

## **IV. USDA Findings and Action Plan**

### **2. FSIS INVESTIGATION FINDINGS AND ACTIONS**

As a result of a thorough and complete investigation of this incident, 5 findings and 15 action steps were identified. They are detailed in this section of this report.

#### **FINDING #1:**

FSIS inspection program personnel at both establishments were unaware that Atlantic Veal and Lamb, Inc., or its supplier, Golden Veal Corp., had been recently approved under the AMS EV program to export to Japan. FSIS inspection program personnel first became aware that Atlantic Veal and Lamb, Inc., was an approved EV program establishment when the application for export certificate was presented for signature.

#### **ACTIONS IN RESPONSE TO FINDING #1:**

AMS will notify FSIS when an establishment is audited and approved or delisted under an EV program. This notification will happen as described below:

1. Upon submission of an establishment's Quality System Manual for approval by AMS for an EV program, AMS will notify the FSIS Technical Service Center (TSC). FSIS will provide training for the assigned establishment inspection program personnel on the requirements of the pending export certification. FSIS will ensure that training of the assigned establishment personnel is completed within five (5) business days of the AMS notification. FSIS will notify AMS when appropriate inspection program personnel have completed the training. AMS will not approve an establishment for export until it receives notification from FSIS that the training has been completed.
2. When an establishment is approved for an EV program, AMS will add the establishment to the list of approved establishments to send product to a particular country. AMS will notify FSIS of the listing by electronically transmitting a copy of the audit results to the FSIS TSC, which will notify the FSIS District Office. AMS will follow-up by electronically transmitting a full copy of the audit report to the FSIS TSC.
3. When an establishment is delisted, AMS immediately will notify the FSIS TSC which will notify the FSIS District Office. AMS will follow-up by electronically transmitting a copy of the notice of delisting, and if applicable, the audit report to the FSIS TSC.
4. The approved establishment will maintain a copy of all EV program audit reports in its records, and management will discuss the audit reports in their next weekly meeting with FSIS assigned establishment inspection program personnel. This will be added as a requirement for EV program approved establishments.
5. FSIS will acknowledge receipt of all audit results and reports provided by AMS.

\* USDA implemented the above changes on Monday, February 13, 2006.

FINDING #2:

Golden Veal, Corp., was not eligible to supply offal to Atlantic Veal and Lamb, Inc. for shipment to Japan. In this specific incident, Golden Veal, Corp. shipped offal to Atlantic Veal and Lamb, Inc., and certified it as eligible to export to Japan. Atlantic Veal and Lamb, Inc., shipped offal to Japan, certifying it as eligible for export although it came from an establishment that was not certified to supply offal for shipment for Japan.

ACTIONS IN RESPONSE TO FINDING #2:

In the situation where a supplier and fabricator are separate establishments, AMS will require the fabricator to maintain a list of establishments that are approved EV suppliers for the fabricator.

In addition, AMS will require the fabricator to maintain a current list of products that each EV supplier is approved to provide under their approved EV program. As part of the approved EV program, participating establishments will be required to provide FSIS with access to these establishment records.

\* AMS will implement on or before March 1, 2006.

FINDING #3:

It was found during the investigation that there was an unclear line of authority as to whether FSIS or AMS is ultimately responsible for confirming that the requirements of the EV program have been met.

ACTIONS IN RESPONSE TO FINDING #3:

To add another step in the process to confirm that the requirements have been met, it was determined that both FSIS and AMS should have shared responsibility to confirm shipments for the EV program. Because of this finding, AMS will be providing the second signature in the export certification process. The revised process is as follows:

For each EV associated export certificate from any EV approved facility:

- FSIS will certify and sign that all food safety requirements are met.
- AMS will require establishments approved under the EV Program to include in their QSA Quality System Manual a list of products intended for export. The list must contain all beef items, including offal products, that are intended for export. In addition, the list must include the specific product code numbers and an Institutional Meat Product Specification item number or a detailed item description.
- AMS will confirm that the supplier and fabricator establishments are approved under their EV program for the importing country to process and export each of the products listed on the Application For Export Certificate.

- After AMS confirms that the establishment is an approved establishment and the specific products listed on the Application For Export Certificate are approved for export for Japan. The statement of verification is as follows:  
     “The exported beef to Japan fulfills all of the required conditions described in the EV Program. In case the slaughtered cattle have been legally imported from Canada, criteria 5.2.1.1 or 5.2.1.2 of the EV Program is applied in order to verify 20 months of age or younger. In case the slaughter cattle have been legally imported from third free countries, other than Mexico, and raised in the USA, only the criteria 5.2.1.1 of the EV Program is applied in order to verify that the cattle were 20 months of age or younger.”
  - For other EV approved countries, AMS will make any similar statements regarding the establishment and products meeting all EV requirements.
  - AMS will require that establishments provide copies of the signed AMS statements to FSIS inspection program personnel who will be signing the certificate for export. AMS will electronically deliver a copy of all electronically signed AMS statements to FSIS TSC.
  - FSIS will issue a Notice to its inspection program personnel describing this revised process and FSIS’ roles and responsibilities. FSIS will provide training to its inspection program personnel on this Notice.
- \* Actions for Finding #3 will be initiated on or before March 1, 2006.

#### FINDING #4:

The FSIS inspection program personnel at Atlantic Veal and Lamb, Inc. were well trained on all certifications related to food safety issues. However, they were not sufficiently aware of the EV program.

#### ACTIONS IN RESPONSE TO FINDING #4:

1. On January 20, 2006, FSIS held a conference call with all FSIS District Managers to review established procedures and export requirements for countries with EV programs. It was emphasized that all inspection program personnel with export responsibilities must know and understand export requirements. Further, the call reaffirmed the critical need for all inspection program personnel with export responsibilities to assure that exporting establishments adhere to all export requirements. District Managers were told that they and all inspection program personnel with export responsibilities would be held accountable for knowing and understanding export requirements.
2. FSIS has provided additional training for its inspection workforce in the EV programs and will continue to provide training on these actions. On Monday, January 23, 2006, FSIS conducted an interactive web-based training for

responsible inspection program personnel at all EV approved establishments. This meeting was an intensive review of export requirements to ensure that the integrity, security, and accuracy of requirements are maintained. Specifically, the program reviewed in detail FSIS Directives 9000.1, *Export Certification*, and 9040.1, *Reinspection of Product Intended for Export* (Directive 9000.1 *Export Certification*, will be revised to clarify current FSIS policy regarding the export certification process.) Correlation material on exports, country requirements, EV programs, and export procedures were delivered to all meeting participants. The training also reiterated the responsibility of certifying officials to verify that information on the export certificates is accurate, to ensure that appropriate attachments from the exporting establishment are included with export certificates, and that they have checked the FSIS Export Library for any additional requirements of the receiving country.

3. All materials used in the training, including PowerPoints, digital images of eligible products, scenarios, and questions and answers, along with an overview of AMS EV programs and all related references, such as revised Directives and Notices, are being formatted into computer-based training for FSIS inspection program personnel. Employees will be provided computer-based training for follow-up training and for employees who rotate into an assignment that includes any establishment that produces product that is subject to EV requirements. The training will also be used for supplemental training, and for training new employees who are hired after January 2006. Successful completion of the training will be documented for each employee in the Agency's training database.
4. FSIS is preparing an updated Notice, *Certifying Beef Products Under Export Verification Programs*, to clarify the roles and responsibilities regarding responsibilities for certifying beef products under EV programs and additional training for inspection program personnel will be provided regarding this Notice. FSIS will require documentation that inspection program personnel have completed the training, and are proficient in the certification process through performance assessment. FSIS will implement this training on or before March 15, 2006.
5. As an additional communication measure, USDA created an e-mail subscription option for inspection program personnel in establishments with EV programs, as well as establishment personnel in EV establishments, who are now receiving e-mail alerts when any changes are made to EV programs. USDA conducted on-site sign-up for the e-mail subscription for all participants during the January 24, 2006, meeting with industry officials, and to date, the information is circulated to more than 600 recipients.
6. The action identified to address Finding #1 will also address Finding #4. Upon submission of an establishment's Quality System Manual for approval by AMS for an EV program, AMS will notify the FSIS TSC. FSIS will provide training for the assigned establishment inspection program personnel on the requirements

of the pending export certification. FSIS will ensure training of the assigned establishment personnel is completed within five (5) business days of the AMS notification. FSIS will notify AMS when appropriate inspection program personnel have completed the training. AMS will not approve an establishment for export until it receives notification from FSIS that the training has been completed. This provides an additional assurance that FSIS has adequate notice to train its inspection program personnel.

\* USDA implemented the above changes on Monday, February 13, 2006.

FINDING #5:

The information concerning eligible and ineligible products for export to Japan on the FSIS web site was not specific enough in this isolated incident to determine eligibility of the products involved.

ACTION IN RESPONSE TO FINDING #5:

For each establishment with an approved EV program, AMS will maintain a list on an internal web site of the specific products approved for export to each country participating in EV programs. FSIS inspection program personnel trained in the EV program will be provided access to this information.

\* This will be completed by March 1, 2006.

**POLICY ACTION TO ENSURE IMPLEMENTATION**

In order to effectively carry out these corrective actions, FSIS and AMS will implement a Memorandum of Understanding (MOU) between the two agencies to outline appropriate responsibilities and authorities.

\* The MOU will be signed and in place by March 1, 2006.

# **15 Action Steps Identified by the FSIS Investigation USDA Beef Export Verification Program For Japan**

Action Step	Action	Color Code Green = Fully Complete Yellow = In Development	Status/Comments
<b>Finding #1</b>			
1	Upon submission of an establishment's Quality System Manual for approval by AMS for an EV program, AMS will notify the FSIS TSC. FSIS will provide training for the assigned establishment inspection program personnel. FSIS will ensure training is completed within 5 business days. FSIS will notify AMS when training has been completed. AMS will not approve an establishment for export until it receives notification from FSIS that training has been completed.		Completed February 13, 2006.
2	When an establishment is approved for an EV program, AMS will add the establishment to the list of approved establishments to send product to a particular country. AMS will notify FSIS of the listing by electronically transmitting a copy of the audit results to the FSIS TSC, which will notify the FSIS District Office. AMS will follow-up by electronically transmitting a full copy of the audit report to the FSIS TSC.		Completed February 13, 2006.
3	When an establishment is delisted, AMS immediately will notify the FSIS TSC which will notify the FSIS District Office. AMS will follow-up by electronically transmitting a copy of the notice of delisting, and if applicable, the audit report to the FSIS TSC.		Completed February 13, 2006.

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USDA Beef Export Verification Program For Japan**

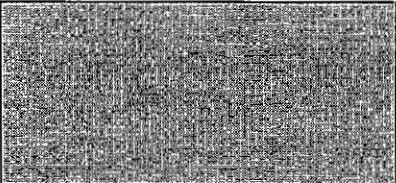
4	The approved establishment will maintain a copy of all EV program audit reports in its records, and management will discuss the audit reports in their next weekly meeting with FSIS assigned establishment inspection program personnel. This will be added as a requirement for EV program approved establishments.		Completed February 13, 2006.
5	FSIS will acknowledge receipt of all audit results and reports provided by AMS.		Completed February 13, 2006.
<b>Finding #2</b>			
1	When supplier and fabricator are separate establishments, AMS will require the fabricator to maintain a list of establishments that are approved EV suppliers for the fabricator.		Completed on or before March 1, 2006.
<b>Finding #3</b>			
1	Both AMS and FSIS will share the responsibility to confirm shipments for the EV program. To add another step in the process to confirm that requirements have been met, AMS will provide a second signature in the export certification process.		Initiated on or before March 1, 2006, with ongoing development per discussion with importing countries.
<b>Finding #4</b>			
1	FSIS will hold a conference call with District Managers to review established procedures and export requirements for countries with EV programs.		Completed January 20, 2006.
2	FSIS will provide additional training for its inspection workforce in the EV programs.		Implemented on January 23, 2006, and training on revised directives and notices is ongoing.
3	All materials used in the training are being formatted into FSIS' e-training system for inspection program		Implemented on or before March 15, 2006, and ongoing after that.

## 15 Action Steps Identified by the FSIS Investigation USDA Beef Export Verification Program For Japan

	personnel. The system will allow follow-up training for new employees and for employees that rotate into an assignment that produces product subject to EV requirements. Successful completion will be documented for each employee.		
4	FSIS is preparing an updated FSIS Notice to clarify the roles and responsibilities regarding verification responsibilities for certifying beef products under EV programs. Additional training will be provided regarding the Notice.		Implemented on or before March 15, 2006, and ongoing after that.
5	USDA has created an e-mail subscription option for inspection program personnel and establishment personnel in EV establishments to alert them when any changes are made to EV programs.		Completed January 24, 2006. To date, there are more than 600 subscribers.
6	Upon submission of an establishment's Quality System Manual for approval by AMS for an EV program, AMS will notify the FSIS TSC. FSIS will provide training for the assigned establishment inspection program personnel. FSIS will ensure training is completed within 5 business days. FSIS will notify AMS when training has been completed. AMS will not approve an establishment for export until it receives notification from FSIS that training has been completed.		Completed February 13, 2006.
Finding #5			
1	For each establishment with an approved EV program, AMS will maintain a list on an internal web site of specific products approved for export to each country participating in EV programs. Trained FSIS inspection program personnel will have access to this information.		Completed on or before March 1, 2006.



**15 Action Steps Identified by the FSIS Investigation  
USDA Beef Export Verification Program For Japan**

Policy Action to Ensure Implementation			
1	In order to effectively carry out these corrective actions, FSIS and AMS will implement a Memorandum of Understanding (MOU) between the two agencies to outline appropriate responsibilities and authorities.		Completed on or before March 1, 2006.