



GUIDE ON FRAUD PREVENTION - STRENGTHENING ORGANIC ENFORCEMENT

One of the primary objectives of the Strengthening Organic Enforcement SOE is to steadily improve the monitoring of organic integrity in increasingly complex supply chains.

The organic integrity of products can be lost through both fraud and accidental mishandling. Supply chain traceability and organic fraud prevention involve several significant changes that protect against both threats. They ensure that organic products are traceable from retail to production. This guide combines concise regulatory text with a simple description of what the change involves and the additional control procedures necessary for operators involved in the supply chain.

The traceability and fraud prevention provisions work together to safeguard organic integrity throughout the supply chain. The rule encourages risk-based approaches, ensuring that processes are robust and sound, and effectively protecting the marketplace.

Supply chain traceability and organic fraud prevention		
Section	Condensed regulatory text	Key findings
205.2	Definitions: Organic fraud: Misrepresenting, selling or labeling non-organic agricultural products or ingredients as organic.	Organic fraud was not previously defined in the regulatory text. Defining it helps the industry understand what the rule is intended to prevent. Food fraud: is a general term that encompasses the intentional and planned substitution, addition, tampering or misrepresentation of food, food ingredients or packaging, product labels and information, or false or misleading statements made about a product for financial gain. <i>See appendix. I- Types of Food Fraud.</i>



205.103 b) 2)	<p>Record keeping: Fully disclose all activities and transactions of the certified operation in sufficient detail to be easily understood and audited, records should cover the time of purchase or acquisition, through production, sale or transport and be traceable to the last certified operation.</p>	<p>This section describes additional record keeping responsibilities for certified operations. The SOE regulation adds a clause for traceability to be maintained within an operation and back to the last certified operation. These key elements are required to perform complete supply chain traceability audits.</p> <p>When a non-certified intermediary is used (e.g., an exempt intermediary, wholesaler or shipping company), certified operations will need records showing both the last certified operation to possess or handle the product, and that organic integrity is respected by the non-certified intermediary.</p> <p>This provision further highlights the importance of having certified entities throughout the supply chain.</p>
205.103 b) 3)	<p>Such records must include tracking and audit documentation and identify the agricultural products in these records as "100% organic", "organic" or "made with organic".</p>	<p>This specifies that certified operations must maintain an audit trail, i.e. transactional or external records, and that these identify the products as organic.</p>
205.201 a) 3)	<p><u>Organic production and management system plan</u> Must include a description of monitoring practices and procedures to verify suppliers in the supply chain and organic products. Status of agricultural products received, and to prevent</p>	<p>NOP/SOE requires certified operations to add a <i>fraud prevention plan to the organic system plan</i>. The rule allows flexibility with respect to how the fraud prevention plan is modified for different supply chains, e.g., a granola producer combining many organic ingredients would require a fraud prevention plan that is more complex than a vegetable farm selling to the</p>



	<p>organic fraud, as appropriate to certified operations, activities, scope and complexity.</p>	<p>local trade. Fraud prevention plans are an industry best practice.</p> <p><i>See Annex II- Components of the Fraud Prevention Plan.</i></p> <p>A comprehensive Fraud Prevention Plan is based on a Vulnerability Assessment of the operation. This assessment, properly documented and implemented, is the cornerstone for identifying potential risks and vulnerabilities in the supply chain. It is crucial that the operator performs a periodic review of this assessment, adjusting it as the market and the operation's own activities evolve.</p> <p>The renewal of the plan must be a constant practice, in tune with the dynamic changes in the business environment. It will also be enriched with feedback from past experiences, enabling proactive adaptation to new threats and challenges. Regular updating ensures the continued effectiveness of the Fraud Prevention Plan, strengthening the integrity of the supply chain and protecting reputation and trust in the marketplace.</p> <p><i>See Annex III- Food Fraud Vulnerability Assessment Tool.</i></p>
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ANNEXES:

I- Types of Food Fraud:

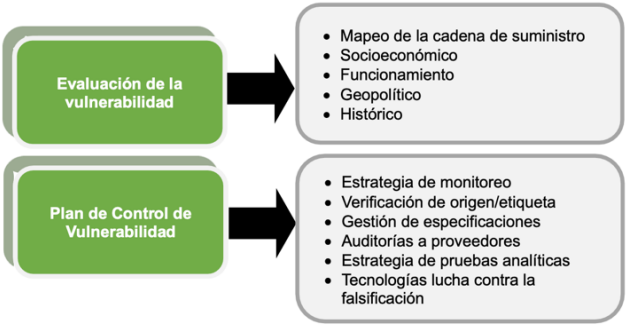
<p>Types of food fraud in this tool:</p> <ul style="list-style-type: none">• Dilution is the process of mixing a high value liquid ingredient with a low value liquid.• Substitution is the process of replacing a high-value ingredient, or part of the product, with a low-value ingredient, or part of the product.• Hiding is the process of concealing the poor quality of an ingredient or product.• Mislabeling is the process of placing false claims on packaging for economic gain.• Unauthorized enhancement is the process of adding unknown or undeclared materials to food products to improve their quality.• Counterfeiting is the process of copying the brand name, packaging concept, recipe, processing method, etc. of a food product for economic gain.	<p>Types of food fraud considered in this tool are:</p> <ul style="list-style-type: none">• Dilution is the process of mixing a liquid ingredient with high value with a liquid of lower value.• Substitution is the process of replacing an ingredient or part of the product of high value with another ingredient or part of the product of lower value.• Concealment is the process of hiding the low quality of a food ingredients or product.• Mislabeling is the process of placing false claims on packaging for economic gain.• Unapproved enhancement is the process of adding unknown and undeclared materials to food products in order to enhance their quality attributes.• Counterfeiting is the process of copying the brand name, packaging concept, recipe, processing method etc. of food products for economic gain.
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	<p>Etiquetado incorrecto</p> <ul style="list-style-type: none"> Fecha de vencimiento, origen (inseguro), anís estrellado japonés tóxico etiquetado como anís estrellado chino Aceite para cocinar reciclado con etiquetas incorrectas 		<p>Mislabelling</p> <ul style="list-style-type: none"> Expiry, provenance (unsafe origin) Toxic Japanese star anise labelled as Chinese star anise Mislabelled recycled cooking oil
	<p>Dilución</p> <ul style="list-style-type: none"> Productos diluidos usando agua no potable o insegura Aceite de oliva diluido con aceite de árbol potencialmente tóxico 		<p>Dilution</p> <ul style="list-style-type: none"> Watered down products using non-potable/unsafe water Olive oil diluted with potentially toxic tree oil
	<p>Ocultación</p> <ul style="list-style-type: none"> Aves de corral inyectadas con hormonas para ocultar enfermedades Colorantes alimentarios dañinos aplicados en frutas para ocultar defectos 		<p>Concealment</p> <ul style="list-style-type: none"> Poultry injected with hormones to conceal diseases Harmful food colouring applied to fresh fruit to cover defects
	<p>Falsificación</p> <ul style="list-style-type: none"> Copias de comidas populares, producidas sin garantías de seguridad aceptables 		<p>Counterfeiting</p> <ul style="list-style-type: none"> Copies of popular foods – not produced with acceptable safety assurances
	<p>Sustitución</p> <ul style="list-style-type: none"> Aceite de girasol sustituido parcialmente con aceite mineral Proteína de piel hidrolizada en la leche 		<p>Substitution</p> <ul style="list-style-type: none"> Sunflower oil partially substituted with mineral oil Hydrolysed leather protein in milk
	<p>Mejoras no autorizadas</p> <ul style="list-style-type: none"> Melanina añadida para mejorar el valor de proteínas Uso no autorizado de aditivos (colorantes Sudán en especias) 		<p>Unapproved enhancements</p> <ul style="list-style-type: none"> Melamine added to enhance protein value Use of unauthorised additives (Sudan dyes in spices)
	<p>Robo, desvío y producción en mercados extraoficiales</p> <ul style="list-style-type: none"> Venta del excedente de productos no declarados Pérdida de regalías 		<p>Grey market production/theft/diversion</p> <ul style="list-style-type: none"> Sales of excess unreported product Loss of royalties or brand payments




II- Necessary components of a fraud prevention plan


Component	Description
<ul style="list-style-type: none"> Names and responsibilities of the organic fraud prevention team: 	<p>The objective is to have in the structure a team that will promote fraud prevention management practices.</p> <p>Establish a multidisciplinary team. The organic fraud prevention team should be risk-based. It should be a team of individuals designated to carry out the development, implementation and review of the Product Fraud Mitigation Plan.</p> <p>The team should work with the risk-based approach. The motive for a food fraud action (the cause) may be financial gain, but it may, however, create a risk to food safety or non-compliant products. Very often, this risk is due to negligence or lack of knowledge on the part of the offenders.</p> <ul style="list-style-type: none"> Choose the Coordinator. Create a company-wide or producer organization Organic Fraud Prevention (Policy) statement. Train the team and document all training. Report to the Senior Management of the Management System (SIC). Establish and maintain a continuous management process. Create a supplier verification approval program. Establish best practices for receiving organic ingredients/products. Establish best practices for high-risk imports or products. Establish best practices to ensure traceability and mass balance of the supply chain.

	<ul style="list-style-type: none"> Establish best labeling practices
<ul style="list-style-type: none"> Vulnerability Assessment 	<p>The vulnerability assessment should be developed by the fraud prevention team, the objective is to identify gaps and weaknesses in the supply chain, for each product and/or raw material used and/or marketed.</p> <p>The vulnerability assessment should consider at least the following aspects and processes:</p> <ul style="list-style-type: none"> Identify raw materials and finished products: Identification of risks (history, economic factors, geographical origins, physical condition, risks of applying pest control treatments, emerging problems). Identify suppliers: Know the suppliers (if it is a manufacturer, if it has organic certification or not, history). Know the supply chain: (length, complexity, non-certified entities, supply and demand). Know existing verification measures and identify vulnerability gaps: Identify weaknesses in the supply chain that increase exposure to fraud. <div data-bbox="709 1047 1333 1372" style="border: 1px solid gray; padding: 10px; margin-top: 20px;">  <pre> graph LR A[Evaluación de la vulnerabilidad] --> B["• Mapeo de la cadena de suministro • Socioeconómico • Funcionamiento • Geopolítico • Histórico"] C[Plan de Control de Vulnerabilidad] --> D["• Estrategia de monitoreo • Verificación de origen/etiqueta • Gestión de especificaciones • Auditorías a proveedores • Estrategia de pruebas analíticas • Tecnologías lucha contra la falsificación"] </pre> </div>



<ul style="list-style-type: none"> Organic mitigation measures 	<p>Mitigation measures are proposed according to the results of the vulnerability assessment and should be implemented in the organic management plan.</p> <ul style="list-style-type: none"> Prevention measures: implemented to avoid the incidence of risk aspects of organic fraud, such as: improvement of the traceability system, mass balance, review of hygiene and cleaning plans to avoid cross-contamination, review of the calibration plan so that the proportions of ingredients do not give erroneous contamination that affects labeling, product quality analysis, supplier audit and/or evaluation procedures, desk audits, unannounced internal audits, classification of suppliers based on risk analysis and implementation of a sampling plan. Corrective actions: must be executed when the established critical limits are exceeded, when nonconformities are detected in the internal/external audit processes, they must be reviewed, determine the causes, evaluate and execute the necessary actions to solve the nonconformities.
<ul style="list-style-type: none"> Monitoring Procedures 	<p>Monitoring procedures should be implemented throughout the supply chain, at a minimum should include:</p> <ul style="list-style-type: none"> Scheduling of internal audits Development of sampling and quality analysis programs Audit and evaluation of suppliers Development of a document control and record keeping procedure. Disclosure of procedures, records and control tools to all those involved in the operation. Development of residual analyses, conclusion of work contracts with accredited laboratories, PQRS investigation procedures.

<ul style="list-style-type: none"> Verification Activities 	<p>These are activities aimed at identifying compliance with the organic management plan, such as:</p> <ul style="list-style-type: none"> • Sampling and residual analysis procedures • Supplier audits • Blockchain • Traceability simulations  <p>The diagram shows a central blue box labeled "Actividades de Monitoreo y Verificación". To its left, three boxes are connected by arrows pointing towards the center: "Auditorías internas", "Acciones Correctivas", and "Comunicación". To its right, three boxes are connected by arrows pointing away from the center: "Análisis - Pruebas - Comprobaciones", "Auditorías a proveedores", and "Mantenimiento de registros".</p>
<ul style="list-style-type: none"> Internal Audit 	<p>Internal audits should be conducted by auditors with the required capacity and the organic fraud prevention team, and should be procedures aimed at identifying the level of maturity of the system and compliance against:</p> <ul style="list-style-type: none"> • Has a vulnerability assessment been conducted? • Has the vulnerability assessment been documented? • A fraud prevention plan has been implemented. • It is possible to demonstrate the implementation of the fraud prevention plan. • The fraud prevention plan has been approved and implemented at the executive level. • Has at least one annual system review, drill and/or calibration been performed? • Methods are in place for the review of internal incidents and general market incidents.

<ul style="list-style-type: none"> • Incident Management Procedure 	<p>It must be a procedure that serves for the resolution of system incidents, it must include as a minimum:</p> <ul style="list-style-type: none"> • Identification of the situation • Identification of responsible parties • Management for resolution by the responsible area and executive approval • Resolution assessment and transfer of information to stakeholders in the supply chain
<ul style="list-style-type: none"> • Communication and Training Strategy 	<p>The communication and training strategy must be functional to the operation and efficient to guarantee access to information to the fraud prevention team and all the areas involved, as well as to identify the company's training needs:</p> <ul style="list-style-type: none"> • Communication and training strategies should be linked to the organic management plan and their effectiveness should be evaluated periodically. 
<ul style="list-style-type: none"> • Description of the Registration System 	<p>The description of the record keeping system should be included in the quality manuals and organic management plan.</p>
<ul style="list-style-type: none"> • Management review and validation 	<p>A management validation procedure must exist and be documented in the organic management plan, linking:</p>



	<ul style="list-style-type: none">• The periodicity of this procedure• Identification of responsible parties
<ul style="list-style-type: none">• Integration of the Fraud Prevention Plan into the Organizational Plan.	The components of the organic fraud prevention plan can be linked to the documented organic management plan or can be included as an annex to the documented organic management plan.

III. Food Fraud Vulnerability Assessment Tool.

Mayacert recommends operators to complete the Food Fraud Vulnerability Assessment Tool developed by SSAFE in collaboration with Wageningen University and Research Center, and VU Amsterdam. In addition, SSAFE has collaborated with PwC to develop an electronic version of this tool.

This tool can be found at the following link:

<https://www.mayacert.com/downloads>

- Food Fraud Vulnerability Assessment (NOP).

Operators, as an integral part of their Fraud Prevention Plan, must include a duly completed fraud detection tool. This tool will be subject to evaluation during organizational audits conducted by Mayacert staff. Therefore, it is imperative that this tool be properly documented, completed and implemented, as its proper execution is essential to meet the rigorous requirements of the National Organic Program's (NOP) Strengthening Organic Enforcement-SOE-). The quality and accuracy in the application of this tool will not only

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strengthen the integrity of the organic supply chain, but also ensure regulatory compliance and continued consumer confidence in certified organic products.

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