring that imported meat and poultry products are safe, wholesome, and labeled<sup>3</sup> and packaged in accordance with regulatory requirements.<sup>4</sup>

FSIS evaluates the ongoing equivalency of foreign meat and poultry inspection systems through a process that consists of: (1) document reviews, (2) onsite audits, and (3) port-of-entry reinspection of products. FSIS must reinspect all shipments of meat and poultry products imported into the United States to determine if they are eligible to enter the country, if the foreign country properly certified the products prior to shipment, if there was transportation damage to the products, and if the products were labeled in accordance with regulatory requirements.<sup>5</sup>

Shipments are comprised of lots,<sup>6</sup> which in turn are divided into units.<sup>7</sup> For example, one shipment in our sample consisted of 11 lots of meat such as chuck roll, brisket, and striploin. One lot in the shipment consisted of 17 cartons of striploin, which were considered to be individual units. In our example, once the shipment reached the FSIS official import reinspection establishment (establishment), the lots were placed onto pallets, which hold the individual units of striploin.

FSIS must reinspect the shipment at an establishment. FSIS inspection program personnel (IPP) check the official foreign inspection certificate (certificate) to ensure the shipment is properly certified by the foreign country and that lots have labels with the required information. IPP are to conduct additional types of inspection (TOIs), which the Public Health Information System (PHIS) generates based on country of origin, foreign establishment, product, etc. FSIS performs

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<sup>1</sup> 21 United States Code Chapters 10 and 12.

<sup>2</sup> "Equivalence" is the process of determining whether a country's food safety inspection system achieves Food Safety and Inspection Service's (FSIS) appropriate level of public health protection as applied domestically in the United States.

<sup>3</sup> FSIS Directive 9900.5, *Label Verification of Imported Meat, Poultry, and Egg Products* (Nov. 2015). Every label must include: name of the country of origin; foreign establishment number; name of product; name and address of the foreign establishment, distributor, or importer; complete and legible shipping mark; special handling statement, where applicable; sufficient space for the USDA mark of import inspection; production dates; and weight.

<sup>4</sup> 9 Code of Federal Regulations Parts 327 and 381.

<sup>5</sup> 9 Code of Federal Regulations Parts 327 and 381.

<sup>6</sup> 9 Code of Federal Regulations Part 327. According to an FSIS official, "generally, 'lot' is defined by a specific line item as certified by the foreign government on the certificate."

<sup>7</sup> The number of units refers to the number of pieces or containers that make up a lot. Containers include any box, can, tin, cloth, plastic, or other receptacle, wrapper, or cover.

these additional TOIs randomly on product from historically compliant foreign establishments and increases or intensifies the frequency when issues are observed. Additional TOIs include:

- examination of the physical condition of product containers to ensure they are not damaged;
- examination for product defects such as hair, fur, or feces in the meat product;<sup>8</sup> and
- laboratory analysis for microbiological contamination, and residues such as drug or chemical residues.<sup>9</sup>

The United States and Canada have a separate agreement related to the reinspection of imported meat and poultry products.<sup>10</sup> Thus, FSIS reinspects shipments of meat and poultry products from Canada differently than other foreign countries. For shipments imported from Canada, IPP verify that labels have the required information on one unit from the rear of the shipping conveyance, such as a truck.<sup>11</sup>

Products that pass reinspection are stamped with the USDA mark of inspection (except product from Canada) and are allowed to enter U.S. commerce for distribution and use as if they were produced domestically. If imported meat or poultry products do not meet U.S. standards, they are stamped “United States Refused Entry” and within 45 days must be recertified, exported, destroyed, or converted to animal food (if eligible, and with the approval of the Food and Drug Administration).<sup>12</sup>

### *Prior Audits*

In 2008, we reported that FSIS needed to strengthen the agency’s controls for assessing the equivalence of foreign countries’ food safety systems—specifically, the controls concerning the methodology used to select foreign establishments for review. We also reported that FSIS needed to strengthen agency controls for reinspecting meat and poultry products at U.S. ports of entry. Specifically, FSIS should determine the number of intensified inspections for physical and laboratory failures that would provide the appropriate level of protection for imported products. In addition, FSIS needed to strengthen procedures for: (1) specifying the order of performing reinspection activities, (2) verifying a lot’s production date, (3) analyzing data in FSIS’ import information system, and (4) managing noncompliance records. We recommended that FSIS address these weaknesses in the agency’s imported meat and poultry inspection program.<sup>13</sup> We determined that 9 of 19 of these prior recommendations were related to our current audit objective.

In 2015, we reported that FSIS had weaknesses during PHIS’ design and implementation for domestic inspection. Specifically, FSIS did not implement sufficient internal controls to

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<sup>8</sup> FSIS Directive 9900.2 (Rev. 1), *Import Reinspection of Meat, Poultry, and Egg Products* (May 2017).

<sup>9</sup> FSIS Directive 9900.6, *Laboratory Sampling Program for Imported Meat, Poultry, and Egg Products* (Nov. 2015).

<sup>10</sup> North American Free Trade Agreement, dated January 1, 1994.

<sup>11</sup> FSIS Directive 9900.1, *Imported Product Shipment Presentation* (Nov. 2015).

<sup>12</sup> 9 Code of Federal Regulations Parts 327 and 381.

<sup>13</sup> Audit Report 24601-08-Hy, *Followup Review of FSIS Controls Over Imported Meat and Poultry Products* (Aug. 2008).

effectively monitor and evaluate the performance of PHIS, ensure that the system was accessible, that it was operating as designed, and that its information was both complete and accurate. We recommended that FSIS provide a written assessment of the current status of PHIS' implementation and develop and implement controls that require ongoing monitoring. In addition, we recommended that FSIS develop and implement a plan to: (1) review and correct establishment profile data; (2) ensure inspectors are assigned a manageable number of tasks; (3) ensure that the most important tasks are routinely performed; and (4) effectively implement the actions agreed to from our prior audit work.<sup>14</sup> We determined four of the eight recommendations made in this report were related to our current audit objective.

In 2017, we reported that while we did not identify issues relating to the safety or wholesomeness of products FSIS inspects, FSIS must continue its efforts to support a comprehensive, timely, and reliable food safety inspection program.<sup>15</sup> We determined 1 of the 18 recommendations made in this report was related to our current audit objective.

Also in 2017, we reported that countries with equivalency agreements were not consistently audited in compliance with agency policy, and that policies and procedures did not contain sufficient guidance for conducting ongoing equivalence verification audits. We recommended that FSIS strengthen its oversight of the equivalence process and revise its guidance and management control manual for conducting ongoing equivalence verification audits.<sup>16</sup> We determined 1 of 8 recommendations made in this report was related to our current audit objective.

During the audit, we determined that the 4 prior audit reports had 15 recommendations relating to our current audit. We concluded that FSIS implemented corrective actions on the 15 related recommendations from the 4 reports.

## **Objective**

Our objective was to evaluate FSIS' controls to ensure the safety of imported meat and poultry. Specifically, we evaluated reinspections performed at FSIS import reinspection establishments and the effectiveness of the PHIS import module.

We did not identify any issues with the effectiveness of the PHIS import module.

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<sup>14</sup> Audit Report 24601-0001-23, *Implementation of the Public Health Information System for Domestic Inspection* (Aug. 2015).

<sup>15</sup> Audit Report 24016-0001-23, *FSIS Followup on the 2007 and 2008 Audit Initiatives* (June 2017).

<sup>16</sup> Audit Report 24601-0002-21, *Evaluation of FSIS Equivalency Assessments of Exporting Countries* (Sept. 2017).

## **Finding 1: FSIS Inspection Program Personnel Did Not Adequately Verify Labels**

We observed that seven of the eight IPP who were reinspecting non-Canadian shipments at the seven establishments we visited were verifying the label on only one carton of each sample pallet instead of verifying the labels on every carton of each sample pallet.<sup>17</sup> We attributed this condition to FSIS national officials not properly training IPP on the label verification process. As a result, 225 of 232 lots in our sample were not properly inspected to determine if the imported products complied with U.S. labeling requirements.

FSIS Directive 9900.5, *Label Verification of Imported Meat, Poultry, and Egg Products*,<sup>18</sup> instructs IPP to verify that every lot presented for reinspection meets U.S. labeling requirements. When import shipments of meat and poultry products are presented for FSIS reinspection at inspection establishments in the United States, IPP are to randomly select a sample from each lot to verify compliance with labeling requirements. Generally, IPP select 1 sample pallet out of every 10 pallets presented for reinspection—or at least 10 percent (see Exhibit A for sampling methodology). For each sample pallet, IPP are to examine the labeling of all cartons on the pallet.

When IPP determine that a label does not meet labeling requirements, IPP are to “fail” the label verification TOI for the entire lot presented for reinspection, record the decision/action in PHIS, and refuse the lot entry into the United States. However, during our observations of IPP conducting reinspections of imported meat and poultry products, only one IPP verified the label on every carton on each sample pallet. The other seven IPP we observed (inspecting non-Canadian shipments of meat and poultry products) verified the label on only one carton on each of the sample pallets. We noted the supervisor present during our observations of IPP reinspections did not take corrective actions to address this label verification deficiency.

Because IPP did not adequately verify compliance with labeling requirements on 225 out of 232 lots that we observed being reinspected, they did not execute an important control intended to ensure meat and poultry products entering the U.S. food supply are safe and eligible for import. Labels contain the necessary information to ensure that the foreign country and establishments comply with U.S. meat and poultry safety standards and that their products are eligible for import and can enter U.S. commerce. Additionally, the shipping mark included on the label is used for linking the product to the foreign inspection certificate and may be important if, for instance, there is a food safety issue with the imported product, and the product needs to be recalled from distribution.<sup>19</sup>

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<sup>17</sup> We non-statistically selected eight establishments based on the volume of reinspections conducted, and we selected one additional establishment because it was in close proximity to the two establishments with the highest number of import meat and poultry reinspections in that district. Overall, we visited 9 establishments out of FSIS’ 141 establishments as of October 1, 2018. Two of the nine establishments we visited received Canadian meat and poultry imports, which follow a simplified label verification process. We observed 12 IPP perform import meat and poultry reinspections. However, 4 of the 12 IPP were reinspecting only Canadian meat and poultry imports, which follow a simplified label verification process.

<sup>18</sup> FSIS Directive 9900.5, *Label Verification of Imported Meat, Poultry, and Egg Products* (Jan. 2019).

<sup>19</sup> Shipping marks are used to link each lot of product to the corresponding lot on a certificate.

Label verification controls are intended to ensure compliance with food safety and labeling requirements by inspecting at least 10 percent of the shipment's labels. For example, we observed establishment warehouse personnel present for reinspection of 144 cartons of dried, cured ham, which were placed on 3 pallets, each containing 48 cartons. By verifying only one label on one carton on the sample pallet, IPP verified only 0.7 percent of the labels from this lot.<sup>20</sup> If IPP had correctly verified labels on every carton on the sample pallet (48 cartons), they would have verified 33 percent of the labels from this lot.<sup>21</sup>

When we discussed this issue with FSIS national officials, they stated that this occurred due to a lack of training. Specifically, IPP are trained on labeling requirements verification procedures only once in their career. IPP receive training when they are first brought onboard as import inspectors. This import reinspection training program consists of a 2-week course that covers key import inspection directives. All subsequent import reinspection training is informal and on-the-job.

FSIS national officials agreed that, overall, the Label Verification TOI is an important reinspection task. FSIS national officials stated that FSIS should provide IPP responsible for import reinspection with additional training. Accordingly, FSIS is in the process of auditing and updating its training program. We recommend FSIS conduct refresher training specific to the label verification directive and reinspection process.

Additionally, we determined that supervisors perform In-Plant Performance System (IPPS) reviews twice a year to evaluate IPP performance. The IPPS review form only requires that supervisors assess whether IPP appropriately determine that inspected lots meet regulatory labeling requirements and product standards by successfully executing the inspection methodology outlined in the FSIS label verification directive; it does not specifically reference whether IPP are inspecting every label on all cartons on sample pallets. However, FSIS national officials stated that they wanted to keep the IPPS review form generic so that supervisors will not use it as a checklist and instead assess IPP compliance with import directives in general. We noted that supervisors were not taking corrective action at the time we observed this IPP behavior, and in order to ensure that this label verification control functions as intended, we recommend FSIS should include supervisors in the refresher training related to the label verification directive and reinspection process.

## **Recommendation 1**

Conduct refresher training for IPP responsible for import reinspection on the procedure for label verification of shipping container labels outlined in FSIS Directive 9900.5, *Label Verification of Imported Meat, Poultry, and Egg Products*.

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<sup>20</sup> 1 carton divided by 144 cartons equals approximately .007—or 0.7 percent.

<sup>21</sup> 48 cartons divided by 144 cartons equals 0.33—or 33 percent.

## **Agency Response**

In its June 10, 2020, response, FSIS stated:

FSIS will develop and provide virtual refresher training that focuses on performance of the label verification procedure and verification of lot counts. FSIS will provide this training to IPP currently assigned to an import inspection establishment.

The estimated completion date is June 30, 2021.

## **OIG Position**

We accept management decision on this recommendation.

## Finding 2: FSIS Inspection Program Personnel Did Not Count Lot Units

We determined that the actual lot unit count related to 6 of 53 shipments of imported meat and poultry product did not match the numbers listed on the corresponding certificates for those shipments. Further, we concluded that five of those shipments should not have been allowed entry into the United States because the actual lot counts were not within FSIS-allowed lot count tolerance levels, and the certificates were not corrected. We attributed this condition to agency instructions not clearly stating the expected procedures for verifying numbers on certificates and inadequate oversight of IPP. While we found no evidence that the quality of the product in the shipments did not meet U.S. standards, the control weaknesses increase the risk that ineligible product could enter U.S. commerce.

Certificates list the number of units in each imported lot of meat and poultry products. Although FSIS Directive 9900.1, *Imported Product Shipment Presentation*, does not specifically state that IPP are to physically count the number of units in each lot presented for reinspection, it contains instructions on actions to take when lot unit counts are over or under the declared counts.<sup>22</sup> To do this, IPP would need to physically count the number of units in each lot. According to the directive, IPP are either to accept minor deviations from the quantity certified by the foreign country's competent authority on the certificate, or take action to refuse entry of the imported products, based on the following criteria:

1. When the number of shipping units is *less* than the number stated on the certificate, IPP are to accept the lot and certificate, provided the deviation is less than 10 percent. If the deviation is more than 10 percent and there is no explanation for the underage, IPP are to fail the Certification TOI in PHIS, place the shipment on hold, and refuse entry of the shipment into U.S. commerce.
2. When the number of shipping units *exceeds* the number stated on the certificate, IPP are to accept the lot based on a table of allowed overages. (See Exhibit B.) If the number of shipping units exceeds the overage limit established in the table, the shipment is required to be recertified by the foreign country's competent authority, or the IPP are to refuse its entry into U.S. commerce.

Despite these requirements, we observed seven of the eight IPP that were performing reinspections at the establishments we visited did not verify the number of units for each lot of imported meat and poultry products declared on the certificates.<sup>23</sup> Instead, IPP relied on establishment warehouse personnel to provide them with the unit counts for each lot that was presented for reinspection. We note, however, that the establishment warehouse personnel's count is an informal process and cannot be a replacement for IPP formal lot count verification.

Before IPP receive a shipment for reinspection, establishment warehouse personnel note the number of units they placed in each pallet and the number of pallets that make up the import lot on a piece of paper that is either placed on the first pallet of the import lot in the warehouse or

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<sup>22</sup> FSIS Directive 9900.1, *Import Product Shipment Presentation* (Nov. 2015).

<sup>23</sup> Number of units refers to the number of pieces or containers that make up a lot. Containers include any box, can, tin, cloth, plastic, or other receptacle, wrapper, or cover.

included with paperwork (e.g., the certificate or the FSIS inspection application) that is delivered to IPP. While IPP can use the establishment warehouse personnel count as a starting point, IPP should have also verified that number by counting the number of units and comparing the total units calculated to the certificate declared lot unit count.

When we spoke to IPP and agency officials, they explained that they relied on the establishment warehouse personnel's count instead of counting the number of units themselves in order to expedite the FSIS reinspection process. We also determined that this lot count verification step is not explicitly included in the supervisors' IPPS review forms, which supervisors conduct twice a year to evaluate IPP performance. The IPPS review includes an evaluation of IPP verification of the certificate when performing the Certification TOI, and supervisors assess whether IPP verify compliance with the certificate requirements, which should include IPP verification of lot unit counts.<sup>24</sup> We note that verifying the certificate alone does not sufficiently mitigate the risk that the establishment warehouse personnel potentially miscounted the number of units in a lot. We also observed that FSIS supervisors present during our observation of IPP reinspections did not take issue with IPP relying on establishment warehouse personnel lot counts, instead of verifying the total number themselves. FSIS national officials stated that the issue could be addressed by updating the directive. FSIS does not want to use the IPPS review form as a checklist for the supervisors. We propose that FSIS include supervisors in the refresher training for verifying the accuracy of lot unit counts declared on foreign inspection certificates.

We examined FSIS' instructions related to the actions IPP were to take to verify shipment numbers on certificates. We determined that FSIS' instructions did not clearly state the process IPP were to use when verifying shipment numbers. FSIS national officials acknowledged that although FSIS Directive 9900.1 does not specifically state that IPP are to physically count the number of units in each lot presented for reinspection, IPP are expected to verify lot unit counts, as there are different parameters that IPP are to follow to address an overage or underage. In response to our concerns, the FSIS national officials stated that they will update the directive with clear instructions for verifying the lot unit counts and include the updated lot unit count verification process in their training program.

Verifying and counting the number of units being imported to the U. S. is an important control to ensure that only products certified by a foreign country and declared on certificates are released into U.S. commerce. Because 7 of 8 IPP did not perform this step, we physically counted the number of units in each lot for the 53 certificates presented for reinspection. We determined that the lot counts did not match the numbers listed on 6 of the 53 certificates. Further, we concluded that five of the six certificates had unit counts that were under or over the FSIS-allowed unit count tolerance levels, and the shipments should not have been allowed to enter U.S. commerce without a correction to the certificates. Per internal guidance, the IPP should have failed the certification TOIs in PHIS, placed the lots on hold, and refused them entry into the United States.

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<sup>24</sup> IPP are to perform a Certification TOI to verify that each lot of meat or poultry products offered for import into the United States is accompanied by the proper certification. The certificate must include: country's official seal, species of livestock or poultry, name of country, foreign establishment number, etc.

## **Recommendation 2**

Update FSIS Directive 9900.1, *Imported Product Shipment Presentation*, with clear instructions for verifying the lot unit counts.

### **Agency Response**

In its June 10, 2020, response, FSIS stated:

FSIS will update FSIS Directive 9900.1 to clarify expectations and include clear instructions for verifying the unit counts of imported lots.

The estimated completion date is March 31, 2021.

### **OIG Position**

We accept management decision on this recommendation.

## **Recommendation 3**

Conduct refresher training for IPP responsible for import reinspection on the lot unit count procedures.

### **Agency Response**

In its June 10, 2020, response, FSIS stated:

FSIS will develop and provide virtual refresher training that focuses on performance of the label verification procedure and verification of lot counts. FSIS will provide this training to IPP currently assigned to an import inspection establishment.

The estimated completion date is June 30, 2021.

### **OIG Position**

We accept management decision on this recommendation.

## Scope and Methodology

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We conducted this audit to evaluate FSIS' controls to ensure the safety of imported meat and poultry. Specifically, we evaluated reinspections performed at FSIS import reinspection establishments and the effectiveness of the PHIS import module. The scope of our audit covered imported meat and poultry shipments inspected in FYs 2017, 2018, and 2019.<sup>25</sup> We began audit fieldwork in September 2018 at the FSIS national office in Washington, D.C., and completed audit fieldwork in March 2020. To accomplish our objective, we performed fieldwork at three FSIS district offices and nine establishments.<sup>26</sup>

We used FSIS-provided data from PHIS for all import shipment lots reinspected at all establishments in FYs 2017 and 2018, which were 308,996 and 324,052, respectively. We non-statistically selected 3 of 10 FSIS district offices that ranked in the top 3 for the number of establishments overseen or the number of import meat and poultry lot reinspections in FYs 2017 and 2018. The three FSIS district offices we selected accounted for over 57 percent of all imported lots inspected nationwide in FYs 2017 and 2018. Additionally, we selected three establishments located within each of the three district offices. We non-statistically selected eight establishments based on the volume of reinspections conducted, and we selected one establishment from the Alameda, California, district office because it was in close proximity to the two establishments with the highest number of import meat and poultry reinspections in that district. Overall, we visited nine establishments (two that received only Canadian imports and seven that received only non-Canadian imports).

We worked with FSIS 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 weaknesses.

To accomplish our objective, we:

- Reviewed FSIS' corrective actions on the related recommendations from four prior audit reports.
- Interviewed FSIS officials responsible for the development and oversight of import reinspection procedures, regulatory compliance, and PHIS.
- Obtained and reviewed laws, regulations, and directives that provide statutory requirements and guidance on imported meat and poultry reinspections.
- Interviewed FSIS district office management, and reviewed district office management oversight of imported meat and poultry reinspection activities in each district.
- Observed FSIS IPP perform reinspections of imported meat and poultry and utilize PHIS to perform reinspections and capture reinspection results.

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<sup>25</sup> Our initial audit scope covered meat and poultry import shipments inspected in FYs 2017 and 2018. However, we expanded our scope to include FY 2019 in order to observe FSIS IPP performing reinspections of meat and poultry import shipments arriving at establishments during our site visits to those establishments.

<sup>26</sup> We performed fieldwork at FSIS district offices in Albany, California; Raleigh, North Carolina; and Philadelphia, Pennsylvania; and establishments in Carson, California; Compton, California; Long Beach, California; Mullica Hill, New Jersey; Swedesboro, New Jersey; Vineland, New Jersey; Philadelphia, Pennsylvania; Champlain, New York; and Niagara Falls, New York.

During the course of our audit, we interviewed agency officials knowledgeable about PHIS data collection, validation, and reliability. Through review of information about the system, we gained an understanding of the existence, relationship, impact, and pervasiveness of information systems that interact with PHIS. We assessed the reliability of PHIS data by comparing a non-statistical sample of FYs 2017 and 2018 meat and poultry reinspection source documents to data in PHIS to ensure PHIS data were complete and accurate.<sup>27</sup> Additionally, we observed meat and poultry reinspections at establishments and validated that the results of the reinspections were accurately entered into PHIS. Based on our testing, we determined that the PHIS data were sufficiently reliable for the purposes of our audit.

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, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

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<sup>27</sup> At each of the nine establishments that we visited, we non-statistically selected for review five FY 2017 and five FY 2018 meat and poultry shipments that were reinspected at that establishment. The selections were made by picking a file from within an establishment's file cabinet containing reinspection files for FYs 2017 and 2018.

## Abbreviations

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FMIA.....	Federal Meat Inspection Act
FSIS.....	Food Safety and Inspection Service
FY.....	fiscal year
IPP.....	Inspection Program Personnel
IPPS.....	In-Plant Performance System
PHIS.....	Public Health Information System
PPIA.....	Poultry Products Inspection Act
TOI.....	type of inspection
USDA.....	United States Department of Agriculture

## Exhibit A: FSIS Labeling Verification Procedures Sample<sup>28</sup>

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IPP are to select the number of sample units from the presented lots using table below.

<b>Number of Units in Presented Lot</b>	<b>Number of Sample Units (Pallets/Totes/Carcasses)</b>
<b>1–10</b>	1
<b>11–20</b>	2
<b>21–30</b>	3
<b>31–40</b>	4
<b>41–50</b>	5
<b>51 or more</b>	5 plus 1 additional sample unit for every increase in lot size by 10 units or parts thereof.

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<sup>28</sup> USDA Food Safety and Inspection Service, FSIS Directive 9900.5, *Label Verification of Imported Meat, Poultry, and Egg Products* (Nov. 2015).

## **Exhibit B: FSIS Shipping Unit Overage Tolerance Levels<sup>29</sup>**

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An overage occurs when actual lot unit counts are more than the lot unit counts declared on the certificate.

<b>Lot Size (Shipping Units)</b>	<b>Overages Allowed (Shipping Units)</b>
<b>0–50</b>	0
<b>51–100</b>	1
<b>101–200</b>	2
<b>201–400</b>	4
<b>401–600</b>	6
<b>601–1,200</b>	12
<b>1,201–2,000</b>	20
<b>2,001–5,000</b>	50
<b>5,001–10,000</b>	100
<b>10,001–over</b>	150

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<sup>29</sup> USDA Food Safety and Inspection Service, FSIS Directive 9900.1, *Imported Product Shipment Presentation* (Nov. 2015).

**AGENCY'S  
RESPONSE TO AUDIT REPORT**





United States Department of Agriculture

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Food Safety and  
Inspection Service

1400 Independence  
Avenue, SW,  
Washington, D.C.  
20250

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

FROM: Paul Kiecker / s / **June 10, 2020**  
Administrator  
Food Safety and Inspection Service

SUBJECT: OIG Official Draft Report, Controls Over Imported  
Meat and Poultry Products, Audit Number 24601-0003-21

The Food Safety and Inspection Service (FSIS) appreciates the opportunity to review and comment on this Official Draft report. FSIS reviewed the report and has provided planned corrective actions for each recommendation in the report. FSIS has some additional technical comments we will send separately via email.

### **FSIS' Response to OIG's Recommendations**

#### **Finding 1: FSIS Inspection Program Personnel Did Not Adequately Verify Labels**

##### **Recommendation 1**

Conduct refresher training for IPP responsible for import reinspection on the procedure for label verification of shipping container labels outlined in FSIS Directive 9900.5, Label Verification of Imported Meat, Poultry, and Egg Products.

##### **FSIS Response**

FSIS will develop and provide virtual refresher training that focuses on performance of the label verification procedure and verification of lot counts. FSIS will provide this training to IPP currently assigned to an import inspection establishment.

**Estimated Completion Date:** June 30, 2021

#### **Finding 2: FSIS Inspection Program Personnel Did Not Count Lot Units**

##### **Recommendation 2**

Update FSIS Directive 9900.1, Imported Product Shipment Presentation, with clear instructions for verifying the lot unit counts.

**FSIS Response**

FSIS will update FSIS Directive 9900.1 to clarify expectations and include clear instructions for verifying the unit counts of imported lots.

**Estimated Completion Date:** March 31, 2021

**Recommendation 3**

Conduct refresher training for IPP responsible for import reinspection on the lot unit count procedures.

**FSIS Response**

FSIS will develop and provide virtual refresher training that focuses on performance of the label verification procedure and verification of lot counts. FSIS will provide this training to IPP currently assigned to an import inspection establishment.

**Estimated Completion Date:** June 30, 2021

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