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For Immediate Release

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GAO Study Links Duty Circumvention with Evasion of Food Safety Laws

Tarpon Springs, FL- A report released this week by the Government Accountability Office (GAO) includes a formal acknowledgement from the U.S. Food and Drug Administration (FDA) and other enforcement agencies that companies willing to illegally mislabel shrimp products to avoid paying antidumping duties are also evading U.S. food safety efforts. The Southern Shrimp Alliance (SSA), which repeatedly has voiced concern over the unaddressed problem of illegal shrimp imports and its impact on food safety, welcomed the study.

“Unethical companies are not just avoiding payment of hundreds of millions of dollars owed on unfairly traded shrimp when they mislabel or transship products. They are also directly undermining the food safety protections intended to prevent unsafe shrimp from being sold to U.S. consumers,” explains John Williams, executive director of the Southern Shrimp Alliance. “A solid food safety program requires U.S. government agencies to cooperate and close the door on all illegal schemes that disguise the origins of America’s favorite seafood. This GAO report is a good first step in that direction.”

Since June 2007, Chinese shrimp have been subject to a food safety “Import Alert” issued by FDA and antidumping orders issued by the U.S. Department of Commerce. However, by transshipping or improperly labeling products, Chinese shrimp have been able to enter the United States despite the Alert while companies simultaneously avoid payment of antidumping duties. In September 2007, multiple shipments of suspected Chinese shrimp illegally transshipped through Malaysia tested positive for the presence of illegal, cancer-causing drugs, according to the GAO.

The report states, “Incidents like these and others have led FDA officials, including a senior official in FDA’s Office of Food Safety, to reconsider the agency’s limited level of effort regarding economic fraud because they now believe that, if left unregulated, over time, seafood fraud may create food safety problems.”

According to the report, FDA has not previously been very responsive to consumer or industry complaints about mislabeling. One consumer complained about frozen shrimp labeled as a product of Mexico that had a second label underneath indicating it was a product of Thailand, a country subject to antidumping duties. FDA took no action according to the GAO.

“The U.S. cannot win the battle on food safety without addressing economic fraud such as mislabeling and transshipment,” states Williams. “These schemes are only possible because our laws permit anyone to export shrimp products to the United States and anyone to import shrimp into our country. There is no reason why U.S. laws regulating the importation of shrimp should be significantly different from those governing imports of meat, poultry, and eggs.”

FDA is working with Customs and Border Protection and the Department of Homeland Security to target commodities that pose health and safety risks through Operation Guardian, which is an enforcement initiative to deal with imported substandard, tainted, and counterfeit products. Operation Guardian's efforts have led to seizures of such commodities as pharmaceuticals, steel components, honey, shrimp, and toys. SSA will continue to work with these agencies to identify unlawful evasion of U.S. laws.

SSA is an alliance of the U.S. warmwater wild shrimp fishery from eight states: North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Louisiana and Texas. For more information on the SSA, please visit www.shrimpalliance.com.

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Editors Note:

A copy of the GAO report can be found at: <http://www.gao.gov/new.items/d09258.pdf>