Seafood Fraud and Species Substitution

Lisa Weddig
National Fisheries Institute
May 3, 2014
• What is the problem
• Why be concerned
• Who to blame
• What is government doing
• What can be done
Who is NFI?

• Nation’s leading advocacy organization for the seafood industry.
• NFI’s members represent every element of the industry
  • fishing vessels
  • processors
  • importers
  • restaurant and retail chains
  • suppliers to the industry
• NFI and members support and promote sound public policy based on science.
Better Seafood Board

• A corporate entity separate from National Fisheries Institute
• Sole focus is seafood fraud
• Link between industry and government
  • encourage enforcement
  • awareness of U.S. laws and regulations
  • awareness of problem
Topics for discussion

- What is the problem
- Why be concerned
- Who to blame
- What is government doing
- What can be done
Seafood Fraud

- Species substitution
- Adding excessive glaze to increase weight
- Short-weighting
- Over-treating to increase water content
- Trans-shipping to avoid customs duties

Published in 1992
Misleading Labeling

- Species substitution
- Misidentifying country of origin
- Misrepresenting wild vs. farmed
- Previously frozen sold as fresh
- Inaccurate “qualifiers”
  - “all natural”
  - “chem-free”
  - “day boat”
  - “hook and line”
  - “local catch”
Species Substitution

- The substitution of a cheaper, less desirable fish for a more expensive, higher in demand fish.
Pay Close Attention

- Often misrepresented
  - Grouper
  - Red snapper
  - Salmon
  - Catfish
- Don’t exist!
  - White tuna
  - Steelhead Salmon
  - White Roughy
Species Substitution

- The substitution of a cheaper, less desirable fish for a more expensive, higher in demand fish
- Bottom line – it’s fraud
Topics for discussion

• What is the problem
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• What can be done
Why Be Concerned?

- Erodes consumer confidence in the industry and product category
- Unfair business practices hurt companies that follow the rules
- Promotes environment of “bending the rules” to succeed
- Food safety and public health concerns
- Against the law!
From sea-to-sushi-bar, a system open to abuse

The rampant mislabeling of fish that consumers buy can be largely traced to this: the lack of anything like the regulation imposed on meat suppliers.

By Beth Daley and Jenn Abelson, Globe Staff

Second of two parts.

A watered-down deal for consumers

Frozen fish from the supermarket has consumers pay the price

By Jenn Abelson
“Seafood Fraud found in Boston-Area Supermarkets” – October 2011

“Widespread Seafood Fraud found In Los Angeles” – April 2012

“Persistent Seafood Fraud found in South Florida” – July 2012

“36% of Seafood Sampled Was Mislabeled in Monterey, California” – August 2012

“Oceana Study Reveals Seafood Fraud Nationwide” – February 2013
Sampling of What was Found

- South Florida
  - 31% of samples tested were mislabeled
  - Red Snapper – 86% (6 of 7)
  - Grouper – 16%
  - Atlantic salmon for wild or king salmon – 19% (1 of 5)
  - “White tuna” – 100%
The Miami Herald

August 24, 2009

Snapper on your plate may be an imposter.

The New York Times

NY Sushi Sleuths Uncover Fishy Tricks

The Florida Times-Union

April 29, 2014

Duval County leads the state with 9 restaurants reprimanded for misrepresenting the seafood they served
<table>
<thead>
<tr>
<th>ACTUAL MARKET NAME OF PRODUCT</th>
<th>POTENTIAL SPECIES-RELATED HAZARDS ASSOCIATED WITH THE ACTUAL PRODUCT (FROM TABLE 3-2)</th>
<th>PRODUCT INAPPROPRIATELY LABELED AS</th>
<th>POTENTIAL SPECIES-RELATED HAZARDS THAT WOULD BE IDENTIFIED BASED ON INAPPROPRIATE SPECIES LABELING (FROM TABLE 3-2)</th>
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<tbody>
<tr>
<td>Escolar</td>
<td>Gempylotoxin Histamine</td>
<td>Sea bass</td>
<td>Parasites</td>
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<td>Puffer fish</td>
<td>Tetrodotoxin Paralytic Shellfish Poisoning</td>
<td>Monkfish</td>
<td>Parasites</td>
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<tr>
<td>Spanish mackerel</td>
<td>Parasites Histamine Ciguatera Fish Poisoning</td>
<td>Kingfish</td>
<td>None</td>
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<tr>
<td>Basa</td>
<td>Environmental chemical contaminants and pesticides</td>
<td>grouper</td>
<td>Parasites Ciguatera Fish Poisoning</td>
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<td>Grouper</td>
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<td>Cod</td>
<td>Parasites</td>
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A food shall be deemed to be **adulterated**—

(1) If any valuable constituent has been in whole or in part omitted or abstracted therefrom; or

(2) if any substance has been substituted wholly or in part therefore; or
A food shall be deemed to be misbranded—

(a) ... If (1) its labeling is false or misleading in any particular, ...

(b) ... If it is offered for sale under the name of another food.
3-601.12 Honestly Presented

(A) Food shall be offered for human consumption in a way that does not mislead or misinform the consumer
Florida State Regulations

509.292 Misrepresenting food or food product; penalty

- An operator may not knowingly and willfully misrepresent the identity of any food or food product to any of the patrons of such establishment. The identity of food or a food product is misrepresented if:
  - The description of the food or food product is false or misleading in any particular;
  - The food or food product is served, sold, or distributed under the name of another food or food product; or,
  - The food or food product purports to be or is represented as a food or food product that does not conform to a definition of identity and standard of quality if such definition of identity and standard of quality has been established by custom and usage.
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Topics for discussion

- What is the problem
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- What can be done
Source: NFI’s U.S. Seafood Traceability Implementation Guide
• **Importer** pled guilty for importing falsely labeled *Pangasius hypophthalmus* as grouper.

• Sentenced to 22 months in prison and ordered to pay over $64 million in restitution for importing to avoid anti-dumping duties and for selling falsely labeled fish with the intent to defraud.
• Two seafood **wholesalers** convicted for:
  • purchasing and selling farm-raised Asian catfish and Lake Victoria perch falsely labeled as grouper,
  • selling foreign farm-raised shrimp falsely labeled as U.S. wild caught shrimp,
  • selling shrimp falsely claimed to be larger, more expensive shrimp
  • buying fish they knew had been illegally imported into the United States.

• Sentenced to 33 months and 24 months in prison + fines + barred from working in seafood industry
One *restaurateur* used the name butterfish instead of sablefish simply because it sounds better. “Butterfish rolls off the tongue,”

Restaurateur admitted serving ocean perch instead of the $14 red snapper in garlic sauce listed on menu

- The switch began when red snapper was hard to find and more expensive
- Ocean perch about $4/pound compared to red snapper at about $8/pound
Topics for discussion

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Goal is to create an appropriate, nonmisleading statement of identity

http://www.fda.gov/Food/GuidanceRegulation/GuidanceDocumentsRegulatoryInformation/Seafood/ucm113260.htm
Understanding Fish Names

- A single species will have several different names
  - Scientific name (*Mugiloides chilensis*)
  - Common name (AKA common scientific name) (Chilean Sandperch)
  - Vernacular name (Sea Salmon)
  - Acceptable market name (Sandperch)
Import Alerts

- 16-04 - Misbranded Seafood
- 16-47 - Detention Without Physical Examination of Red Snapper from Thailand
- 16-128 – Misbranded Catfish

http://www.accessdata.fda.gov/cms_ia/industry_16.html
Fish SCALE (Seafood Compliance and Labeling Enforcement)

- Development and implementation of regulatory genetic methods to allow FDA, other regulatory agencies, and the seafood industry to confirm seafood labeling and identify at which step in the supply chain these violations are occurring.
- Perform targeted field sampling assignments for high risk species
DNA Barcode Sequences for Seafood Species Identification: *Lepidocybium flavobrunneum*; Escolar; FDA Market Name: Escolar or Oilfish

Sample # UA-178

*Lepidocybium flavobrunneum*, Escolar; FDA Market Name: Escolar or Oilfish
Authenticated: yes, vouched: yes
Alabama Deep Sea Fishing Rodeo
CO1 DNA Sequence (barcode, FASTA format)
Additional Information: NNMID: ID 325335

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>Sample UA-178|CFSAN194611|Lepidocybium flavobrunneum|CO1-5P
TTGGTCTCATGCTGTTATATGCTGCGCTTTAGGGCTTGCAAGCTGTTACTGGAAGCTTACGGAAGGAAGGAAGTTGGGAAGAAATCAGCTGGTTATCCTCCTCTCTC
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Sample FDA-178 photograph: Full-size photograph (1250 x 900 px)

*FDA_178*
*Lepidocybium flavobrunneum*

[Image of a tuna fish labeled *Lepidocybium flavobrunneum*]

http://www.fda.gov/Food/FoodScienceResearch/RFE/default.htm
Nhan Huhn Dat NGUYEN

Summary of OCI Investigation:

NGUYEN and others fraudulently imported over 10.7 million pounds of Catfish, falsely labeled as other species of fish, such as Sole, Grouper, Flounder and Conger Pike, from Vietnam into the U.S. by submitting false labels and selling it below market price. NGUYEN mislabeled boxes of Catfish five times, received over 800,000 pounds of fish in two shipments, and due to the false labeling, avoided paying between $535,000 and $759,158 in anti-dumping duties on the Catfish. The scheme earned NGUYEN about $16 million. In July 2005, NGUYEN fled to Vietnam.
Why you should avoid buying or selling mislabeled seafood:

It’s illegal. Mislabeling or substituting seafood is a violation of California Health and Safety Code, Section 114087. Environmental Health conducts special inspections to protect consumers from the sale of adulterated, misrepresented, and/or mislabeled seafood.

Tips for buying and selling safe seafood:

- Compare the label on the food container or packaging with the invoice or receipt to make sure it matches what you ordered.

- Remember, white tuna does not exist. If your invoice says white tuna or it is missing information such as species or country of origin, do not accept delivery. Return the product to the supplier or distributor, and ask for more information, or contact your Health Inspector for advice.

Questions? We're here to help!

If you suspect seafood mislabeling or substitution, contact Environmental Health at (626) 430-5200 during business hours, 8 am to 5 pm, Monday through Friday; call the 24-hour Hotline at (888) 700-9995; or send an e-mail to ehealth@ph.lacounty.gov.
Mislabeling Seafood Products is Illegal

Consumers need to be informed when it comes to buying seafood. Knowing what

Topics for discussion

- What is the problem
- Why be concerned
- Who to blame
- What is government doing
- What can be done
Is Your Reputation on the Line?

What’s in a Name?

By Better Seafood Board

Don’t be accused of a “Fish Switch”

Negative publicity is never good for business. Investigative reports on the prevalence of species substitution at restaurants are popular stories with local media. Local consumer-driven “gochku” stories make for good ratings.

Use FDA’s Seafood List (available at http://www.cfsan.fda.gov/~comm/sea146.html) to ensure that the name you list on your menu is the recommended market name for the fish. And work with a trusted supplier to ensure that you receive what you ask for.

Did You Know?

FDA can consider a food product to be misbranded if it is offered for sale under the name of another food.

Steps you can take to keep from getting DUPED

- Reference FDA’s Seafood List for acceptable names
- Be clear in purchase specifications
- Check that container labels match invoices
- Trust your “gut” (if the price is too good to be true, it probably is)

Still have questions?

Check out these websites:
- FDA’s Seafood List – www.cfsan.fda.gov/~comm/sea146.html
- Regulatory Fish Encyclopedia – www.cfsan.fda.gov/~irf/red.html
- Seafood Network Information Center – http://seafood.ucdavis.edu/
- Better Seafood Board – www.betterseafoodboard.com
Support suppliers that play by the rules
Support Enforcement

Department of Justice
Office of Public Affairs

FOR IMMEDIATE RELEASE

Monday, February 6, 2012

California Seafood Corporation Sentenced to Pay $1 Million for False Labeling of Seafood Products

SEAFOOD WHOLESALER SENTENCED FOR FALSE LABELING OF FISH

TUESDAY, MAY 24, 2011

BOSTON, Mass. - Thomas Katz, 65, of Burlington, Mass., and Universal Group Inc., were sentenced today in federal court in Boston for their roles in purchasing and selling falsely labeled Asian catfish. Katz was...

Contact: U.S. Department of Justice
United States Attorney
Southern District of Florida
(305)961-9001

SEA FOOD CENTER, LLC. AND ITS PRESIDENT PLEAD GUILTY TO CONSPIRACY TO MISLABEL SHRIMP

FOR IMMEDIATE RELEASE
September 9, 2011
Are new laws the answer?
Are new laws the answer?
Conference for Food Protection
2010 Issue Form

Issue: 2010 I-023

Council Recommendation: Accepted as Submitted _____ Amended _____ No Action _____ X

Delegate Action: Accepted _____ X Rejected _____

All information above the line is for conference use only.

Title: Proper Identification of Seafood Species

Recommended Solution:
The Conference recommends no action.

Reason:
Adequately addressed in the FDA Food Code.
Thank You

Lisa Weddig

www.betterseafoodboard.com