BY THE COMPTROLLER GENERAL

Report To The Congress

OF THE UNITED STATES

Improved Management Of Import Meat Inspection Program Needed

Greater uniformity in the procedures used for inspecting imported meat and poultry at U.S. ports and in the reviews made of foreign plants is needed to help ensure that Americans receive consistently wholesome products. The Department of Agriculture's Food Safety and Inspection Service has taken some actions but needs to do more to revise, update, and clarify instructions governing the inspections and reviews; provide its personnel with better training and supervision; minimize workload imbalances among the ports; and systematically assess foreign inspection systems.

GAO/RCED-83-81
JUNE 15, 1983

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COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON D.C. 20548

B-210221

To the President of the Senate and the
Speaker of the House of Representatives

This report discusses the Department of Agriculture's administration of its import meat and poultry inspection program. We made the review because of congressional and public concern expressed about the program's effectiveness in assuring that only wholesome, unadulterated, and properly labeled products are imported.

We are sending copies of this report to the Senate Committees on Agriculture, Nutrition, and Forestry; Appropriations; Budget; and Governmental Affairs and to the House Committees on Agriculture, Appropriations, Budget, and Government Operations. We are also sending copies to the Director, Office of Management and Budget, and to the Secretary of Agriculture.

Charles A. Bowsher

Comptroller General
of the United States

COMPTROLLER GENERAL'S
REPORT TO THE CONGRESS

IMPROVED MANAGEMENT OF IMPORT MEAT INSPECTION PROGRAM NEEDED

D I G E S T

In calendar year 1981 (the latest year for which data was available at the time of GAO's fieldwork) the United States imported about 1.8 billion pounds of meat, or about 7 percent of its total supply. Inspections are made at U.S. ports to ensure that the meat imports are wholesome, unadulterated, and properly labeled. Also, monitoring foreign countries' inspection systems is done to ensure compliance with U.S. requirements. The importance of maintaining a sound import meat inspection program is illustrated by an incident uncovered by a meat processing plant inspector in mid-1981 which involved the substitution of horse and kangaroo meat for beef. (See p. 44.)

Changes in the Department of Agriculture's Food Safety and Inspection Service's import meat and poultry inspection program are needed to:

--Ensure more consistency in the inspection procedures used at U.S. ports by providing clear and up-to-date instructions, improving training and supervision of inspection personnel, and minimizing workload imbalances.

--Provide greater assurance that only meat prepared in accordance with U.S. requirements is imported by providing better guidance to plant reviewers and developing a systematic way of using plant review results to assess countries' inspection systems.

GAO made this review because of congressional and public concern about the effectiveness of the import inspection program.

INSPECTION PROCEDURES AT U.S. PORTS NEED TO BE MORE CONSISTENT

At the 10 highest volume ports (see p. 6), where variances in the quantities of meat rejected ranged from 0.1 to 1.5 percent (in terms of pounds), procedures for controlling, sampling, and inspecting meat products differed because of (1) regulations and instructions which were

generally outdated, unclear, and inconsistent, (2) lack of adequate supervision and training of inspection personnel, and (3) workload imbalance. The Service has taken some actions on these matters but needs to take more to better ensure that American consumers are receiving consistently wholesome and properly labeled products and to prevent importers from "shopping" for less stringent ports.

Regulations and instructions in effect during GAO's fieldwork at import offices (generally covering the period from May to September 1982) did not always conform to the revised sampling and inspection procedures called for under the Service's Automated Import Information System implemented in January 1979. The computer-based system compiles inspection result histories for countries and foreign plants which are the basis for assigning the scope and extent of inspections for each lot of product offered for entry. Depending on a plant's history, all of its lots may be sampled and inspected or some may be "skipped."

Ways in which the regulations and instructions did not conform with the system's revised procedures included the following.

--The regulations did not authorize skip lotting for boneless manufacturing meat which accounted for about 60 percent of all imports in 1981. (See pp. 11 to 13.)

--Guidance was limited on the proper procedures for handling skip lots and controlling products offered for entry, selected as inspection samples, and refused entry. (See pp. 13 to 18 and 25 to 27.)

--Sampling procedures were inconsistent. For canned and packaged products, the Service had begun action to increase sample sizes and establish defect criteria but had not revised its inspection manual to implement these changes. (See pp. 18 to 21.)

GAO and Service officials interviewed inspectors to identify reasons for variances in inspection. Although many inspectors cited differences in individual judgment, most also cited the need for periodic training and better communication between inspectors from different ports. Almost all inspectors had formal training but most had

not had any training since the automated system was implemented.

Seven of the 10 ports, including New York and Philadelphia which are the 2 largest, did not have an inspector-in-charge. These ports relied on supervisors who were also responsible for domestic inspections. As a result, supervision of import inspection personnel had been erratic. (See pp. 27 to 30.)

Workload imbalances among the 10 ports contributed to the differing procedures used. For example, in calendar year 1981 one port handled about 37 percent of all lots handled at the 10 ports with only about 17 percent of the total staff time, whereas another port handled about 6 percent of the lots with 11 percent of staff time. The degree of control over products and samples was much more stringent at the latter port. National management did not have the data needed to adequately match staffing needs with workload. (See pp. 30 to 33.)

BETTER WAY OF MONITORING FOREIGN INSPECTION SYSTEMS NEEDED

Only 4, or about 5 percent, of the 82 foreign plants GAO visited (see app. I) were rated unacceptable and delisted by Service reviewers, whereas 14, or about 17.5 percent, of the 80 plants GAO visited in connection with its last report[1] issued in 1972 on foreign meat inspection were delisted.[2] Despite this apparent improvement in plant conditions, program changes are needed to better assure that products are imported only from countries and plants meeting U.S. requirements.

To enter the United States, meat products must originate from plants certified by countries eligible to export meat to the United States.

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[1]"Better Inspection and Improved Methods of Administration Needed for Foreign Meat Imports" (B-163450, Feb. 18, 1972).

[2]Because the plants GAO visited during both reviews were not statistically selected, the results should not be viewed as representative of the entire universe of the countries' plants.

Tear Sheet

To be eligible, countries must have inspection system requirements at least equal to U.S. requirements. However, the Department does not require foreign countries' inspection laws to be "carbon copies" of U.S. laws.

A Service staff officer's test of 11 eligible countries' inspection laws and regulations showed that only 4 had equal requirements. The staff officer was working with the other seven to help them attain comparability. An additional 34 countries eligible to export meat products to the United States had yet to be reviewed. According to the Department, basic reviews are to be completed by the end of 1983 on the 12 countries that account for over 80 percent of U.S. meat imports. (See pp. 41 and 42.)

Recognizing the need for increased attention to foreign programs' regulatory comparability, the Service is developing a new "systems approach" for approving and monitoring foreign inspection systems. It is designed to enable the Service to more systematically assess a country's entire system, including such matters as the country's use of agricultural chemicals and its standards for use of food additives, rather than relying solely on the plant-by-plant review approach now used. Under the system, evaluations will be made of a country's ability to adequately control the major "risk" factors (such as chemical residues) normally associated with meat products. GAO believes that the new system should improve the Service's ability to assess these risks and increase compliance with U.S. requirements. (See pp. 42 to 44.)

GAO personnel accompanied five Service reviewers to 82 plants in four countries to determine the adequacy of the Service's monitoring effort. The reviewers rated 4 of the 82 plants unacceptable overall and 6 plants unacceptable in one or more basic categories. (See app. II.) Most of the plants had minor or major deviations in one or more categories. (See pp. 44 to 48.)

GAO believes that the Service's monitoring effort--carried out mainly through plant reviews--could be improved through more consistent reviews and objective ratings. Because of limited guidance plant reviewers rely almost entirely on personal judgment in determining what is or is not acceptable. As a result, inconsistencies

existed in ratings given by different reviewers. Also, few reviewers commented in their reports on the adequacy of the foreign inspection systems. (See pp. 49 and 50.)

The scopes of the reviews made by the five reviewers varied substantially. One reason for this is that the plant review form lists only nine general categories to be rated. In contrast, supervisors reviewing domestic plants use a worksheet listing 70 items to be reviewed before rating seven general categories. (See pp. 50 to 52.)

The results of plant reviews were not systematically used to assess the overall effectiveness of foreign inspection systems. Plant reviews could be made more effectively and efficiently by reviewing a sample of plants in each country and categorizing systems according to the percentage of unacceptable plant ratings. Projected results would provide Service management with an overall appraisal of the effectiveness of each country's system in assuring adequate implementation of requirements. The Service could review other plants not in the sample as deemed necessary. (See pp. 52 to 55.)

RECOMMENDATIONS TO THE SECRETARY OF AGRICULTURE

GAO recommends that to help gain more consistency in procedures used and inspection results achieved, the Secretary direct the Service to provide clear, concise, and up-to-date guidance to import inspection personnel regarding such matters as defect criteria and skip lot handling and sampling. (See pp. 34 and 35.)

Also, GAO recommends that the Service be directed to (1) provide inspectors with periodic training, (2) assign an inspector-in-charge at all major ports, and (3) develop work measurement standards to use in assuring that ports are adequately staffed by full-time and/or temporary inspectors. (See p. 35.)

GAO recommends also that to increase the effectiveness and efficiency of Service assessments of foreign inspection systems, the Service, among other things:

--Prescribe procedures for reviewers to follow in making foreign plant reviews, develop uniform and objective criteria for reviewing and rating plants, and devise a more comprehensive plant review report form.

--Develop a more systematic and objective way of compiling the results of plant reviews--using samples of plants--to assess foreign inspection systems' effectiveness in ensuring compliance with U.S. requirements. (See pp. 55 and 56.)

AGENCY COMMENTS AND GAO EVALUATION

The Department said that it recognizes the need for, and is making, improvements to the program. However, certain recent events, particularly two major crises involving the exportation of adulterated meat to the United States, put a tremendous strain on staff resources and, consequently, the Service is behind schedule in its efforts to make the improvements. (See pp. 7 and 8.)

The Department agreed with most of GAO's recommendations and said that they will be helpful in continuing efforts to make program improvements. (See app. III.) However, the Department questioned certain procedures GAO recommends for controlling import products and sample selection. These matters and GAO's comments on them are discussed on pages 35 to 39.

The Department disagreed with certain aspects of GAO's recommendations directed at achieving more uniform and objective reviews and ratings of foreign plants. It said that the use of "rigid criteria" by foreign programs officers would leave them little room for judgment. GAO is not advocating that the officers' judgments be replaced by rigid criteria but instead that additional written guidance be provided to help minimize the differences in personal judgments among the officers. (See pp. 57 and 58.)

Contents

ABBREVIATIONS

AIIS	Automated Import Information System
FPD	Foreign Programs Division
FPO	Foreign Programs Officer
FSIS	Food Safety and Inspection Service
GAO	General Accounting Office
MPI	meat and poultry inspection
OIG	Office of the Inspector General
USDA	U.S. Department of Agriculture

CHAPTER 1

INTRODUCTION

The Federal Meat Inspection Act (21 U.S.C. 601 et seq.) provides that no meat products be imported into the United States if such products are adulterated[1] or improperly marked, labeled, or packaged. The act also requires that foreign meat plants approved to export meat products to the United States comply with inspection, sanitation, and facility requirements at least equal to those required of federally inspected domestic plants. The Poultry Products Inspection Act (21 U.S.C. 451 et seq.) has similar requirements.

In 1981 about 1.8 billion pounds of foreign meat were offered for entry into the United States, accounting for about 7 percent of our total meat supply. The imports were made up of manufacturing meat, which is used for producing processed meat products (60 percent); carcasses and cuts (21 percent); canned products (14 percent); and other products, such as cured meats and edible organs (5 percent). Only about 2.7 million pounds of poultry products were imported.[2]

About 11 million pounds, or 0.6 percent, of the meat offered for entry nationwide were rejected by import inspectors. Products were primarily rejected for adulteration with hair or wool, bone, and extraneous material and short weight.

PROGRAM ADMINISTRATION

The Food Safety and Inspection Service (FSIS), U.S. Department of Agriculture (USDA), is responsible for (1) establishing and enforcing sanitation, inspection, and facility requirements in federally inspected meat and poultry plants, (2) determining that foreign inspection systems and plants comply with U.S. requirements, and (3) inspecting foreign meat and poultry products offered for entry into the United States.

Included in FSIS are a meat and poultry inspection (MPI) organization and an international programs organization. The MPI organization has basic responsibility for carrying out the inspection program both in domestic plants and at U.S. ports of entry. The international programs organization, through its

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[1]Products which bear or contain any poisonous or deleterious substance which may render them injurious to health.

[2]Because of the relatively small amount of imported poultry products, the statistics in the remainder of the report relate to meat imports only. Nevertheless, we still refer to poultry throughout the report because the basic inspection procedures are the same for both meat and poultry imports.

Foreign Programs Division (FPD), is responsible for establishing policies for the import meat inspection program, monitoring inspections at U.S. ports, and approving and reviewing foreign inspection systems.

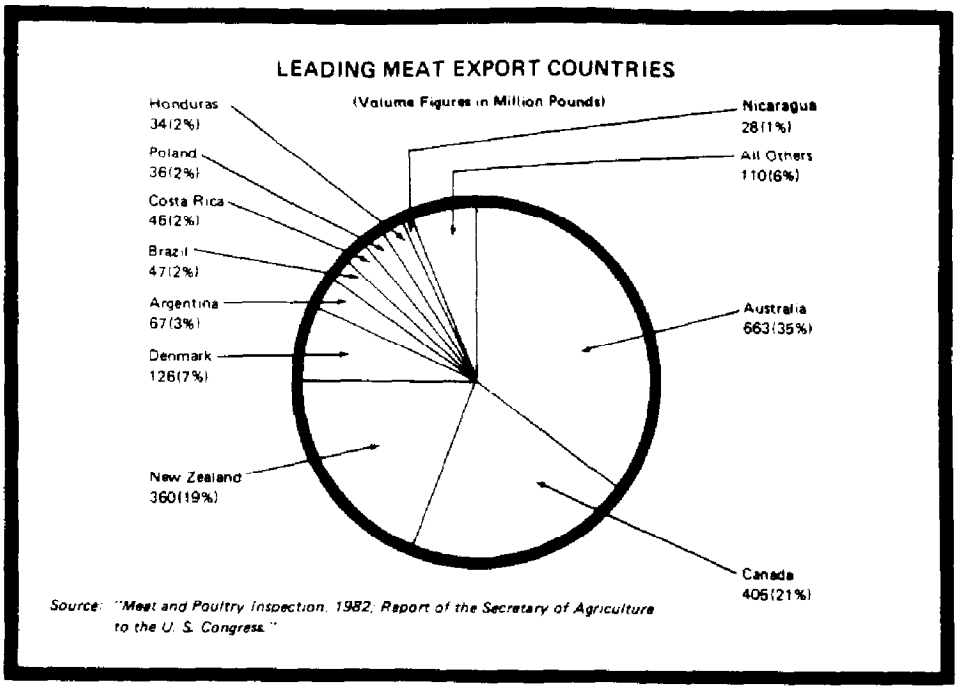
As of February 1983 the MPI organization included a headquarters office, 5 regional offices, and 27 area offices. Each area office is divided into several circuits. Circuit supervisors, who are generally doctors of veterinary medicine, are responsible for overseeing the inspection at domestic plants and at ports of entry within their circuits. Import inspectors, using sampling plans and defect criteria, are responsible for the actual inspections.

REVIEW AND APPROVAL OF FOREIGN INSPECTION SYSTEMS AND PLANTS

To be eligible to export meat and poultry products to the United States, a foreign country must have an FSIS-approved inspection system. FSIS reviews and evaluates the country's laws and regulations governing meat and poultry inspection to determine whether they are equal to U.S. requirements and reviews the plants to be certified to export to the United States to determine whether the laws and regulations are effectively enforced. Once a country is determined eligible, FSIS Foreign Programs Officers (FPOs) periodically review certified plants to monitor the inspection system and to ensure continued compliance with U.S. requirements regarding such matters as inspection, plant facilities, and sanitation. (See pp. 44 to 47 for a discussion of the specific items reviewed and rated.)

Plants must be recertified annually. Also, a plant's certification can be withdrawn by either an FPO or an official of the foreign inspection system. When a plant's certification is withdrawn for failing to comply with U.S. requirements or for other reasons such as it no longer wishes to export to the United States, the plant is no longer eligible to export to the United States and its name is removed--delisted--from FSIS' list of approved plants. If a plant is delisted because it fails to meet U.S. requirements, it can be relisted once corrective actions are taken.

As of January 1982 43 countries were eligible to export meat products to the United States, 2 were eligible to export poultry products, and 2 were eligible to export both meat and poultry products. Of the 47 eligible countries, 33 had certified about 1,100 plants and 14 had not certified any. The following graph shows the leading exporters of meat products to the United States in calendar year 1982.



Three area supervisors are responsible for supervising the FPOs' reviews of foreign inspection systems in the Americas, Europe, and the Pacific/Canadian areas. As of October 1982 there were 16 FPOs making plant reviews, 10 of whom were based in foreign countries and 6 in Washington, D.C.

FPOs made 2,257 reviews at about 1,100 certified plants in calendar year 1981. During the year 50 plants were delisted by the FPOs for failure to comply with U.S. requirements and 73 were delisted by officials of the foreign inspection systems primarily because the plants went out of business or no longer wished to export to the United States. Of the 123 plants delisted, 34 were reinstated in calendar year 1981.

INSPECTION AT U.S. PORTS OF ENTRY

Meat and poultry products offered for entry into the United States must have a foreign inspection certificate which identifies the product and certifies that it is not adulterated or mislabeled and that it has been produced in a sanitary manner in compliance with requirements at least equal to U.S. requirements.

As a further check, the meat and poultry products offered for entry are sampled and inspected at U.S. ports of entry or, if the importer elects, at their destination point. Three basic types of inspections are made, as follows:

--Product examinations are made of the samples by observing, palpating (examining by touch), and smelling to determine the condition of the product and whether any defects, such as extraneous material, are present.

--Weight and label checks are made of samples to ensure that they are properly marked.

--Laboratory tests are made to determine compliance with biological residue requirements and compositional standards.

To assure that representative samples are selected, statistical sampling plans are used. The sampling plans and criteria for accepting or rejecting imports are the same as those used for domestic products. A computer-based Automated Import Information System (AIIS) is used to compile ports of entry and destination sampling histories for each certified plant. Computer terminals located at 12 major ports issue inspection assignment plans detailing for each lot[3] the types of inspections to be made based on plants' compliance histories stored in AIIS.

Rejected products may either be reexported; destroyed; used for animal food; or in some cases, reconditioned and presented for reinspection. However, those products rejected because of adulteration or unwholesomeness may not be reconditioned or reworked.

As of December 25, 1982, there were 76 full-time import inspector positions nationwide, 6 of which were vacant. Depending on workload, domestic plant inspectors may be temporarily assigned to the foreign meat and poultry inspection program.

Except for overtime costs of import inspectors and certain costs associated with products refused entry, the Federal Government finances the foreign meat and poultry import inspection program. FSIS' expenditures for foreign meat and poultry inspection activities during fiscal year 1982 were about $5.3 million of which an estimated 10 percent was for inspection of exports.

OUR PRIOR REPORT

We last reported on the foreign meat import inspection program in 1972.[4] In that report we said that many foreign plants were remaining eligible to export products for long periods between an FPO's review showing that a plant did not meet U.S. requirements and the plant's delistment. Also, we said that the

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[3]A "lot," made up of products produced by one plant which are similarly packaged and processed, represents the universe from which samples are drawn.

[4]"Better Inspection and Improved Methods of Administration Needed for Foreign Meat Imports" (B-163450, Feb. 18, 1972).

agency[5] was not achieving its plant review frequency objectives. On inspections at U.S. ports of entry, we said that to ensure that all imported meat products were suitable for domestic consumption, the agency needed to (1) improve its program for inspecting processed canned and packaged meat products, (2) ensure greater uniformity in the application of inspection procedures, and (3) develop an effective program for training import inspectors.

OBJECTIVE, SCOPE, AND METHODOLOGY

Our objective in this review was to determine whether improvements could be made in the overall management of FSIS' import meat and poultry inspection program to make it more effective and efficient. We initiated the review because of congressional and public concern about the program's effectiveness.

We made the review in accordance with generally accepted government auditing standards. We reviewed legislation, regulations, policies, procedures, and practices relating to FSIS' administration of the foreign meat and poultry inspection program. We examined records and interviewed FSIS officials at USDA headquarters, Washington, D.C. We also interviewed FSIS officials of the following FSIS regional offices who accompanied us during our port visits:

Northeastern Regional Office, Philadelphia, Pa.

Southeastern Regional Office, Atlanta, Ga.

Southwestern Regional Office, Dallas, Tex.

Western Regional Office, Alameda, Calif.

Our examination of records and our interviews with headquarters and regional officials covered various aspects of the inspection program, including staffing, monitoring, and general program administration.

Our fieldwork at import offices generally covered the period May to September 1982. However, many of our analyses were based on calendar year 1981 program data, the latest available

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[5]The Consumer and Marketing Service, established in Feb. 1965, was responsible for meat and poultry inspection activities at the time of our 1972 review. Since then agencies responsible for these activities have been the Animal and Plant Health Inspection Service, established in Apr. 1972; the Food Safety and Quality Service, established in Mar. 1977; and FSIS, effective June 17, 1981.

at the time of our fieldwork. Where deemed necessary, we reviewed updated information to assure ourselves that the results of our analyses were still valid.

We accompanied FPOs on their reviews of 82 (79 meat and 3 poultry) slaughter and/or processing plants in four major exporting countries between March and July 1982. (See app. I.) We selected Australia, Canada, and New Zealand, all in the Pacific/Canadian area under one area supervisor, because they are the three largest exporters of meat to the United States, accounting for about 70 percent of all meat imported in calendar year 1981. We selected Brazil primarily because it was outside the Pacific/Canadian area and under a different area supervisor; exported significant amounts of canned products; and although accounting for 2.8 percent of U.S. meat imports in calendar year 1981, accounted for about 8.4 percent of the volume of meat rejected. We also interviewed senior meat inspection officials of all four countries.

Because our objective in visiting foreign plants was to determine the adequacy of FSIS' monitoring effort, we asked agency officials to follow their normal review procedures, including plant visit schedules. Because the plants visited were not selected on a statistical sample basis, the results of the plant reviews should not be projected to any universe. We reviewed the calendar year 1981 plant review reports before our visits to assure that the plant selection was not biased toward "showcase" facilities.

We reviewed inspection activities at the 10 U.S. ports of entry with the highest volumes of meat imports in 1981. In order of volume, these were Philadelphia, Pennsylvania; New York, New York; Long Beach, California; Miami, Florida; New Orleans, Louisiana; San Juan, Puerto Rico; Albany, New York;[6] Seattle, Washington; San Francisco, California; and Boston, Massachusetts. These ports accounted for about 73 percent of the total volume of meat products offered for entry nationwide. At each location we examined inspection records and interviewed inspection staff. We also interviewed officials of importers and/or cold storage facility (service) companies at four of the ports. We coordinated our work with FSIS and arranged for an FSIS regional office specialist or a circuit supervisor from outside the region or circuit being reviewed to accompany us to each of the 10 ports to interview the inspection staff, review the adequacy of inspection procedures followed, and inspect the import inspection facilities.

At the 10 ports we made a general review of 1,860 randomly selected applications for import inspection made in 1981. In

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[6]The import inspection facility in the Albany circuit is located in Champlain, N.Y.

addition, at the six largest ports we made a detailed review of the files for 1,043 of the 1,860 applications to, among other things, determine the completeness, accuracy, and consistency of the data included on the various forms making up the files.[7] At nine of the ports, we also reviewed the files for all products refused entry in 1981. Because of the large number of such files at the remaining port, New York, we reviewed an unprojectable sample of about 13 percent of its files selected on a random basis.

We interviewed officials of several companies in and around Los Angeles and Philadelphia which use imported meat products to obtain their general views of the program. The companies were selected on a judgmental basis. We also coordinated our work with USDA's Office of the Inspector General (OIG) and reviewed OIG reports and working papers pertaining to foreign meat inspection activities.

AGENCY COMMENTS AND OUR EVALUATION

In commenting on a draft of this report by letter dated February 14, 1983 (see app. III), USDA said that it recognized that systems for assuring the safety of imported meat and poultry needed improvement and that it was making these improvements. It said that our report addresses many of the same management issues that it identified through a multiphased organizational, procedural, and systems update to the foreign review and import inspection programs and that our recommendations would be helpful in making program improvements.

To help effect corrective actions as soon as possible, we maintained a continuing dialogue with FSIS officials and provided them with periodic briefings to apprise them of program weaknesses and deficiencies that we had identified. The agency has taken or initiated actions to correct many of the problems we brought to its attention.

According to USDA, the problems discussed in this report should be viewed in the context of certain recent events--particularly the two major crises faced by FSIS in the international area. The two crises USDA referred to were the criminal activities uncovered involving meat imports from Australia and from Central America. USDA said that because resources were diverted to handling these crises, it was behind schedule in completing the management improvements described in this report.

We discuss in chapter 3 the adverse effect the Australian meat substitution incident had on FSIS' progress in developing

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[7]The sample at the six ports was selected to generate a minimum confidence level of 95 percent and precision of estimate of plus or minus 7 percent.

and implementing a "systems approach" for assessing foreign inspection systems. (See pp. 43 and 44.) The resources FSIS expended on both the Australian and the Central American events likely adversely affected its recent efforts in making other program improvements as well.

CHAPTER 2

IMPROVEMENTS NEEDED IN OVERALL MANAGEMENT OF IMPORT MEAT INSPECTION PROGRAM AT U.S. PORTS

The procedures used to sample and inspect meat and poultry products differed substantially at the 10 ports we visited. In our opinion, these differences contributed to the wide variances which existed in inspection results among the ports. The rejection rates in calendar year 1981 at the 10 ports ranged from a low of about 0.1 percent of the total pounds offered for inspection to a high of 1.5 percent, or 15 times greater.

Differences in the inspection procedures used at the 10 ports were due to several factors. Foremost was that FSIS regulations and instructions were generally outdated, unclear, and inconsistent. As a result, they did not adequately detail the procedures import inspectors were to use. Other major factors were (1) lack of adequate supervision and training of inspection personnel and (2) a workload imbalance among the ports (e.g., the average number of lots offered for inspection per full-time equivalent inspector in calendar year 1981 ranged from 671 to 2,799 at the 10 ports we reviewed).

FSIS has taken some actions to improve and coordinate its regulations and instructions and has other actions planned or underway to further strengthen the guidance and provide the training needed by import inspectors. These actions and other improvements we believe need to be made should, with adequate follow-through and implementation, result in greater consistency in import inspection procedures used at the ports.

VARIANCES IN REJECTION RATES

Nationally, 0.6 percent of all meat offered for entry into the United States in calendar year 1981 was rejected. Rejection rates varied substantially by port. For the 10 ports we reviewed, calendar year 1981 rejection rates ranged from about 0.1 percent of the total pounds of meat offered for inspection in Philadelphia to about 1.5 percent in both Miami and New Orleans, as shown on the next page.

Port of entry[a]	Total pounds offered	Total pounds rejected	Percent rejected	Average no. of lots offered for inspection per full-time equivalent inspector[b]
	---(000 omitted)---			
Philadelphia	476,287	565	0.1	2,653
New York	202,030	1,234	.6	794
Long Beach	135,552	501	.4	1,222
Miami	116,291	1,715	1.5	784
New Orleans	94,556	1,456	1.5	671
San Juan	74,058	981	1.3	795
Champlain	73,295	515	.7	2,799
Seattle	52,928	401	.8	1,283
San Francisco	49,669	410	.8	1,307
Boston	48,367	377	.8	938
Total	1,323,033	8,155	.6	1,232

[a]The data shown is for the entire circuit which may include import inspection activities at other locations within the circuit.

[b]Full-time equivalent inspector data was derived by dividing total estimated hours charged to import operations by the total number of hours in a work year. (See p. 33.)

We recognize that variances in inspection results can be attributed to such factors as differences in inspectors' judgment and/or in the source of the products and the types of products and inspections performed. Nevertheless, based on our interviews with inspection personnel, observations of inspection procedures used, and reviews of case files, we believe that the lack of adequate written guidance, supervision, and training as well as workload imbalances contributed to these differences. Action on these matters should help ensure that American consumers receive consistently wholesome and properly labeled products and prevent importers from "shopping" for less stringent ports.

NEED TO REVISE AND UPDATE REGULATIONS AND INSTRUCTIONS GOVERNING IMPORT INSPECTIONS

Although FSIS' Automated Import Information System, designed to centrally compile plant histories and achieve more consistent sampling policies among the ports, was fully implemented in January 1979, FSIS had not updated its regulations and inspection manual to incorporate the changes in sampling and

inspection procedures the AIIS requires. For example, FSIS' regulations had not been revised to authorize skipping inspection of lots of boneless meat for manufacturing although this is a major feature of AIIS. Further, the MPI manual and other instructions did not clearly prescribe the procedures that import inspectors were to follow in controlling and inspecting products offered for entry.

Clear and concise written policies and procedures are essential for any well-managed program. Although we found certain cases where inspectors failed to comply with FSIS policies and procedures that they were or should have been aware of, we believe that most of the differences in the practices resulted from a lack of a clear understanding of what was required.

In December 1982 FSIS revised the manual to, among other things, more clearly spell out the import inspectors' responsibilities. Our review of the revised manual showed that the changes did not cover all the factors we believe need corrective action. However, a task force was studying additional changes needed.

Following are descriptions of the major problem areas we noted where the regulations and instructions needed to be revised and/or updated at the time of our fieldwork.

MPI regulations do not authorize skip lots for boneless meat

Although FSIS has used skip lot sampling procedures (i.e., not all lots are sampled and inspected for plants with good compliance histories) since January 1979, its regulations (9 CFR 327.21) require that all lots of imported chilled fresh or frozen boneless manufacturing meat be sampled and inspected. Boneless manufacturing meat accounted for about 60 percent of all meat offered for entry into the United States in 1981. Further, the MPI manual does not specify the inspectors' responsibilities regarding skip lots (e.g., when to override the assignment plan and inspect the product).

Under AIIS, if a plant has had 10 lots inspected and passed within the previous 180 days for a particular type of inspection (e.g., product examination), the plant may qualify for skip lot inspection. If the plant qualifies, AIIS will issue assignment plans calling for inspections of one of every four or every six lots on the average, depending on the plant's history. For laboratory tests involving canned and packaged products, skip lot assignments are also based on the level (or zone) of the test result and not solely on pass/reject inspection results.

Also, minimum poundage and maximum defect criteria must be met to qualify for skip lotting.[1]

FSIS maintains that because inspectors are to visually examine the containers, all lots of imported products, even those skipped, are inspected. However, except for defects such as damaged, bloody, and/or leaking cartons, an inspector can tell little or nothing about the product itself by visually examining containers. Such visual examinations do not satisfy the regulations' requirement that all boneless manufacturing meat be sampled and inspected.

The regulations are quite specific in this regard. They state:

> "All lots of imported frozen [and chilled fresh] boneless manufacturing meat will be sampled and such samples defrosted for inspection in accordance with this paragraph. The inspector will select from each lot the appropriate number of cartons specified by the table of sampling plans contained in the current U.S. Department of Agriculture Manual of Meat Inspection Procedures. The total sample for inspection will consist of the necessary number of 12-pound units drawn from these cartons. The 12-pound units selected will be completely defrosted and subjected to a thorough examination."

The MPI manual does not specify what the inspectors' responsibilities are regarding skip lots. The inspectors we interviewed were aware that FSIS policy was that inspectors have the authority to override skip lot assignments and sample and inspect the product. Although not in the manual, this policy was stated in the import inspectors correspondence course training guide.

According to the MPI organization's Director of Field Operations, inspectors should generally override skip lot assignments when a companion lot from the same plant and shipment is refused entry. We found, however, that few inspectors were aware of this and the manual does not require it. Our review of the sample of import inspection case files at 6 of the 10 ports showed that inspectors rarely overrode skip lot assignments. Several inspectors told us that they overrode skip lot assignments when a lot was suspicious (i.e., when boxes were leaking or bloody) but did not generally override such assignments when companion lots were refused entry.

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[1]In commenting on a draft of this report, USDA provided a detailed explanation of the skip lot inspection system. (See app. III.)

To ensure that products are properly labeled, the import inspectors training guide states that "Label inspection will always be assigned to every lot of product." The MPI manual, however, does not require label inspections for skip lots. Inspectors who had not taken the training course would not necessarily have been aware of this requirement. For example, the import inspectors in New Orleans, who had not taken the training course, were not performing label inspections on skip lots.

Need for better control over imported meat products and samples

The MPI manual did not detail the procedures import inspectors were to follow in controlling import meat products and samples, such as supervising the unloading of products and maintaining the integrity of samples. As a result, the procedures used and the degree of control exercised over products at the 10 ports differed significantly, with some ports stringent and others relatively lax. FSIS has taken some action to improve control over import meat products and samples. However, we believe that better and more consistent procedures are needed in certain additional areas to ensure that uninspected products do not enter the food chain and to maintain the integrity of the sample selection.

Breaking country of origin seals

The MPI regulations and manual do not address the import inspectors' responsibilities regarding breaking foreign government seals. Only at 3 of the 10 ports did an import inspector or a Bureau of Customs inspector supervise the breaking of foreign government seals on containerized meat shipments. Although the MPI manual does not discuss whether sealbreaking should be supervised, we believe that such a control is needed to assure that the product has not been tampered with.

At the seven ports where Government inspectors did not supervise sealbreaking, dock workers, truck drivers, and cold storage facility (service) company employees were permitted to break foreign government seals on refrigerated containers without an import inspector present. At two of the other three ports (New Orleans and San Francisco), an inspector broke or supervised the breaking of country of origin seals. At the remaining port (Champlain) the seals were broken by a Bureau of Customs inspector who then affixed a USDA seal which was broken by an import inspector. FSIS and Customs officials in Philadelphia with whom we discussed this matter agreed on the need for better control and, shortly thereafter (June 1982), Customs' Philadelphia District instituted a requirement that all foreign government seals be broken by Customs inspectors.

The FPD Director told us that USDA's Animal and Plant Health Inspection Service requires that containers be sealed to control products originating in restricted countries (i.e., countries which are restricted in the types of product they can export because they are not free of certain diseases, such as foot and mouth disease). The Service requires that a Service representative ensure that the seals on products originating in, or transported through, restricted countries be intact upon arrival at U.S. ports and that there is no evidence indicating that the seals were tampered with.

Monitoring the unloading of import meat products

Most import meat products are shipped in sealed refrigerated containers and unloaded at official inspection facilities. Only the New Orleans import office required import inspectors to observe the unloading of import meat products. Import inspectors at the other nine ports did not always observe the unloading of products, depending on the availability of inspectors.

For example, because inspectors in Miami and San Juan often did not see the product until it was formally presented for inspection they could not assure themselves that any discrepancies between the quantities shown on the foreign health certificates and quantities presented for inspection (see pp. 24 and 25) were due to legitimate errors. In Long Beach, service company employees presorted cartons from product lots (i.e., the cartons were not presented for inspection) and returned such products to the importers without the inspectors' knowledge or authorization.

Inspection personnel in Philadelphia provided import documents, including inspection assignment plans, to service company employees in unsealed envelopes. The service company employees, using the inspection assignment plan to determine which lots were to be inspected and which were to be skipped, unloaded products without an inspector present. After we discussed this matter with the circuit supervisor, he instituted a requirement that the documents be placed in sealed envelopes which are to be opened only by import inspectors.

Although the failure to observe the unloading of containers could result in improper diversions of imported products into U.S. commerce, the MPI manual does not specify inspectors' monitoring responsibilities.

Controls over identifying and selecting samples

At two of the ports, import inspectors allowed service company employees to select samples without direct supervision from

inspectors. At one port (Long Beach), service company employees were given the inspection assignment plans and they, rather than the inspectors, selected the samples. At the other (San Francisco), inspectors designated the combination bins[2] from which samples were to be taken and service company employees selected the samples.

Except in New Orleans, products to be inspected were generally unloaded and "staged"; that is, stacked so that the samples could be easily selected and marked. In New Orleans inspectors selected the samples as the products were unloaded. At the other nine ports, once the product was unloaded and staged, generally the sample cartons were selected and marked using the required "USDA Official Sample" stamp, and service company employees would pull the samples without direct supervision from inspectors.

However, in Philadelphia some inspectors were not using the official stamp but instead were merely writing an "X" on the cartons. In one case we observed an inspector leave the inspection facility to handle a shipment at another facility in the same building while service company employees were pulling the samples. According to the circuit supervisor (and our observations), inspectors in Philadelphia frequently are not present when products are unloaded and staged or when samples are pulled because there are not enough inspectors to handle the workload.

The procedure used in New Orleans offers the most stringent control over sample selection and product unloading. The procedure is, however, a less efficient use of inspection resources; for example, New Orleans inspectors could only monitor the unloading of a maximum of two refrigerated containers at one time, whereas in other ports one inspector could monitor the unloading of three or more containers at one time.

The MPI manual did not detail the correct procedures import inspectors were to follow in selecting samples. FSIS management needed to decide and prescribe the degree of control necessary to assure consistency among the ports and the efficient use of inspection resources.

Although MPI regulations required that official USDA-inspected and passed stamps be used only by inspectors or under inspector supervision, import inspectors permitted service company employees to use the stamps without such supervision at three ports (Champlain, Long Beach, and Philadelphia).

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[2]Combination bins are generally defined as large cartons in which meat is bulk-packed.

According to USDA (see app. III), the MPI manual has been revised to prescribe detailed, systematic procedures for selecting, identifying, and controlling samples, including the handling and security of samples and specific supervisory responsibilities. USDA added that this subject is also covered in FSIS' formal training program initiated in January 1983.

The revised manual prescribes additional controls over the security of samples and requires the use of the "USDA Official Sample" stamp to identify selected samples. However, the manual still does not preclude service company employees from selecting samples without direct supervision from inspectors or prescribe the degree of control necessary to assure that samples are selected consistently and efficiently. (See our detailed evaluation of agency comments beginning on p. 35.)

Proportionate sampling

Our interviews with inspection personnel and reviews of case files showed confusion about the procedures to be used in inspecting lots made up of different product types and/or production dates; that is, the use of proportionate sampling techniques. This confusion existed because of conflicting written and oral instructions on when, or if, proportionate sampling is to be used.

The MPI manual requires that proportionate sampling be used when a lot contains products with more than one code mark. Code marks are used to designate different types of meat products (e.g., trimmings, shanks, and rounds) or different production runs (i.e., products produced on different dates or work shifts). Under proportionate sampling, the proportions of the products with particular code marks included in the sample are to be the same as those in the universe. The purpose of proportionate sampling is to obtain a more representative sample.

Of the 10 ports only the Miami import office required proportionate sampling; however, it was required for lots containing different types of meat products but not for lots containing products with different production dates. Of the remaining nine import offices, six permitted no proportionate sampling and the remainder permitted it at the request of importers.

Although the MPI regulations and manual clearly require proportionate sampling, inspectors were provided other instructions which appear to conflict with the regulations and manual. For example:

--When AIIS was implemented in January 1979, the forms used in conjunction with proportionate sampling were superseded by new forms which do not provide for proportionate sampling. Some import inspectors we talked with said

that they interpreted this action as eliminating the proportionate sampling requirements. Further, AIIS is not programed to issue proportionate sampling inspection assignments. The former FPD Staff Officer for Import Office Correlation[3] (referred to as the import office correlator) told us that although proportionate sampling is not built into AIIS, inspectors could elect to use proportionate sampling.

--According to several circuit supervisors we talked with, the import office correlator instructed them not to use proportionate sampling. The import office correlator told us that, in his opinion, different product types should be presented as separate lots (which would accomplish the same objective as proportionate sampling) and that proportionate sampling by production date is not feasible because foreign plants do not put shipments together by dates (i.e., a lot may be made up of products produced on many different dates).

--The import inspectors training guide implies that proportionate sampling will only be used at the importers' request and only for lots containing different types of meat products.

At the time of our review, an FSIS task force was reviewing the import inspection program at U.S. ports, including proportionate sampling, with the objective of recommending changes to FSIS policies and procedures.

Lack of guidance on sorting shipments before inspection

At the time of our fieldwork, the MPI manual described specific situations (e.g., container defects or short-weight containers) where importers were permitted to sort out or recondition shipments that had been refused entry but did not discuss the propriety of allowing importers to sort shipments before inspection. FSIS officials told us that importers were not allowed to sort off-condition or unsound products before inspection; however, at the Long Beach and Philadelphia ports, presorting was occurring.

In Philadelphia we found seven cases in which the import inspectors had authorized importers to sort out from 2 to 296

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[3]In August 1982 the responsibility for correlating import office activities was transferred to Field Operations, MPI Operations organization; however, the individual who had been import office correlator remained in FPD with responsibility for overseeing import office activities for FPD.

cartons of unsound products and not present them for inspection. As a result, official records showed that only 38,716 pounds of product were rejected and refused entry, instead of the 124,921 pounds that would have been refused entry if prescribed lot acceptance/rejection criteria had been followed.

For example, in one case involving 600 cartons of boneless manufacturing beef weighing 36,000 pounds, the inspector permitted the service company to sort out 128 cartons which, according to the inspection case file, had an odor and were partially thawed (off-condition). Because these defects are considered critical, the 128 cartons were refused entry. The remaining 472 cartons were subsequently inspected and passed. Further, the inspector failed to request another inspection assignment plan with random numbers covering the remaining cartons, electing instead to use the original sampling plan which included carton numbers 543 and 548 which were no longer available. In this case the document examiners (computer terminal operators) entered only one critical defect into AIIS instead of the 128 critical defects actually found, substantially understating the accumulated defects in the plant's compliance history file.

The Philadelphia circuit supervisor agreed with our opinion that the MPI manual did not authorize presorting for any reason. He also agreed with our conclusion that, because unsound or off-condition is a critical defect and one critical defect is sufficient to reject a lot, all seven lots we identified should have been rejected.

An official of a service company in Long Beach told us that company employees had removed spoiled or damaged products from lots before they were presented for inspection. We asked the supervisory import inspector at Long Beach about the propriety of this practice. He said that he was not aware that company employees were removing spoiled or damaged products and agreed that it should not be done.

In its comments (see app. III), USDA discussed some changes that had been made in FSIS procedures on sorting products. It said that the inspector has the discretion to allow sorting of products before presentation for inspection and that inspectors are instructed in training sessions (which began in January 1983) to allow presorting when the cause of damage is known and can be readily identified and characterized. According to the revised manual, inspectors are to examine the containers that have been sorted out to determine why the products were presorted.

Inconsistencies in instructions on sampling canned and packaged products

Although FSIS initiated certain actions to implement recommendations in our 1972 report to increase the sample size and

establish defect criteria for canned and packaged products, it had not incorporated the changes resulting from these actions into the MPI manual at the time of our fieldwork. Because inspectors generally followed the manual in selecting samples, sample sizes remained inadequate. Also, there was a lack of formal criteria for judging defects, and the manual was inconsistent with AIIS and related inspection forms which incorporate the changes. These deficiencies, in turn, decreased the assurance that only wholesome and unadulterated products were accepted for entry into the United States.

In our 1972 report we recommended that the agency establish

--adequate statistical sampling plans so that representative samples of canned and packaged meat products presented for entry would be selected for inspection and

--criteria for classifying defects in products and for rejecting products to minimize differences in judgmental decisions in determining wholesomeness and acceptability of products for entry.

Since our 1972 report, AIIS has been implemented, sampling plans have been revised, and defect criteria have been established for canned and packaged products. At the time of our fieldwork, the AIIS and related inspection forms were compatible with the revised sampling plans and established criteria; however, import inspectors were following the MPI manual which had not been updated to reflect these changes.

Although FSIS had identified and classified the types of defects normally associated with canned or packaged products, these defects were described only on the inspection results form (used with AIIS) and not in the manual. FSIS had also established defect limits (i.e., the number of defects on which a determination to accept or reject can be made) but had not developed any criteria for defining or describing the distinctions in the magnitude--minor, major, and critical--of the various types of defects. FSIS' failure to incorporate the revised sampling plan into the MPI manual resulted in conflicts between the manual and AIIS.

Sample sizes prescribed in the MPI manual were substantially lower than those described on the inspection results form. For example, for a lot containing 1,440 cans of 11-pound hams (weighing 15,840 lbs.), the sample size prescribed by the manual was 1 can, or 11 pounds, whereas the sample size prescribed by the inspection form is 6 cans, or 66 pounds.

Although the import office correlator told us that inspectors at some ports followed the manual and others the inspection form, the inspectors at the ports we reviewed followed the manual. Further, at five of the ports inspectors were selecting

incorrect numbers of samples for certain types of products because of misinterpretations of manual requirements. (See case 1 below.)

At six of the ports we visited, document examiners, rather than entering the actual number of samples inspected into the computer, entered the number of samples called for by the inspection results form. This resulted in overreporting the volume of products inspected. To report the correct number of samples inspected, the document examiners would have had to override the computer because it was programed in accordance with the inspection form sample size requirements.

The following two case examples for lots of canned hams illustrate the inconsistencies in the sample sizes inspectors at the 10 ports would inspect and report as inspected based on the procedures in effect at the ports.

	Case 1	Case 2
Assumptions:		
Unit weight	6 lbs.	11 lbs.
Lot size	3,000 cans (500 cartons, 6 cans per carton)	1,440 cans (240 cartons, 6 cans per carton)
Lot weight	18,000 lbs.	15,840 lbs.
Required sample size:		
Per MPI manual	4 (20 lbs. min.)	1
Per inspection form	6	6

	Case 1				Case 2			
	Actual sample		Reported sample		Actual sample		Reported sample	
Port	No. of cans	Total lbs.	No. of cans	Total lbs.	No. of cans	Total lbs.	No. of cans	Total lbs.
Philadelphia	4	24	6	36	1	11	6	66
New York	3	18	3	18	1	11	1	11
Long Beach	3	18	6	36	1	11	6	66
Miami	4	24	4	24	1	11	1	11
New Orleans	4	24	4	24	1	11	1	11
Champlain	4	24	6	36	1	11	6	66
San Juan	3	18	3	18	1	11	1	11
Boston	3	18	6	36	1	11	6	66
Seattle	3	18	6	36	1	11	6	66
San Francisco	4	24	6	36	1	11	6	66

To be put on skip lot inspection, not only must a plant have had 10 lots pass within the previous 180 days, but it must also meet a minimum poundage requirement (i.e., the 10 lots must have weighed more than a prescribed minimum) and a maximum defect level per pound of product sampled. To determine whether a plant has met the maximum defect level, AIIS accumulates defects per sample pounds examined. However, in most cases AIIS was not being used to accumulate defects found through product examinations of canned and packaged products because AIIS and the MPI manual were inconsistent.

Except for New Orleans, document examiners were not entering defects resulting from product examinations into the computer. Often this was because inspectors were not recording such defects on the inspection results form. For example, the supervisory import inspector at Long Beach told us that he did not categorize and report such defects because he did not have any basis for doing so (i.e., no criteria existed for distinguishing among minor, major, and critical defects).

The failure to report such defects appears to explain, at least in part, the substantial reduction in the rejection rates of canned and packaged products that had occurred based on product examinations. In 1972 we reported that of a total of about 396 million pounds of processed canned meat products offered for entry in 1970, less than 4 million pounds, or about 1 percent, were refused entry. Of the total refused entry, about 1.435 million pounds, or about 39 percent, were rejected based on defects found during product examinations. Since that time the proportion of canned products rejected based on product examinations had decreased substantially. About 3.3 million pounds of canned products were rejected in 1981, of which only about 62,000 pounds, or 3 percent, were rejected based on defects found during product examinations.

According to USDA (see app. III), the MPI manual has been revised to direct inspectors to use the sampling plans and defect criteria printed on the inspection form. This action should resolve the problem of inadequate sample sizes. Additional action is needed, however, to develop criteria for distinguishing among minor, major, and critical defects in canned and packaged meat products.

Lack of guidance for selecting samples of products packed in combination bins and barrels

The MPI manual does not prescribe procedures for selecting samples of products packed in combination bins or barrels (referred to collectively as combination bins). As a result, inspectors had used inconsistent methods in selecting such samples and, in most cases, had not selected the required number of samples.

Our review of records and talks with import inspection personnel showed numerous errors and inconsistencies in sampling combination bins. These included:

--Permitting importers to combine substantially different-size containers into one lot although the MPI manual states that only products that are similarly packaged can be included in one lot.

--At some ports the total number of combination bins was considered the universe, whereas at other ports the total number of individual units (e.g., individually wrapped cooked beef products) contained in the lot was the universe. Using the individual units as the universe permits AIIS to issue assignment plans identifying each unit to be sampled; using combination bins does not. Also, substantially different-size samples can result.

The following examples from the case files in the Philadelphia import office illustrate the effect of these practices.

Example A--For a boneless manufacturing product inspected at the Buffalo, New York, port, 4 combination bins weighing 2,178 pounds each, 7 barrels weighing 531 pounds each, and 18 barrels weighing 487 pounds each were presented and inspected as one lot. As a result, only nine 12-pound samples, or 108 pounds, were inspected. If the products had been sampled as 3 lots, 24 12-pound samples, or 288 pounds, would have been inspected.

Example B--For a lot of fresh pork bellies (inspected in Fogelsville, Pennsylvania) packed in 16 combination bins and containing 4,050 pieces weighing 40,387 pounds, the inspector used 16 as the universe rather than 4,050. As a result, the assignment plan called for, and inspections were made of, 16 samples, or 192 pounds, instead of the 30 samples weighing 360 pounds, required by the MPI manual. Also, the amount reported as inspected was 360 pounds.

Although FSIS has revised the MPI manual to provide better guidance on sample selection, specific guidance on sampling combination bins is not included. Such guidance would help minimize inconsistencies in sampling combination bins.

FSIS procedures limit inspection of wholesale cuts and carcasses

In our opinion, procedures prescribed by FSIS for inspecting large wholesale cuts of meat and carcasses do not provide adequate assurance that only wholesome products will be accepted for entry. Some inspectors followed these procedures, but many did not.

FSIS procedures provide that inspectors are to limit their inspection of a wholesale cut or carcass sample to a predetermined portion of the product within an "imaginary band" weighing an estimated 12 pounds. Adherence to this procedure precludes an inspector from rejecting a product based on defects outside the imaginary band, even when a major or critical defect is noted.

Some inspectors told us that they adhered to the prescribed procedures; many said they did not. One supervisory import inspector told us that he adhered to the procedure to avoid a situation where an importer's appeal of a rejection would be sustained based on "procedural error." Other inspectors, however, told us that if a critical defect was noted outside the predetermined portion to be sampled, they would make sure the defect fell within the sampled portion of the product; that is, they would shift the imaginary band to include the defect.

The inspection of only a portion of a wholesale cut or carcass appears to be an efficient way to handle minor defects because the defects can easily be tabulated and projected to the entire cut or carcass. In our opinion, however, greater assurance that only wholesome products are accepted could be achieved if the entire cut or carcass were inspected for major and critical defects.

Greater assurance needed that inspection assignments are based on current plant compliance history

At the time of our fieldwork, FSIS had not established a maximum time period to be permitted between the date the inspection assignment plan is "pulled" and the date the inspection is made. Also, inspectors did not know the dates of the assignment plans because the plans were undated. In about 42 percent of the cases we sampled, inspections had been made more than 72 hours after the assignment plans were pulled. In such cases, little or no assurance existed that the inspections were based on up-to-date plant compliance histories.

One of AIIS' major objectives is to tailormake each inspection assignment plan based on the exporting plant's compliance history. To assure that an inspection is based on an up-to-date compliance history, the inspection must be made within a reasonable period of the date of the assignment plan.

Although inspection personnel at the ports told us that FSIS had an informal policy that inspections should be made within 48 hours of the date of the assignment plan, the import office correlator told us that this was not a requirement. Our review of case files covering 2,970 lots showed that 1,262, or about 42 percent, were inspected 72 hours after the date the

assignment plan was pulled and 382, or about 13 percent, were inspected after more than 7 days had elapsed.

FSIS issued a bulletin in December 1982 requiring that inspections be made within 72 hours of the date of the assignment plan. However, to assure compliance the assignment plans needed to be dated to enable the inspectors to know when the plans were issued.

In its comments (see app. III), USDA said that FSIS' policy of dating assignment plans had been verbally communicated to inspection personnel, had been transmitted to document examiners through AIIS, and was being further enforced in its formal training program. Also, it said that the dates of the plans will be included as a regular part of the AIIS data base.

Problems with foreign inspection certificates

Foreign inspection certificates that accompany products offered for entry were not always written in English (as well as the origin country's language) as required by MPI regulations and frequently did not specifically describe the products involved. Further, import inspectors had not always taken appropriate actions to determine the reasons for discrepancies between quantities shown on the certificates and quantities presented for inspection--inspectors at two ports had simply changed the quantities shown on the certificates.

We found that despite the requirement that foreign inspection certificates be written in both English and the origin country's language, certificates prepared by one country were written only in Spanish. Also, because many certificates did not describe the products covered in enough detail, no assurance existed that the document examiners entered the correct product codes into AIIS when they obtained inspection assignment plans. In many cases certificates described the products in general terms, such as fresh boneless beef, rather than in terms of the specific product type (e.g., manufacturing meat or wholesale cuts). At one port the document examiner said that the unit weights of the cartons were used to determine whether the product codes entered on the inspection application form by the importers were correct since manufacturing meat is usually packaged in 60-pound cartons.

The MPI manual discusses specific action to be taken if the quantity of product presented for inspection exceeds the amount shown on the certificate by more than a prescribed overage allowance limit. If the limit is exceeded, the overage must be removed or segregated, pending receipt of a certificate covering the overage or a new certificate covering the actual quantity. Similar provisions did not exist for shortages until August 1982 when FSIS issued a bulletin detailing instructions on how shortages are to be handled. The manual, however, had required that importers provide a written explanation of any shortages.

Our review of the randomly selected sample of case files showed that despite the manual requirement, inspection personnel did not generally obtain adequate explanations from the importers about the reasons for shortages. In fact at two ports, the inspectors simply changed the quantities shown on the certificates. For example, one application for inspection of 60-pound cartons of boneless manufacturing meat listed two lots, one with 217 cartons and the other with 196 cartons. The inspector, finding only 19 cartons of the first lot and none of the second, revised the certificate covering the first lot and returned the other certificate to the importer. The regional specialist accompanying us said that this case should have been referred to FSIS' Compliance Division which is responsible for investigating such matters.

For document examiners, who do not view the products, to assure that the meat products identified on the certificate are the same as those presented for entry, the inspection certificates should provide an accurate and specific description of the products covered. To prevent uninspected products from entering the United States, inspectors should require importers to account for all shortages as prescribed by the manual.

Controls over refused entry products

In reviewing case files on products refused entry in 1981, we found two cases where refused entry products were improperly diverted. In our opinion, the lack of adequate identification of refused entry products, coupled with the failure to segregate and secure rejected products, contributed to these improper diversions. These cases occurred prior to FSIS' implementing increased controls as a result of OIG findings and recommendations.

The general practice at the 10 ports we reviewed is to place a "U.S. Refused Entry" placard on each side of a pallet containing rejected products rather than stamping "U.S. Refused Entry" on each carton or carcass. Also, most of the cold storage facilities we visited did not have a cage in which refused entry products could be segregated and secured.

Following is a brief description of the two cases of improperly diverted refused entry products.

Case A

Boneless manufacturing meat weighing 1,800 pounds, rejected in Philadelphia because it was determined unwholesome, was mistakenly shipped to the importer along with accepted products for human consumption rather than reexported or destroyed as required by MPI regulations. Although the records do not show whether the rejected products entered the food chain, in all

probability they did since the cartons were not marked to show that they had been refused entry. In a February 3, 1982, letter, the service company manager told FSIS that the refused entry products were shipped to the importer because the products were not identified with refused entry placards. However, the inspector who rejected the product told us that he placed placards on the products. This situation could have been prevented had the cartons been individually marked as having been refused entry and if the facility had a retaining cage in which the products could have been secured.

Case B

A portion of a lot (17 cases of canned hams weighing 510 lbs.) rejected in Miami because added substances (water and/or gelatin) exceeded prescribed limits, was shipped to the importer. The supervisory import inspector told us that the product was on "hold" while further laboratory tests were made to substantiate earlier test results (which the laboratory tests did). He also said that although the product was on hold, the service company was not notified of the hold on the product nor was the product identified in any special way. Here again, the product was not segregated in a retaining cage.

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In a June 11, 1982, letter to the Administrator, FSIS, we asked whether, in tightening controls over rejected products, FSIS considered requiring the stamping of such products on each carton (or carcass) as "U.S. Refused Entry" and, if so, the reasons this procedure was not implemented. In a July 12, 1982, letter, the Administrator told us that this procedure was considered but that because refused entry products are free to move out of the country during a prescribed period, FSIS is not authorized to condemn (for human consumption) or destroy the products during that period. Consequently, FSIS believes that it would be inconsistent with these provisions to require that the products be marked in such a way as to deny their free entry into international commerce.

The Federal Meat Inspection Act, as amended (21 U.S.C. 620(b)), provides that the Secretary of Agriculture may prescribe the terms and conditions for destroying any products refused entry unless they are reexported within the time prescribed by the Secretary (45 days) or, if rejected for misbranding, are brought into compliance. According to the Director of the MPI organization's Review and Evaluation Staff and a USDA attorney, stamping products "U.S. Refused Entry" affects their marketability, making it more difficult for importers to reexport the products and, therefore, is considered by FSIS to be inconsistent with the spirit of the law.

On August 19, 1982, FSIS revised the MPI regulations to require that all consignments refused entry be marked "U.S. Refused Entry." Previously the regulations provided that rejected products could be marked "U.S. Refused Entry" if the FSIS area supervisor deemed it necessary to maintain the identity of the products. According to the Deputy Director of FSIS' Compliance Division, the regulation change removes the option of placing the refused entry placards on pallets but does not require each carton to be so marked.

In commenting on this matter (see app. III), USDA said that it was not aware of any instances of misdirected or misidentified product since the tightened controls over refused entry products have been implemented. In addition, the Director of FSIS' Inspection Coordination Staff told us that regional offices have been instructed to require that inspectors observe refused entry products at least once every 2 days and to maintain a log of such observations. We believe that these additional controls, which were not in place during the period covered by our review, would have prevented the types of problems we found.

NEED FOR MORE EFFECTIVE TRAINING AND SUPERVISION

Most import inspectors had not received formal training in import meat inspection since AIIS, which substantially changed the inspection procedures, was implemented in January 1979. Most inspectors we interviewed told us that they believed that periodic refresher training and better communication would aid in getting more consistent inspection results. Another way of getting more consistent inspection results is through improved supervision. The degree of supervision over import inspection activities at the 10 ports we reviewed varied from very little to daily supervision.

Training import inspection personnel

We interviewed import meat inspectors, document examiners, and circuit supervisors at each of the 10 ports to determine their training and experience and, except for document examiners who do not perform inspections, to obtain their opinions on how more consistent inspection results among inspectors and ports could be achieved. Of the 36 import inspectors we interviewed, 31 told us that they had received formal training. However, 27 had received their training before January 1979 when AIIS was implemented, including 16 before January 1975. Three of the seven circuit supervisors interviewed told us that they had no formal import inspection training and none had received training since AIIS was implemented. Four of the 10 document examiners we interviewed said that they had not taken the document examiners correspondence course developed in conjunction with AIIS.

Of the 36 inspectors, 31 said that they believed inspectors should receive periodic refresher training courses and 35 said that periodic meetings among import inspectors to discuss inspection matters would be beneficial. Although many inspectors cited differences in inspector judgment as a reason for variances in inspection results, most thought that periodic refresher training and better communication would help minimize such variances. Some said that formal classroom training is more effective than a correspondence course because inspectors have an opportunity to exchange ideas and information about how they make inspections. FPD's Director said that she believed refresher training should be provided when a major program change occurs.

We believe that more effective training and a better interchange of information among inspectors at the ports could help minimize variances among the ports in inspection results, such as those that occurred for lamb and mutton products offered for entry into the United States in 1981. As shown in the following table, New Orleans accounted for 94 percent of the lots of lamb and mutton products rejected nationwide although it had only 15 percent of the total lots offered for entry. New York and Philadelphia had no rejections although they handled 42 and 15 percent, respectively, of all lots of lamb and mutton offered for entry.

	Lamb and mutton product lots					
	Offered for entry		Inspected		Rejected	
Port	Number	Percent	Number	Percent	Number	Percent
New Orleans	234	15	110	20	16	94
New York	645	42	200	36	0	0
Philadelphia	224	15	76	14	0	0
All others	416	28	168	30	1	6
Total	1,519	100	554	100	17	100

We developed the above data after inspectors in New Orleans told us that importers had said that they were shipping their products to other ports where it was easier to get products inspected and passed. The inspectors said that the amount of lamb and mutton products offered for entry at New Orleans had decreased significantly. Cold storage facility company officials made similar comments, adding that, in their opinions, New Orleans inspectors were doing their job properly and were not overly stringent.

As to why other inspectors at other ports may be passing products New Orleans inspectors would not, the New Orleans inspectors said that they believed training and experience were major factors. For example, the supervisory import inspector said that in many cases ingesta and feces contamination in lamb and mutton products is not obvious to the untrained or inexperienced inspector because plants wash the carcasses with high-pressure water hoses. This imbeds the contamination in the animal tissue making it look like an ordinary stain.

FSIS did not have a structured on-the-job training program. Some inspectors told us that they had received as much as 6 months of on-the-job training while others told us they had not received any. FSIS' Director of Program Training agreed with us that a structured on-the-job training program is needed to assure that inspectors are appropriately trained.

Supervising import inspection personnel

Supervision of import inspection personnel was erratic. Some personnel had received little or no supervision while others had received daily supervision. This was due in large part to the lack of an FSIS headquarters' policy on designating a supervisory or lead import inspector[4] (referred to collectively as supervisory import inspector) in each major port.

According to the MPI organization's Director of Field Operations, headquarters had no data on how many of the import offices had supervisory import inspectors. Of the 10 ports we reviewed, 7, including Philadelphia and New York, the two largest ports, did not have supervisory import inspectors.

FSIS' policy is that circuit supervisors are to visit import offices at least once a month. However, this had not occurred at two of the ports we reviewed. Further, circuit supervisors, who are responsible for overseeing inspection activities in their circuits, including federally inspected domestic plants, cannot provide the daily supervision that supervisory import inspectors can.

Import inspectors received almost daily supervision in New Orleans whereas inspectors in Philadelphia received very limited supervision. This was due in large part to the fact that New Orleans had a supervisory import inspector and Philadelphia did

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[4]Lead import inspector is an informal title to designate an inspector who is in charge of an import office but who does not qualify for the supervisory title which requires that at least two inspectors be supervised.

not. Also, the New Orleans port had less activity, fewer inspectors, and a much more centralized operation than did Philadelphia. The Philadelphia port handled about six times the volume of meat imports (in terms of lots) as did New Orleans (about 22,300 to 3,700 in calendar year 1981) and had about twice the number of full-time inspectors (7 to 4 in calendar year 1981). Also, the New Orleans import office is located in a cold storage facility which handles an estimated 95 percent of that port's imports. In Philadelphia, the document examiners are in the import office, located in a Federal office building, and the inspectors are generally rotated biweekly among 10 import inspection facilities located throughout the greater metropolitan area. The circuit supervisor was responsible for overseeing activities at each of these locations besides supervising inspectors at 16 domestic plants.

We found that no systematic supervisory reviews of inspection documents were made at any of the ports. We believe that such reviews are needed to identify and correct the errors being made on the documents. Of the 1,043 case files we reviewed in detail to determine data accuracy, we found that 950, or 91 percent, contained errors. Typical errors included incorrect country, plant, and product codes; discrepancies between data on foreign inspection certificates and applications for inspection; and inaccurate data on where the inspection was made and which inspector made it.

The need for adequate supervisory reviews is illustrated by a problem we found in Miami. In reviewing a sample of 189 cases processed during 1981 (about 6 percent of Miami's total 3,211 cases), we found two cases where the incorrect foreign country code was used. This resulted in using the wrong plant compliance histories in determining the types and degree of inspections to be made. In following up on this problem by reviewing applications for inspection submitted by the importer involved in the first two cases, we found that incorrect country codes were used in 26 additional cases, or 28 total cases. The 28 cases, involving 3 countries, covered 47 lots of various meat products weighing over 1.4 million pounds. Of the 47 lots, 9 had been rejected, resulting in major inaccuracies in the compliance histories of the two plants involved.

If a supervisory inspector had made a systematic review of the case files similar to what we did, this problem could have been detected and corrected sooner.

SIGNIFICANT WORKLOAD IMBALANCE AMONG PORTS OF ENTRY

A significant workload imbalance existed among the 10 ports we reviewed. We believe that this imbalance contributed significantly to the differing procedures used at the 10 ports. Also,

FSIS management did not have the data needed to adequately match staffing needs with workload.

FSIS had not maintained staff time data by import office nor had it maintained separate staff time data for import inspections. Staff time spent on import and export inspections, as well as the time spent by document examiners on AIIS, was charged to the same work code. Further, the lowest organizational level for which staff time was accumulated was the area office.

To compare workload with staffing, we developed estimates of the time spent on import inspections at the 10 ports. FSIS provided us with hourly data on time spent on import/export inspection activities for the area offices where the 10 ports are located. The MPI organization's Financial Manager told us that although overall import inspection activities generally account for about 90 percent of the total import/export time charges, very little export time was included in the data provided us. Therefore, we used the total time to represent total hours spent on import inspection activities. For each area office, we allocated the hourly data among the ports within its jurisdiction based on the proportion of lots offered for inspection at each port to the total in the area office.

When we compared the estimated hours spent on import inspection activities with workload data obtained from AIIS for the 10 ports for calendar year 1981, we noted a substantial imbalance in workload. As shown in the schedule on page 33, Philadelphia (which had the lowest rejection rate) handled about 37 percent of all lots offered for inspection at the 10 ports but had only about 17 percent of total hours charged. On the other hand, New Orleans (which, along with Miami, had the highest rejection rate) handled about 6 percent of the total lots offered and had about 11 percent of the total hours charged.

The schedule also shows that the average number of inspection hours per lot offered ranged from about 0.8 of an hour per lot in Philadelphia and Champlain to a high of about 3.1 hours in New Orleans, about four times greater. The average number of lots offered per full-time equivalent inspector for 1981 ranged from 671 in New Orleans to 2,799 in Champlain. The average for Philadelphia was 2,653.

Although Philadelphia handled over twice the number of lots offered for inspection as did New York, the second highest volume port, Philadelphia had only 7 full-time import inspectors assigned to it in 1981, whereas New York had 13. New Orleans, which handled about one-sixth the number of lots offered for inspection as did Philadelphia, had four full-time inspectors assigned to it.

Inspectors at ports which were understaffed in relation to others did not provide the degree of control over imported products and samples (as discussed in other sections of this report) as did inspectors at the other relatively higher staffed ports. For example, in New Orleans individual inspectors monitored the unloading of no more than two refrigerated containers at one time while in other ports individual inspectors monitored the unloading of several containers. Also, as noted previously, inspectors in Philadelphia frequently did not monitor the unloading of products and the pulling of samples because there were not enough inspectors to handle the heavy workload.

We believe that to achieve greater uniformity in the procedures used by inspectors at the ports, FSIS needs to determine the staffing needed to adequately carry out prescribed import office inspection procedures and use this information, along with workload data, as a basis for assigning full-time and/or temporary import inspectors to import offices.

Comparative Workload and Productivity Data on Import Operations for 10 Selected Ports of Entry Calendar Year 1981[a]

Port	Full-time import inspector positions	Lots offered for inspection		Estimated hours charged to import operations		Average no. of inspection hours per lot offered for inspection	Equivalent full-time inspectors[b]	Average no. of lots offered for inspection per full-time equivalent inspector
		Number	Percent	Number	Percent			
Philadelphia	7	22,282	36.7	17,472	17.0	0.8	8.4	2,653
New York	13	10,559	17.4	27,860	27.1	2.2	13.3	794
Long Beach	5	5,622	9.3	9,652	9.4	1.7	4.6	1,222
Miami	4	4,623	7.6	12,294	12.0	2.7	5.9	784
New Orleans	4	3,692	6.1	11,400	11.1	3.1	5.5	671
Albany (Champlain)	1	3,079	5.1	2,353	2.3	0.8	1.1	2,799
Seattle	2	2,823	4.7	4,662	4.6	1.7	2.2	1,283
Boston	2	2,721	4.5	6,079	5.9	2.2	2.9	938
San Juan	2	2,622	4.3	6,811	6.6	2.6	3.3	795
San Francisco	2	2,614	4.3	4,082	4.0	1.6	2.0	1,307
Total	42	60,637	100.0	102,665	100.0	1.7	49.2	1,232

[a] Although calendar year 1981 data was the latest available at the time our draft report was submitted to USDA for comment, we have since obtained and analyzed calendar year 1982 data. The differences in the data for the 2 years are not significant enough to affect our conclusions.

[b] Derived by dividing total estimated hours charged to import operations by the total number of hours in a work year (2,088).

CONCLUSIONS

Improvements are needed in the way the import inspection program is managed to help assure greater uniformity in the inspection procedures used at ports. Substantial variances in inspection procedures used and in results attained among import inspectors and ports indicates a need for better guidance, training, supervision, and distribution of inspection personnel.

The MPI regulations, manual, and other instructions in effect at the time of our fieldwork were generally outdated, unclear, and/or inconsistent. Although AIIS was implemented in January 1979, written policies and procedures had not been revised to conform with the system. As a result, inconsistencies existed in the procedures used in sampling, controlling, and inspecting products. Other factors that may have contributed to the variances in procedures used are that (1) many import inspectors had not received recent training in import inspection, (2) the degree of supervision over inspection activities at the ports was erratic, and (3) a substantial workload imbalance existed among the ports.

FSIS has established a task force to review the import inspection program and has acted on some task force recommendations, based in part on matters we and OIG have brought to FSIS' attention. It has also taken action to correct some of the problems we noted at the ports we visited. For example, changes have been made in FSIS procedures on sorting products, inspectors have been directed to use the sampling plans and defect criteria printed on the inspection form, and a bulletin has been issued requiring that inspections be made within 72 hours of the date of the assignment plan.

Additional actions are needed, however, to further strengthen the guidance and provide the training needed by import inspectors. Also, supervision at the ports needs to be improved and workload imbalances need to be resolved to the extent feasible.

RECOMMENDATIONS TO THE SECRETARY OF AGRICULTURE

We recommend that to achieve greater consistency in the import inspection procedures used among the import offices, the Secretary of Agriculture direct the FSIS Administrator to revise the MPI regulations, manual, and other written instructions to provide clear, concise, and up-to-date guidance on the procedures import inspectors are to use in controlling, sampling, and inspecting products offered for entry. In making these revisions, FSIS needs to take action to:

--Develop criteria for distinguishing among minor, major, and critical defects in canned and packaged meat products.

--Authorize, through regulations, skip lot sampling procedures for boneless manufacturing meat.

--Prescribe procedures for inspectors to use in handling skip lots.

--Prescribe procedures for adequately and consistently controlling import meat products and inspection samples.

--Provide guidance to inspectors on the correct procedures for selecting samples shipped in combination bins.

--Establish new sampling techniques for wholesale cuts and carcasses which do not limit inspection to a predetermined portion of the product for major and critical defects.

--Emphasize to import inspectors that foreign inspection certificates be prepared in accordance with FSIS-prescribed procedures.

In addition, we recommend that the Secretary of Agriculture direct the FSIS Administrator to:

--Require that all inspection personnel be provided periodic refresher training and establish a structured on-the-job training program.

--Assign an inspector-in-charge to all major ports, with appropriate written descriptions of responsibilities and duties, including a systematic review of case files.

--Develop work measurement standards to use in assuring that ports are adequately staffed by full-time and/or temporary inspectors.

AGENCY COMMENTS AND OUR EVALUATION

USDA agreed with most of our recommendations and described actions that FSIS has taken, planned, or underway to strengthen the guidance and training provided to import inspectors. (See app. III.) Overall, we believe that these actions should, with adequate follow-through and implementation, result in greater consistency in the import inspection procedures used among the import offices.

We proposed in our draft report that FSIS establish and use adequate sampling plans and criteria for classifying defects for

canned and packaged meat products. USDA said that FSIS has been actively working on this and that the revised MPI manual directs inspectors to use the sampling plans and defect criteria printed on the inspection form. USDA also said that FSIS plans a detailed study to validate the defect criteria and update the sampling plans so that sample size and defect classification will be directly related to manufacturing capabilities and expected norms. Because the manual revision should resolve the problem of inadequate sample sizes, we are making no reference to sampling plans in our recommendation. We also clarified the recommendation to more specifically focus on the need for developing criteria for classifying the seriousness of defects found in canned and packaged meat products.

On skip lot inspections, USDA said that FSIS was planning to propose an amendment to the regulations to authorize skip lot inspection whenever appropriate criteria are met. It also said that clear and concise instructions on handling skip lots are included in a draft training guide. It added that it was also working on revisions to the inspection manual which would explain AIIS and skip lot procedures more comprehensively, clarifying all aspects of skip lot inspection.

On our recommendation that FSIS prescribe procedures for adequately and consistently controlling import meat products and inspection samples, USDA said that FSIS had revised the MPI manual to prescribe detailed, systematic procedures for selecting, identifying, and controlling samples, including the handling and security of samples, and specific supervisory responsibilities. However, the manual revisions do not satisfy all our concerns on these matters (e.g., sealbreaking, monitoring the unloading of products, and using service company employees to select samples).

On the need for adequate and consistent supervision of sealbreaking, USDA said that country of origin seals are required by the Animal and Plant Health Inspection Service for animal disease control purposes and that the responsibility for sealbreaking lies with the Service and the Bureau of Customs. FSIS' responsibilities, it said, do not begin until the product is offered for inspection and, by then, the seals may have already been broken.

As discussed in the report (see pp. 13 and 14), the procedures regarding sealbreaking varied among the ports--at the time of our fieldwork, 4 of the 10 ports required that the seals be broken under the direct supervision of an import inspector or Customs inspector. We believe procedures requiring the supervision of sealbreaking not only are needed to resolve inconsistencies among the ports, but should be imposed to assure that shipments are delivered intact to FSIS and that any discrepancies between actual quantities and those shown on the foreign

health certificates are not the result of products illegally diverted within the United States.

Regarding USDA's comment that seals may have been broken by Service or Customs officials before the products are offered for inspection, agreements could be reached whereby Service or Customs officials will, if they break country of origin seals, reseal the containers with USDA seals. Such an agreement was in effect in the Albany circuit between FSIS and Bureau of Customs officials.

Our draft report included a proposal that FSIS enforce its task force's recommendations on proportionate sampling, when made, so that any resultant revised procedures would be consistently followed. USDA responded that the FSIS task force is expected to recommend elimination of such sampling within the next few months. It said that procedures in the inspection manual and in training materials would be revised accordingly. In view of the pending action to eliminate proportionate sampling, we are not including a recommendation on this matter.

Our draft report included a proposal that FSIS provide guidance to inspectors on permitting products to be sorted before being presented for inspection. In response, USDA cited new procedures that provide such guidance. (See p. 18.) Accordingly, we are not including a recommendation on this matter.

USDA said that it believed that the number or size of combination bins should not be a controlling factor in sample selection. Boneless manufacturing meat sampling, it said, is based on total pounds rather than the number of units and inspectors use a random sampling procedure regardless of container configuration or dimensions.

The issue we are concerned about regarding sample selection from combination bins is the lack of uniform procedures followed. We believe that inspectors should be advised as to the proper procedures for sampling products shipped in combination bins, including whether the number of bins or the individual product units contained therein should be the universe. Although the MPI manual requires that only products similarly packaged can be included in a lot, it does not specifically address whether boneless manufacturing meat shipped in combination bins should be similarly packaged. However, we agree that container configuration need not be a factor in sample selection for boneless manufacturing meat when the containers are of similar size but believe it should be considered when their sizes, and thus the weights of the product contained therein, differ as significantly as in the example discussed on page 22 (where the weights ranged from 487 to 2,178 pounds). We modified the report to clarify that point.

Our draft report also included a proposal that FSIS require inspection assignment plans to be dated. USDA responded that the plans' dates would be included as a regular part of AIIS. It also said that FSIS' policy on dating the plans had been verbally communicated to FSIS personnel, had been transmitted to document examiners through AIIS, and was being reinforced in a formal training program which began in January 1983. In view of these actions, we are not including a recommendation on this matter.

USDA said that its current policy on inspecting wholesale cuts and carcasses called for inspectors to remove critical or major defects observed outside the sample area and that inspectors are also authorized to go to a more extensive sampling plan. As the report notes, however (see p. 22), the inspection of wholesale cuts and carcasses was inconsistent. USDA said that it was evaluating the inspection criteria and would base the development of an improved procedure on the results.

Regarding our findings that inspection personnel were not assuring that FSIS procedures on foreign inspection certificates were being followed, USDA said that the requirement that certificates be in both languages and the subjects of certificate alterations and overage/shortage procedures would be covered in meetings and training courses. It also said that the provisions of the August 1982 bulletin on handling shortages would be incorporated in the MPI manual.

Our draft report included two proposals directed at increas-ing controls over refused entry products--stamping "U.S. Refused Entry" on each carton or carcass and segregating and adequately securing such products. In its comments USDA outlined the pro-cedures it had taken to tighten controls and said that it had limited authority to require the building of cages in which to segregate and hold refused entry products. USDA also said that it recognizes that the control of refused entry products is a high-risk area and that it will continue to closely control the movement of such products. Also, as discussed in the report (see p. 27), regional offices have been instructed to require import inspectors to observe refused entry products at least once every 2 days and to maintain a log of such observations. Recognizing these actions, we are not including a recommendation on this matter.

In commenting on training, USDA said that a new training program for import inspectors and supervisors had begun in January 1983 and would be repeated periodically. It also said that on-the-job training was being stressed in national, regional, area, and circuit level correlation meetings to improve consistency of inspection results. Although USDA did not comment specifically on whether FSIS would require that all inspection personnel be provided periodic refresher training or whether

FSIS would establish a structured on-the-job training program, the Director of FSIS' Inspection Coordination Staff told us that action would be taken on these matters.

USDA said that it concurred in the recommendation that an inspector-in-charge be assigned to all major ports. It did not indicate, however, when such action would be taken. According to USDA officials, the timing of such action depends in part on funding availability.

USDA said that it agreed with our recommendation on the need to develop work measurement standards and that a project was underway to develop the standards. USDA pointed out, however, that certain factors caused variability in workload and procedures among ports. It said that much variability was due to the volume and type of product handled and the standards of compliance against which each product is measured. In discussing specific factors affecting volume and type of procedure used, USDA mentioned the number of skip lots and types of inspections performed on products offered for entry which, it said, affected our statistics. We agree that various factors can affect workload statistics. However, our intent in developing the statistics on page 33 was to present a general picture of workload differences among the ports. USDA could further analyze the effects that the various factors have on such statistics as part of its project to develop work measurement standards.

CHAPTER 3

MORE EFFICIENT AND EFFECTIVE WAY OF MONITORING FOREIGN INSPECTION SYSTEMS NEEDED

The procedures FSIS has used to assess foreign inspection systems have not, in our opinion, provided adequate assurance that products are imported only from plants meeting U.S. requirements. FSIS has not used a systematic approach to assess the foreign inspection systems but, instead, has monitored the systems through foreign programs officers' reviews of individual plants. As a result, FSIS management has not had a sound basis for comparing foreign countries' overall inspection systems with our own. Also, opportunities exist for FSIS to make more efficient use of staff and travel resources in making plant reviews.

The foreign plants we visited during this review were generally cleaner and in greater compliance with U.S. standards than the plants visited in 1970.[1] Only 4, or about 5 percent, of the 82 plants visited during this review were rated unacceptable overall and were delisted by FPOs, whereas 14, or 17.5 percent, of the 80 plants we visited in 1970 were delisted. However, to achieve greater effectiveness and efficiency, FSIS could make several changes in the way it makes and uses foreign plant reviews.

FSIS needs to provide FPOs with adequate written guidance to ensure consistency in the scope of their reviews and in their ratings of plant operations. The MPI manual should be revised to specify the procedures FPOs are to follow in making their reviews. Also, FSIS needs to develop more detailed and objective criteria regarding the plant operations to be reviewed and the ratings to be given.

FSIS also needs to systematically use plant review results to determine whether the overall inspection systems of foreign countries are effective in assuring compliance with U.S. requirements. An effective and efficient way of assessing foreign inspection systems would be to use a method similar to the one FSIS uses to determine whether State inspection systems are at least equal to the Federal inspection system. Under this method FSIS samples State plants and categorizes the State systems according to the percentage of unacceptable ratings given to the sample of plants reviewed.

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[1]In 1970 we visited plants in Australia, Argentina, Canada, and Denmark. Because the plants we visited during both reviews were not statistically selected, the results should not be viewed as representative of the entire universe of the countries' plants.

Since 1967 foreign countries, to be eligible to export meat products to the United States, have had to have laws and regulations which are at least equal to those governing the U.S. system. However, according to an FPD staff officer responsible for developing a new method of comparing foreign countries' laws and regulations with our own, many countries' laws and regulations are not in fact at least equal.

As a result of recommendations made by a 1979 FSIS task force, FSIS is developing a "systems approach" for assessing foreign inspection systems. The system will include regulatory comparability information. The systems approach is expected to be partially implemented for 12 countries in calendar year 1983 and fully implemented in these and the remaining countries in 1986.

SLOW PROGRESS IN ENSURING THAT FOREIGN COUNTRIES' REGULATIONS ARE EQUAL TO U.S. REGULATIONS

FSIS has made limited progress in its effort to ensure that all countries eligible to export meat and poultry products to the United States have inspection laws and regulations at least equal to our own. In fact, at the time of our fieldwork, the FPD staff officer comparing the laws and regulations of 11 major exporting countries with U.S. laws and regulations determined that 7 were not equal.

In 1967 the Congress amended section 20 of the Federal Meat Inspection Act to require that the Secretary determine that a foreign country's meat inspection system insures compliance with requirements at least equal to the inspection, building construction standards, and all other provisions of the act and regulations which apply to domestic establishments and their products. (The Poultry Products Inspection Act of 1957, as amended in 1968, has comparable requirements.) Accordingly, USDA issued regulations in 1970 (9 CFR 327.2(a)(2)(ii)) which require that for a foreign country to be eligible to export meat to the United States, the country's system must, among other things, have laws and regulations at least equal to those governing the U.S. system. USDA, however, said that it does not require the foreign countries' laws to be "carbon copies" of U.S. laws.

According to the FPD Staff Officer for Laws and Regulations who is in charge of determining whether foreign countries' laws and regulations are at least equal to those in the United States, countries exporting to the United States before the 1967 amendment was enacted were automatically considered eligible. An effort was initiated in 1971 to evaluate and determine the comparability of the laws and regulations of eligible countries, and in 1972 the countries were asked to submit information on their regulatory requirements. Shortly thereafter, however, the

project was essentially dropped. It was not restarted until 1978.

Since 1978 a comparability evaluation guidebook has been developed and tested on 11 major exporting countries. Based on his review, the FPD staff officer has determined that 4 of the 11 countries have attained comparability. The staff officer estimated that the percent of comparability with U.S. laws and regulations for the remaining seven countries ranged from 25 to 95 percent. The staff officer is working with officials of the seven countries to help the countries attain comparability.

USDA's OIG issued a report on September 18, 1981, which criticized FSIS' slow progress in determining the equal to status of foreign countries' regulations. OIG reported that program comparability determinations had received limited priority and that, based on staff levels in effect at the time of its review, the determinations would take 3 to 5 years to complete. Also, OIG said that (1) the comparability determinations had been completed for only 2 of the 11 countries[2] and had not been initiated for 34 countries and (2) followup with countries on matters identified as needing correction had been limited. OIG recommended that emphasis, including increased priority and staffing, be placed on the comparability determinations so that reviews of programs involving countries exporting to the United States could be completed.

In its response to OIG's report, FSIS said that it recognized the need for increased attention to foreign programs' regulatory comparability and that it was developing a "systems approach" to assess foreign inspection systems. The system would determine if (1) the foreign regulatory systems have the capability to control risks at levels acceptable in the United States and (2) the systems are being effectively enforced. FSIS added that collection of risk profile data would include regulatory comparability information. The systems approach is expected to be partially implemented for 12 countries in calendar year 1983 and fully implemented in all 45 countries in calendar year 1986.

In commenting on our report (see app. III), USDA said that by the end of 1983, basic reviews would be completed on the 12 countries that account for over 80 percent of U.S. meat imports.

THE SYSTEMS APPROACH

The systems approach that FSIS is developing to assess foreign inspection systems resulted from recommendations in

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[2]Comparability determinations have since been completed for two additional countries.

an FSIS November 1979 Task Force Report on the Inspection of Imported Meat and Poultry. The task force criticized the agency's reliance on individual plant reviews as a means of assessing the adequacy of foreign inspection systems and proposed that a systematic method be developed to evaluate the entire regulatory control system within each country.

According to the task force, by concentrating on individual establishments as opposed to entire inspection systems, the program is focusing resources on proving the compliance of particular products from particular plants on a periodic basis rather than assuring the effectiveness of foreign country regulatory programs over the long run. The task force proposed that the regulatory controls over six health hazards and economic risks normally associated with meat and poultry be evaluated, with plant reviews only a part of the evaluation process.[3]

Examples of the type of information the task force said needed to be obtained and evaluated included foreign agricultural use of chemical compounds that may result in residue accumulation; prevalence of disease conditions; foreign standards for domestic use of food additives; and the exact nature of, and products most susceptible to, specific types of fraud. Evaluating these factors should, in our opinion, improve FSIS' ability to determine how effectively the six risks are controlled, as well as increase the product compliance responsibility of exporting countries.

Implementation of improved eligibility determination and monitoring system has been slow

FSIS has been slow in implementing the systematic approach the task force recommended. About 18 months elapsed from the date the task force report was issued until an approach was developed and a guide[4] issued in June 1981. At that time a new task force was established to implement the risk assessments using this guide. Questionnaires were developed to collect the necessary information on all six risk areas and were sent to 12 major exporting countries in May 1982.

In November 1982, after analyzing the questionnaire responses, FSIS began sending interdisciplinary teams to each country

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[3]The six risks are biological residues (e.g., pesticide and drug residues), disease, misuse of food additives, gross contamination, microscopic contamination, and economic fraud.

[4]"Guide for Developing Procedures To Assess Foreign Inspection Systems," USDA, Food Safety and Quality Service, June 1981.

to compare the responses with the actual systems in place. The results of the teams' visits will be used to prepare the final risk assessments. The entire risk evaluation process for these initial 12 countries will not be completed until the end of calendar year 1983 or later.

According to the guide, risk assessments will be a major component of a country's eligibility and monitoring process and will be routinely updated. Information on the effectiveness of inspection controls that have been implemented will continue to be obtained through plant reviews.

FSIS' progress in implementing the task force's recommendations was adversely affected by an Australian meat substitution incident which revealed further weaknesses in the program. In late July 1981 an FSIS processing plant inspector in San Diego, California, discovered horsemeat substituted for boneless beef in shipments from an Australian plant. This discovery demonstrated inadequate controls over meat distribution in Australia and over inspections at U.S. ports of entry to assure the integrity of imported meat. This discovery also pointed out that FSIS had not established any controls over distribution systems which, at that time, were not considered part of a foreign country's inspection system.

Since the Australian incident evaluation of the controls to prevent the introduction of illegal or unauthorized meat into a foreign country's export products has been identified as an additional risk area to be included as part of the risk evaluation process. In an April 1982 report, an FSIS Board of Inquiry concluded that once in place, the improved system will ensure that adequate information exists about each country's controls over export distribution channels. Species testing programs at U.S. ports and in foreign countries were also initiated after the substitution scandal was discovered and are expected to provide adequate safeguards in the interim.

MONITORING OF FOREIGN INSPECTION SYSTEMS COULD BE MADE MORE EFFECTIVE AND EFFICIENT

The FPOs' plant reviews are the primary method FSIS has used to monitor the equal to status of foreign inspection systems. Although such reviews are of limited use in determining the overall effectiveness of a country's inspection system, we believe that the reviews are needed to effectively monitor foreign inspection systems. However, more objective and uniform criteria are needed to make them more effective. Also, a more efficient use of resources could be achieved by reviewing a statistically valid sample of plants and not reviewing plants which do not export products to the United States. These matters are discussed beginning on page 49 following a discussion of the results of our plant visits.

Results of plant visits

As a group the foreign plants we visited during this review were in better condition than the plants we reported on in 1972. However, conditions in many of the plants we visited revealed that FSIS' monitoring of foreign inspection systems still does not adequately ensure that U.S. standards are maintained.

The FPOs rated 10 of the 82 plants we visited unacceptable in one or more categories. Of these 10, 4 were rated unacceptable overall and delisted.[5] One plant was unacceptable in four areas, including ante mortem inspection; post mortem inspection; construction, facilities, and equipment; and supervision. Three plants were unacceptable in two areas. All slaughter plants were rated acceptable in humane slaughter of livestock. Most plants we visited (67 of the 82) had minor and/or major deviations in construction, facilities, and equipment; plant sanitation; and/or sanitary handling of product. The plants we visited and those receiving unacceptable ratings in one or more categories are shown in appendixes I and II, respectively.

Compliance rating categories

The FPO rates a foreign plant in nine categories and overall. The FPO records the results of the evaluations on a rating form showing whether the following nine basic requirements are met.

--Ante mortem inspection. Facilities and procedures for performing ante mortem examinations must be adequate. Each animal is observed on the day of slaughter and all animals showing signs of disease are separated and examined by a veterinarian. An approved system of animal identification and verification is in effect to assure that slaughtered animals have received ante mortem inspection.

--Post mortem inspection. Facilities and procedures for performing post mortem examinations must be adequate. The facilities must ensure that carcass and product preparation can be accomplished without contamination and that required inspections may be performed. Inspection space should be adequate for complete inspection without encroachment by establishment employees and appropriate equipment should be available.

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[5]A fifth plant was delisted because it had not operated for a year.

--Construction, facilities, and equipment. The plant must be adequately designed and properly equipped and maintained to assure that a product is not contaminated. All product handling equipment is constructed of rust-resistant materials and can be readily cleaned.

--Supervision. Direct and continuous official supervision of slaughtering and preparation of product must be performed to assure that an adulterated or misbranded product is not prepared for export to the United States.

--Single standard of inspection. All products produced in the plant are subject to U.S. inspection standards even if they will be consumed locally. This assures that no product can unintentionally be exported to the United States that was not produced under U.S. inspection standards.

--Plant sanitation. Operational sanitation must permit production and handling of wholesome products without undue exposure to contaminants. Facilities and equipment must be properly cleaned at regular intervals. All personnel must practice good personal hygiene, and management must provide necessary equipment and materials for hygiene.

--Sanitary handling of product. Storage facilities are suitable and adequate for the types and quantity of products being handled. Coolers, freezers, and other storage areas are in good state of repair and are free from accumulation of fat, blood, and other foreign materials. Good warehousing is practiced to prevent damage to or contamination of containers. Shipping and receiving areas and vehicles used to transport products are clean and adequately protect products from adulteration.

--Control of inedible and condemned materials. Controls and procedures must be adequate to prevent condemned and inedible materials from entering human food channels. These products are immediately marked or placed in containers marked unfit for human consumption. They are maintained under direct inspection control until denatured to preclude future diversion to human food use. All salvage of condemned and inedible products for animal food is conducted in accordance with applicable established rules.

--Humane slaughter of livestock. Livestock must be slaughtered in accordance with humane methods. Humane practices should be used in handling, stunning, shackling, and bleeding animals.

An acceptable rating does not necessarily mean a plant has no deficiencies, but rather that the deficiencies found, if any,

are not considered significant enough to warrant an unacceptable rating. FSIS guidance on overall plant rating states that a plant's eligibility may be removed if it has serious deficiencies representing public health hazards; however, no criteria are given for determining what a serious deficiency is. Also, a plant may be removed if previously requested corrections have not been made. Deviations observed for any of the nine categories are rated minor or major, and major deviations may result in an unacceptable rating in that rating area. Some plants are not rated in all nine categories because of various reasons (e.g., certain areas or activities do not apply to some plants and/or the activity may have been completed before the FPO's arrival or not done at all on the day reviewed).

Types of deficiencies found

The schedule on the following page summarizes, by country, the rating results at the 82 plants. Of 617 individual categories observed in the plant reviews, 16 were rated unacceptable, and 35 major and 105 minor deviations were cited (2.6, 5.7, and 17 percent, respectively). In judging the significance of these statistics, however, it should be noted that because FPO visits are preannounced, plant managers and inspectors could be expected to make a special effort to comply with sanitation and other requirements on the day of the visit.

At the FPOs' request, foreign officials delisted five of the plants we visited, including one plant that had not been operating for a year.

FPOs' Ratings of 82 Plants We Visited

	Australia	Brazil	Canada	New Zealand	Total
1. Ante mortem inspection					
Acceptable	15	4	13	8	40
Unacceptable	0	0	2	0	2
Minor deviations	0	0	0	0	0
Major deviations	0	0	3	0	3
2. Post mortem inspection					
Acceptable	15	4	19	8	46
Unacceptable	0	0	1	0	1
Minor deviations	2	1	4	0	7
Major deviations	0	0	1	0	1
3. Construction, facilities, and equipment					
Acceptable	30	6	30	12	78
Unacceptable	0	1	2	1	4
Minor deviations	17	1	16	5	39
Major deviations	0	1	8	2	11
4. Supervision					
Acceptable	30	6	30	13	79
Unacceptable	0	0	2	0	2
Minor deviations	0	0	0	0	0
Major deviations	0	0	1	1	2
5. Single standard of inspection					
Acceptable	30	6	31	12	79
Unacceptable	0	0	0	1	1
Minor deviations	3	0	0	0	3
Major deviations	0	0	0	0	0
6. Plant sanitation					
Acceptable	30	6	32	13	81
Unacceptable	0	1	0	0	1
Minor deviations	16	2	0	3	21
Major deviations	3	1	0	0	4
7. Sanitary handling of product					
Acceptable	30	5	31	11	77
Unacceptable	0	0	1	2	3
Minor deviations	14	3	11	4	32
Major deviations	0	0	7	2	9
8. Control of inedible and condemned materials					
Acceptable	30	3	29	13	75
Unacceptable	0	1	1	0	2
Minor deviations	1	0	1	0	2
Major deviations	0	1	2	0	3
9. Humane slaughter of livestock					
Acceptable	15	4	18	9	46
Unacceptable	0	0	0	0	0
Minor deviations	0	0	0	1	1
Major deviations	0	0	2	0	2
Summary:					
All items observed	225	47	242	103	617(100%)
Acceptable	225	44	233	99	601(97.4%)
Unacceptable	0	3	9	4	16(2.6%)
Minor deviations	53	7	32	13	105(17.0%)
Major deviations	3	3	24	5	35(5.7%)
Overall plant ratings					
Acceptable	30	5	31	12	78
Unacceptable	0	2	1	1	4

Need for more uniform and objective rating criteria

FSIS needs to provide better guidance to FPOs for rating plants acceptable or unacceptable in each of the program's basic requirements and in overall plant compliance. Throughout the entire rating process, the FPOs must rely almost entirely on personal judgment. FSIS guidance specifies inspection program requirements for each category but provides no clear instructions on circumstances for giving acceptable or unacceptable ratings.

Our review of 834 plant review reports for FPO visits to plants in Australia and New Zealand in calendar year 1981 identified numerous differences among FPOs in filling out the reports and showed that more uniform and objective rating criteria are needed. For example, some FPOs noted problems in the comments section but because corrective action was taken, no deviations or unacceptable ratings were indicated in the checklist portion of the rating form. The rating, in our opinion, should be based on what is found and not on the corrected situation. Other FPOs indicated deviations on the checklist but did not comment on whether corrective action was taken or promised. In other cases the term unacceptable was used in the comments section yet no unacceptable ratings were given.

Although we recognize that differences in FPOs' judgments will affect the assessment of and ratings given to plants, the lack of consistency in the FPOs' assessments and ratings shows a need for additional guidance to minimize such differences. Because several FPOs had reviewed Australian plants in calendar year 1981, we were able to review reports made on the same plants by different FPOs. Of the 49 plants where this occurred, we found 11 cases where the first FPO rated a category as having no deviations and the second FPO on the next visit rated the same category as unacceptable--the reviews were made from 34 to 80 days apart. Although we recognize that conditions can change between reviews, at three plants the rating category involved was plant facilities and equipment for which a change did not appear likely. For example, one FPO report showed no deviations for a plant, whereas 6 weeks later another FPO had the plant delisted. The second FPO, in his report, described longstanding maintenance problems with plant facilities and equipment.

The FPOs we accompanied to the 82 plants rarely included in their reports comments on the effectiveness of the foreign inspection systems. Of the 82 reports the FPOs made, 67 noted one or more deviations (10 plants were rated unacceptable in one or more categories). Yet, only four reports, or 6 percent, contained narrative comments regarding the adequacy of the inspection systems. Further, of the 834 plant review reports reviewed for FPOs' visits to Australia and New Zealand plants in calendar

year 1981, 488 noted deviations but only 42, or about 7.6 percent, contained comments on the inspection systems.

For the four plants that we visited that were found unacceptable overall and delisted, the FPOs' reports on only two included critical comments on the inspection system. Under an effective inspection system, the foreign inspection personnel should have delisted the four plants, or seen that corrective actions were taken, without being asked to do so by an FPO.

Comments on the inspection systems' effectiveness are particularly important because, as pointed out above, in some cases the foreign inspection officials have not used their enforcement authority to delist plants as a result of noncompliance with inspection requirements. During calendar year 1981, 123 of the approximately 1,100 plants authorized to export to the United States were delisted for various reasons. FSIS records show that 50 of the delisted plants were removed as a result of FPO reviews and 73 were removed by foreign inspection officials. Although FSIS had no summary data on the reasons for the 73 delistments, according to the Area Supervisor, Pacific/Canadian area, most were due to plants going out of business or withdrawing from the U.S. market.

More comprehensive plant review form needed to help ensure greater consistency in scope of reviews

FSIS' foreign plant review form, a one-page checklist with the reverse side available for narrative comments, is not structured to ensure that all reviews are made completely and consistently nor to provide that problems are adequately identified for followup in subsequent reviews.

FSIS' written guidance on the scope of plant reviews is very limited. The MPI manual does not prescribe the procedures FPOs are to use in making plant reviews. Heavy reliance is placed on the previous experience of the FPOs, many of whom are senior veterinarians who were responsible for domestic plants. Further, FSIS provides little formal training for FPOs. The training provided normally consists of an initial period of at least 2 weeks during which FPOs are briefed and allowed time to review the MPI regulations and manual and a file of miscellaneous documents. The area supervisors accompany FPOs during their initial trips to each country and make periodic supervisory visits to review their performance.

Although the FPOs are instructed to review the same items in foreign plants that supervisory inspectors review in U.S. plants, the review forms and other instructions are not consistent with those used by the supervisory inspectors. One of the documents in the training file, entitled "Foreign Programs Review Procedures," cites the following specific items for FPOs to review:

1. Ante mortem inspection
2. Sanitation inspection
3. Sanitary dressing, station by station
4. Post mortem inspection
5. Viscera separation
6. Tripe and feet cleaning
7. Product handling
8. Handling and disposal of condemned products
9. Inspection of coolers, including passed carcasses and retained carcasses
10. Final trimming and trim area
11. Boning operation and inspection
12. Carton assembly or make-up area
13. Freezers
14. Retained products
15. Warehouses
16. Welfare areas, bathrooms, dressing area, lockers, and cafeterias
17. Laundry
18. Rendering plant
19. Surrounding premises
20. In government office:
    a. ante mortem and post mortem records,
    b. water analysis, and
    c. pesticide, heavy metals, hormone, and antibiotic analysis records.

In contrast, supervisory inspectors reviewing domestic plants use a worksheet listing 70 items to be reviewed before rating seven general categories.

The scopes of the plant reviews made by the five FPOs we accompanied varied substantially. For example, of the five FPOs only one made reviews that were complete and in full compliance with FSIS instructions. This FPO, who reviewed seven plants, observed activities and conditions in the plants and reviewed records and reports, including those on water analyses, ante mortem and post mortem inspections, residue tests, and pest control programs. In contrast, the other four FPOs did not review such matters consistently. For example, the four FPOs did not routinely review water analyses and residue test reports and therefore did not determine whether the plants were in compliance with U.S. standards for these two potential sources of product contamination.

To fully evaluate each of the nine general categories listed on the review form, the FPOs must review several factors. However, the factors are not listed on the form. For

example, for ante mortem procedures, FSIS requires domestic supervisory inspectors to review animal holding facilities and equipment; sanitation; inspection procedures and dispositions; and control of suspect, condemned, and dead animals. Because the FPOs should already be reviewing these factors to arrive at a rating, very little additional work would be required to record the results on a more detailed form. An expanded review form would provide greater assurance that the scope of the FPOs' reviews is consistent.

FSIS recently instituted such an approach for supervisory inspector reviews of U.S. plants in response to a recommendation on the need for more objective rating criteria that we made in a July 1981 report.[6] The review form used for domestic plants has seven general categories which are rated acceptable or unacceptable. However, before filling out this form, the supervisor completes an attached detailed worksheet listing 70 different items. The worksheet, when properly completed, provides specific information on the supervisory review results and reasonable assurance that the reviews are consistent and complete.

The foreign plant review forms do not call for the FPOs to report the results of followup on past deficiencies even though, according to the Secretary's annual report to the Congress, failure to make previously requested corrections can justify removal of eligibility. Although the same items would generally be considered during each review, making followup automatic, none of the five FPOs we accompanied reviewed the previous reports and therefore could not assure that past deficiencies had been corrected.

Inspection resources could be used more effectively and efficiently

The plant-by-plant review approach used by FSIS to monitor foreign inspection systems does not lend itself to providing FSIS management with an overall assessment of the effectiveness of a foreign inspection system. Although all certified plants are reviewed annually, the results are not projectable because the number of times plants are reviewed each year differs and because not all review categories listed on the plant review form are reviewed and rated in all cases. FSIS could use its inspection resources more effectively and efficiently if it had a more systematic and objective way of compiling the results of plant reviews to assess the overall effectiveness of the foreign inspection systems' in assuring that inspection laws and regulations are adequately implemented. This could be done by

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[6] "Improving Sanitation and Federal Inspection at Slaughter Plants: How To Get Better Results for the Inspection Dollar" (CED-81-118, July 30, 1981).

categorizing foreign inspection systems according to the percentage of unacceptable ratings given to sampled plants in each country. Also, FSIS should discontinue reviews of plants that do not export to the United States.

The number of FPO reviews of each certified foreign plant normally ranges from four a year to one every 2 years. During calendar year 1981 about 1,100 plants were authorized to export to the United States and 2,257 plant reviews were made. Plant review frequency depends on plant size, nature and complexity of operations, and anticipated volume of exports to the United States. High-volume exporters and plants that have had problems in meeting U.S. standards, about 40 percent of all certified plants, are reviewed at least four times a year. All other certified plants are generally reviewed annually or semi-annually, except nonexporting Canadian plants which are reviewed once every 2 years.

Nonexporting Canadian plants are reviewed because the Canadian inspection system certifies all plants, including those that do not export to the United States. Similarly, FSIS certifies all U.S. meat and poultry plants for export to Canada. FSIS data shows that about 350 Canadian plants did not export any products to the United States during the first 9 months of calendar year 1982.

The frequency of plant reviews is based mainly on a general evaluation of the plant's type of operation rather than on an assessment of product exposure to risk and the foreign country's demonstrated ability to control that risk. Further, the results of inspections at U.S. ports are not adequately considered. For example, all certified plants in New Zealand are visited four times a year although it has a strong centralized inspection system and, in calendar year 1981, had a U.S. port of entry rejection rate of 0.07 percent. Also, we believe that biennial reviews of nonexporting Canadian plants are not necessary to assess the effectiveness of the Canadian inspection system.

In our February 1972 report on inspection of foreign meat imports, we recommended to the Secretary that additional FPOs be stationed in countries where necessary to meet plant review frequency objectives. Since our 1972 report, however, foreign plants appear to have improved to a point where the frequency objectives should be reassessed with a view toward more efficient use of inspection resources. For example, in 1971 about 1.5 percent of the meat presented for entry was rejected at U.S. ports, whereas in 1981 it was about 0.6 percent. Also, in 1970 FPOs delisted 195 of about 1,100 plants, or 17.7 percent, while in 1981 FPOs delisted 50 of 1,100 plants, or 4.6 percent.

The systems approach FSIS is developing (see p. 42) is designed to determine each foreign inspection system's capability to control the risks associated with meat and poultry products.

The risks will be measured against several standards and criteria for three performance levels: acceptable (equal to U.S. standards), marginally acceptable (needs immediate remedial action), and unacceptable (resulting in severe product restrictions and delistment of some or all exporting establishments). The results of plant reviews will be one of the major factors used in measuring system capability.

We believe that reviews of a statistically selected sample of plants, projectable to a country's entire system, would be an effective and efficient way for FSIS to measure the capability or overall effectiveness of a foreign inspection system in ensuring that inspection laws and regulations are adequately implemented. FSIS currently uses this approach to determine the equal to status of State inspection systems.

Under FSIS' system for determining the equal to status of State systems, a statistically selected sample of State plants is reviewed on a quarterly basis. The percentage of unacceptable findings for each item reviewed determines the rating the State receives--there are 6 ratings with 1 the worst and 6 the best. The rating a State receives determines what, if any, action FSIS will take.[7] Also, the rating is used, in conjunction with the number of intrastate plants within a State, to determine the sample size of plants to be reviewed during the next quarter.

We recognize the need to periodically review all certified plants exporting products to the United States and believe that large exporters and other special interest plants should be reviewed at least once a year. Such plants could still be reviewed if a system similar to that used for States was adopted; however, the results (unless the plants were selected as part of the statistical sample) could not be combined with the results of the reviews of the sampled plants in making the overall assessment of the inspection system.

In selecting plants outside the sample, FSIS should consider factors similar to those that Canadian officials use in selecting plants to visit in the United States. According to senior Canadian inspection system officials we talked with, Canadian officials select U.S. plants on the basis of plants' compliance histories, rejection rates, volume of products exported to Canada, and geographic location. Plants with good

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[7]If a State receives a 1 and/or 2 rating in two consecutive quarters, USDA notifies the Governor that it will designate (take over) the State's program after 60 days unless corrective actions are taken. FSIS considers a State program to be not equal to the Federal program when such notification is required.

compliance histories and low rejection rates may be visited only once every 2 to 3 years and nonexporting plants are generally not reviewed at all.

CONCLUSIONS

FSIS has made limited progress in its effort to ensure that foreign inspection systems have laws and regulations at least equal to those of the United States. Further, although a task force identified deficiencies in FSIS' procedures for determining and monitoring the eligibility of foreign countries to export meat and poultry to the United States and recommended a systematic approach be developed in 1979, the systems approach is not expected to be fully implemented until calendar year 1986. Both efforts need to be completed as expeditiously as possible to ensure that foreign inspection systems are at least equal to our own and that they are adequately controlling the risks normally associated with meat and poultry products.

Since 1972 when we last reported on import inspection, foreign plant conditions apparently have improved. However, opportunities exist to improve the way plant reviews are made and used. FSIS needs to provide better guidance to FPOs on the procedures to be used in carrying out their duties and responsibilities in reviewing plants by developing (1) a more comprehensive plant review form to ensure consistency in the scope of the reviews and to better identify problems for future followup and (2) more objective and uniform criteria for rating plants to minimize inconsistencies in the FPOs' ratings.

Also, a more systematic and objective way of compiling the plant review results is needed to adequately keep FSIS management apprised of the foreign inspection systems' overall effectiveness in ensuring that inspection laws and regulations are adequately implemented. This could be done by sampling plants and categorizing systems according to the percentage of unacceptable ratings given to plants similar to the system FSIS uses for determining the equal to status of State inspection systems. Plants not falling in the sample could also be reviewed on a periodic basis, but the results of such reviews would not be projectable to the overall system. Inspection resources should not be used to review plants that do not export to the United States.

RECOMMENDATIONS TO THE SECRETARY OF AGRICULTURE

We recommend that to more effectively and efficiently ensure that only meat and poultry produced in countries and plants meeting U.S. requirements are permitted entry into the United States, the Secretary of Agriculture direct the FSIS Administrator to:

--Revise the MPI manual to specify the procedures FPOs are to follow in reviewing plants.

--Develop more uniform and objective criteria for use in reviewing and rating foreign plants.

--Revise the foreign plant review form to better ensure that complete and consistent plant reviews are made and to better identify problems for future followup.

--Emphasize to foreign inspection system officials that they are responsible for identifying and correcting deficiencies and, if warranted, delisting plants and request that they advise FSIS of the reason(s) for each delistment.

--Develop a more systematic and objective way of compiling the results of plant reviews, using a statistically selected sample of plants, as a basis for apprising management of the overall effectiveness of foreign inspection systems in ensuring compliance with U.S. requirements. Periodic reviews of plants outside the sample should be made as necessary--at least annually for large exporters and other special interest plants--considering such factors as volume of exports and rejections at U.S. ports. Plants not exporting to the United States should not be reviewed.

AGENCY COMMENTS AND OUR EVALUATION

According to USDA (see app. III), all countries exporting meat and poultry products to the United States have laws and regulations supporting meat inspection systems which are equal to the U.S. system. A country's laws and regulations, USDA said, are only part of its inspection system and, where practical, the requirements of U.S. laws and regulations may be covered by administrative decree. Also, USDA said that FSIS' basic reviews of the laws and regulations of 12 major exporting countries, which account for over 80 percent of the meat imported into the United States, will be completed by the end of 1983.

USDA stated that we "concluded that not all countries exporting meat and poultry products to the U.S. have laws and regulations satisfying the 'equal to' requirements of the Wholesome Meat Act of 1967." This is incorrect. The determination that the laws and regulations of several countries were not at least equal to those of the United States was made by the staff officer in charge of FSIS' effort and not by us.

We agree that a country's laws and regulations are only part of a country's inspection system, albeit an important part. Our concern, however, is that FSIS' effort to determine comparability has been ongoing for several years. Nevertheless, if

the laws and regulations of the 12 major exporting countries are determined to be at least equal to those of the United States by the end of 1983 as indicated by USDA's comments, we believe that FSIS will have made substantial progress in its efforts to ensure comparability.

USDA disagreed with our recommendations directed at improving foreign plant reviews but agreed in principle with our recommendation to sample foreign plants to be reviewed. USDA said that our recommendations that FPOs use "rigid criteria" in reviewing foreign plants would leave them little room for judgment. We are not advocating that the FPOs' judgments be replaced by rigid criteria. As discussed in our report (see pp. 49 to 52), substantial variances existed among the FPOs in the scopes of the FPOs' plant reviews and ratings. While we recognize that differences in reviewers' judgments cannot be eliminated, we believe such differences could be minimized if the reviewers were provided (1) better guidance on the procedures to follow in reviewing plants, (2) more uniform and objective criteria for reviewing and rating plants, and (3) a more detailed foreign plant review form.

USDA said that in conjunction with the systems approach, FSIS is developing objective criteria for use in reviewing each risk area in each country and that reviewers will use different kinds of forms in making systemwide reviews of foreign inspection programs. Depending on the adequacy of the criteria and forms developed, these actions could satisfy the objectives of our recommendations to achieve greater consistency in foreign plant reviews and ratings.

USDA said that it has been interested in changing to a foreign plant review system that does not routinely include visits to all plants. USDA also said that it prefers a selective sampling method rather than the random method we proposed in our draft report. In its comments, USDA raised with us for the first time, an issue concerning whether the Federal Meat Inspection Act requires that every foreign plant must be reviewed annually.

In discussing these comments with USDA officials, we were told by a USDA attorney responsible for advising FSIS that USDA's Office of the General Counsel may review the statute in light of this issue and, if necessary, could seek a legislative change. However, in researching this matter the USDA attorney found that USDA's General Counsel, in a July 17, 1980, letter to the then Assistant Deputy Administrator of MPI Field Operations, expressed the opinion that annual inspections of each foreign plant, while a desirable goal, was "not mandated by the literal language of the Act nor by the legislative history thereof."

The FPD Assistant Director said that a selective, rather than random, sample may be necessary to make an adequate determination as to whether a foreign inspection system is at least

equal to the U.S. system, particularly in countries that have subsystems that vary substantially. The recommendation in our final report was revised to delete reference to a particular--random--sampling method.

USDA said that broad guidelines are provided to FPOs on the procedures to follow in reviewing foreign plants and that this approach has proved successful in the past. USDA also said that it does not agree that the MPI manual is an appropriate place to provide further guidance to FPOs and that it may not be practical to amend the manual, intended for the use of thousands of domestic inspectors, for the benefit of a few FPOs.

FSIS instructions regarding reviews of foreign plants are, in effect, an accumulation of miscellaneous documents contained in a file in the FPD headquarters office. (See p. 50.) We believe that a more formalized approach is needed to assist the FPOs in performing their important review functions. While this could be done through other means, we believe that the best way would be by amending Part 27 of the MPI manual, which deals exclusively with import inspection. In any event, we do not agree that the number of FPOs should be the governing factor in determining whether the MPI manual should be amended; rather, the governing factor should be whether their important function could be better accomplished.

USDA said that FSIS has always encouraged foreign inspection system officials to take appropriate actions and emphasized to them that they are responsible for the operations of their own systems. USDA said that since 1977, foreign governments had delisted 382 plants. USDA also said that the new systems approach to foreign reviews will provide a more solid base for comments on inspection system effectiveness.

As discussed on page 50, FSIS had no summary data showing the reasons plants were delisted by foreign governments. According to an FSIS official, however, most delistments were the result of plants going out of business or withdrawing from the U.S. market rather than of inspection enforcement activities. Therefore, to simply state that 382 plants were delisted by foreign governments could be misleading. Our recommendation could be achieved by sending a letter to the heads of foreign inspection systems emphasizing their responsibilities and requesting data on the reason(s) plants are delisted by their inspectors.

APPENDIX I

PLANTS WE VISITED

Name and location	Date(s) of visit(s)	Type of plant a/
Australia		
1. Canberra Abattoir Pty. Ltd. Canberra Ave. Oaks Estate, Canberra	Mar. 23, 1982	C
2. Berrima District Meats Ltd. Moss Vale, New South Wales	Mar. 23-24, 1982	S
3. Presto Smallgoods Division of Petersville Ltd. leased portion of Berrima District Meats Ltd. Abattoir Road Moss Vale, New South Wales	Mar. 23-24, 1982	P
4. Dorahy Bros. (Wholesale) Pty. Ltd. Yallah Road Yallah, New South Wales	Mar. 24, 1982	C
5. Spanos Export Meats Pty. Ltd. 282 Botany Road Alexandria, New South Wales	Mar. 29, 1982	P
6. Haverick Meat Exporters Pty. Ltd. 77 Bourke Road Alexandria, New South Wales	Mar. 29, 1982	P
7. D.W. Baldie & Co. Pty. Ltd. and Norcrown Pty. Ltd. leased portion of Homebush Abattoir Corporation premises Homebush Bay, New South Wales	Mar. 29, 1982	P
8. Meribi Pty. Ltd. leased portion of Homebush Abattoir Corporation premises Homebush Bay, New South Wales	Mar. 29, 1982	P
9. Maitland Abattoir Pty. Ltd. Aberglassyn Road Rutherford, New South Wales	Mar. 30, 1982	C

a/C--Combination slaughter and processing
S--Slaughter
P--Processing

	Name and location	Date(s) of visit(s)	Type of plant a/
Australia			
10.	F.J. Walker Ltd. Aberdeen, New South Wales	Mar. 31, 1982	C
11.	Thomas Borthwick & Sons (Australasia) Ltd. Brooklyn Freezing Works Brooklea, Victoria	Mar. 31, 1982	C
12.	Gunnedah Shire Abattoir Quia Road Gunnedah, New South Wales	Apr. 1, 1982	S
13.	Tancred Brothers Pty. Ltd. leased portion of Gunnedah Shire Abattoir Gunnedah, New South Wales	Apr. 1, 1982	P
14.	Westland Meats Pty. Ltd. leased portion of Gunnedah Shire Abattoir Gunnedah, New South Wales	Apr. 1, 1982	P
15.	Ferguson Meat Exporters Pty. Ltd., leased portion of Gunnedah Shire Abattoir Gunnedah, New South Wales	Apr. 1, 1982	P
16.	R.J. Fletcher & Co. leased portion of Gunnedah Shire Abattoir Gunnedah, New South Wales	Apr. 1, 1982	P
17.	Melrose Meats Pty. Ltd. leased portion of Gunnedah Shire Abattoir Gunnedah, New South Wales	Apr. 1, 1982	P
18.	Marvic Meat Industries Pty. Ltd. 10 Pipe Road Brooklyn, Victoria	Apr. 1, 1982	P
19.	Matador Meat Company Pty. Ltd. Lot 1, Holcourt Road Laverton North, Victoria	Apr. 1, 1982	P
20.	P. & S. Siegel Pty. Ltd. Armbrook Siding Somerville Road Brooklyn, Victoria	Apr. 1, 1982	C

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	Name and location	Date(s) of visit(s)	Type of plant a/
Australia			
21.	North West Exports Pty. Ltd. Inverell, New South Wales	Apr. 2, 1982	C
22.	Smorgon Consolidated Industries Somerville Road West Footscray, Victoria	Apr. 2, 1982	C
23.	Gosford Meats Pty. Ltd. Manns Road Gosford, New South Wales	Apr. 5, 1982	C
24.	Riverstone Meat Co. Pty. Ltd. Railway Parade Riverstone, New South Wales	Apr. 6, 1982	C
25.	H.W. Greenham & Sons Pty. Ltd. Champion Road Newport, Victoria	Apr. 5, 1982	C
26.	Mt. Skene Pastoral Co. 1515 Dandening Road Oakleigh, Victoria	Apr. 6, 1982	P
27.	G.M. & B.A. Nominees Pty. Ltd. Koo-Wee Rup Road Pakenham, Victoria	Apr. 6, 1982	S
28.	R.J. Golbertson Pty. Ltd. Kyle Road Altona North, Victoria	Apr. 7, 1982	C
29.	Snow Meats Exports Pty. Ltd. 19 Colbert Road Campbellfield, Victoria	Apr. 8, 1982	P
30.	Noble Einsiedel Pty. Ltd. 30 Kilpa Road Moorabbin, Victoria	Apr. 8, 1982	P
Brazil			
31.	Swift-Armour S/A, Industria e Comercio Sant'Ana do Livramento Rio Grande do Sul	June 15-16, 1982	C

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	Name and location	Date(s) of visit(s)	Type of plant a/
Brazil			
32.	Swift-Armour S/A, Industria e Comercio Rosario do Sul Rio Grande do Sul	June 16-17, 1982	C
33.	Cooperativa Regional Castilhense de Carnes e Derivados Ltda. Julio De Custihos Rio Grande do Sul	June 17-18, 1982	C
34.	Cooperativa Rural Serrana Ltda. Tupancireta, Rio Grande do Sul	June 18, 1982	C
35.	Cooperativa Industrial Regional de Carnes e Derivados Ltda. Bage, Rio Grande do Sul	June 21-22, 1982	C
36.	Frigorifico Bordon S/A Bage, Rio Grande do Sul	June 22-23, 1982	C
37.	Cooperativa Regional Sudeste de Carnes Ltda. Pelotas, Rio Grande do Sul b/	June 24, 1982	C
Canada			
38.	F.W. Fearman & Company Ltd. 821 Appleby Line Burlington, Ontario	June 21, 1982	C
39.	Tender Lean Beef Ltd. 4480 South Service Road Burlington, Ontario	June 21, 1982	C
40.	Canada Packers Inc. 2200 St. Clair Ave. West Toronto, Ontario	June 22, 1982	C
41.	Canadian Dressed Meats Ltd. 109 Ryding Ave. Toronto, Ontario	June 23, 1982	C
42.	Prime Packers Ltd. 99 Ryding Ave. Toronto, Ontario	June 23, 1982	C

b/This plant was delisted because it had not operated for a year.

	Name and location	Date(s) of visit(s)	Type of plant a/
Canada			
43.	Metropolitan Meat Packers Ltd. 1-3 Glen Scarlett Toronto, Ontario	June 23, 1982	C
44.	Leader Packers 125 Belfield Road Rexdale, Ontario	June 23, 1982	P
45.	Muller's Meats Ltd. 5340 Postage Road South Niagara Falls, Ontario	June 24, 1982	P
46.	Glenco Meat Products Ltd. 1090 Heritage Road Burlington, Ontario	June 24, 1982	P
47.	Jadee Meat Products Ltd. 1420 Bartlett Road Beamsville, Ontario	June 24, 1982	P
48.	Toronto Abattoirs Ltd. 2 Tecumseth St. Toronto, Ontario	June 25, 1982	C
49.	Erie Meat Products Ltd. 1145 Roselawn Ave. Toronto, Ontario	June 25, 1982	P
50.	Guelph Beef Center Inc. 785 York Road Guelph, Ontario	June 28, 1982	C
51.	Dee's Beef Ltd. 556 Speedvale Ave. West Guelph, Ontario	June 28, 1982	S
52.	J.M. Schneider Inc. 321 Courtland Ave. East Kitchener, Ontario	June 28, 1982	C
53.	Burns Meats Ltd. 900 Guelph St. Kitchener, Ontario	June 29, 1982	C
54.	Hoffman Meats, a division of Gainers Inc. 352 Maple Ave. Kitchener, Ontario	June 29, 1982	C

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	Name and location	Date(s) of visit(s)	Type of plant a/
Canada			
55.	Windsor Packing Co. Ltd. Tecumseh West & Wellington Sts. Windsor, Ontario	June 30, 1982	C
56.	Intercontinental Packers Ltd. 8950 Shaughnessy St. Vancouver, British Columbia	July 6, 1982	C
57.	Fletcher's Ltd. 8385 Fraser Ave. Vancouver, British Columbia	July 6, 1982	P
58.	Chicken City Farms, a division of White Sport Ltd. 7319 King George Hwy. Surrey, British Columbia	July 6, 1982	C
59.	Bar 111 Foods Ltd. 6939 Palm Ave. Burnaby, British Columbia	July 6, 1982	P
60.	Coaspac Meats Ltd. 1874 Starr Road, R.R. 4 Abbotsford, British Columbia	July 7, 1982	C
61.	Kohler's European Sausage Ltd. 3338 Jackman Road P.O. Box 17 Aldergrove, British Columbia	July 7, 1982	C
62.	Sea Van Development Inc. 9696 119A Street Langley, British Columbia	July 7, 1982	P
63.	The Snackery Foods Ltd. 12211 Vulcan Way Richmond, British Columbia	July 7, 1982	P
64.	Canada Packers Inc. 26th Ave. & 11th Street S.E. Calgary, Alberta	July 8, 1982	C
65.	Centennial Packers Ltd. 4043 Brandon St. S.E. Calgary, Alberta	July 8, 1982	P
66.	Montagne Meats Ltd. 4240 75th Street S.E. Calgary, Alberta	July 8, 1982	P

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	Name and location	Date(s) of visit(s)	Type of plant a/
Canada			
67.	Dvorkin Meat Packers Ltd. 4211 13A Street S.E. Calgary, Alberta	July 9, 1982	S
68.	XL Beef, a division of L.K. Ranches Ltd. 5101 11th Street S.E. Calgary, Alberta	July 9, 1982	S
69.	XL Meats, a division of L.K. Ranches Ltd. 2825 Bonneybrook Road S.E. Calgary, Alberta	July 9, 1982	S
New Zealand			
70.	Pacific Freezing (N.Z.) Ltd. Dannevirke	Apr. 21, 1982	C
71.	Hawkes Bay Farmers Meat Co. Ltd. Takapau	Apr. 21, 1982	C
72.	Progressive Meats Ltd. Hastings	Apr. 22, 1982	P
73.	The Hawkes Bay Farmers' Meat Co. Ltd. Whakatu	Apr. 22, 1982	C
74.	Dawn Meat New Zealand Ltd. Hastings (Plant No. MPH 69)	Apr. 23, 1982	P
75.	Pacific Freezing (N.Z.) Ltd. Hastings	Apr. 23, 1982	S
76.	Dawn Meat (N.Z.) Ltd. Hastings (Plant No. MPH 52)	Apr. 23, 1982	P
77.	W. Richmond Ltd. Hastings (Plant No. MPH 53)	Apr. 23, 1982	P
78.	W. Richmond Ltd. Hastings (Plant No. MPH 56)	Apr. 26, 1982	P
79.	Nelsons (N.Z.) Ltd. Hastings	Apr. 26, 1982	C

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Name and location	Date(s) of visit(s)	Type of plant a/
New Zealand		
80. Waitaki New Zealand Refrigerating Ltd. Wairoa	Apr. 27, 1982	C
81. The Gisborne Refrigerating Co. Ltd. Gisborne	Apr. 28, 1982	C
82. AML Meats Ltd. P.O. Box 646 Gisborne	Apr. 29, 1982	C

APPENDIX II

PLANTS WE VISITED THAT WERE UNACCEPTABLE

IN ONE OR MORE OF THE RATING CATEGORIES

	Name and location	Overall rating	Rating areas found unacceptable
1.	Cooperativa Rural Serrana Ltda. Tupancireta, Rio Grande do Sul, Brazil	Unacceptable, delisted June 18, 1982	Construction, facilities, and equipment; plant sanitation
2.	Cooperativa Industrial Regional de Carnes e Derivados Ltda., Bage, Rio Grande do Sul, Brazil	Unacceptable, delisted June 22, 1982	Control of inedible and condemned materials
3.	F.W. Fearman & Company Ltd. 821 Appleby Line Burlington, Ontario	Acceptable	Construction, facilities, and equipment
4.	Glenco Meat Products Ltd. 1090 Heritage Road Burlington, Ontario	Acceptable	Supervision and sanitary handling of product
5.	Toronto Abattoirs Ltd. 2 Tecumseth St. Toronto, Ontario	Acceptable	Ante mortem inspection
6.	Hoffman Meats, a division of Gainers Inc. 352 Maple Ave. Kitchener, Ontario	Unacceptable, delisted June 29, 1982	Ante mortem inspection; post mortem inspection; construction, facilities, and equipment; supervision
7.	XL Meats, a division of L.K. Ranches Ltd. 2825 Bonneybrook Road S.E. Calgary, Alberta	Acceptable	Control of inedible and condemned materials
8.	Pacific Freezing (N.Z.) Ltd. Dannevirke, New Zealand	Acceptable	Sanitary handling of product
9.	Dawn Meat New Zealand Ltd. Hastings, New Zealand (Plant No. MPH 69)	Acceptable	Sanitary handling of product
10.	W. Richmond Ltd. Hastings, New Zealand (Plant No. MPH 56)	Unacceptable, delisted Apr. 26, 1982	Construction, facilities, and equipment; single standard of inspection

United States Department of Agriculture
Food Safety and Inspection Service
Washington, D.C. 20250

FEB 14 1983

Mr. J. Dexter Peach
Director, Resources, Community and Economic
Development Division, GAO
4th and G Streets, NW
Washington, DC 20548

Dear Mr. Peach:

Thank you for the opportunity to review your draft report, "Import Meat Inspection: Improved Management Needed to Achieve More Effective and Efficient Program." The Food Safety and Inspection Service (FSIS) response is divided into three parts: General Comments, Specific Comments, and Enclosures. Documents referenced throughout are included in the Enclosures. Our comments incorporate the views of the Assistant Secretary for Marketing and Inspection Services and USDA's Office of Budget and Program Analysis.

GENERAL COMMENTS

FSIS recognizes that systems for assuring the safety of imported meat and poultry need improvement and we are effecting those improvements. We note that your report reflects many of the same management issues that had been surfaced through a multi-phased organizational, procedural, and systems update to our foreign review and import inspection programs. GAO's recommendations will be helpful as we continue these efforts.

Background

We believe that your report would be more accurate and complete if the problems discussed were viewed in the context of recent events--particularly the two major crises faced by FSIS in the international area.

In the summer of 1981, we discovered that shipments of boneless beef from Australia had been adulterated with horse and kangaroo meat. Our investigation of that incident extended over many months and required locating, holding, and testing 66 million pounds of product throughout the U.S. The combined expertise of technical, scientific, enforcement, and administrative employees of the FSIS was required to effectively deal with this incident. The incident further spurred us to accelerate actions already underway to strengthen the import inspection program. These efforts have two major thrusts: first, to ensure strong and uniform inspection procedures at U.S. ports; and second, to increase reliance on, and cooperation with, the inspection systems of foreign governments.

Before we had completed all actions with regard to the Australian incident, we were again confronted with unacceptable imported meat entering domestic distribution channels, this time from Central America. This episode also involved willful criminal activity, including forged export certificates, and disclosed difficulties in the control of refused entry meat products. Resolving this crisis required extensive interaction with other government departments with jurisdiction in the matter, as well as product control and testing efforts by USDA. USDA initiated discussions with the U.S. Customs Service resulting in improvements in areas of shared jurisdiction. Eventually,

one of the Costa Rican plant owners and several other individuals were indicted. Subsequently, USDA successfully defended against a legal challenge to our authority to "delist" (refuse to approve) foreign plants exporting meat and poultry to the United States.

In both of these incidents FSIS was able to counteract threats to our safe and wholesome supply of meat. Further, both incidents revealed a need for new preventive measures. Perhaps more significant, both incidents put a tremendous strain on FSIS resources that would otherwise have been used to complete the management improvements you described. Consequently, we are behind schedule in efforts to improve new methods, finalize formal procedures in the regulations and inspection manual, complete training, and institute all phases of management information systems.

"Equal To" Review

You concluded that not all countries exporting meat and poultry products to the U.S. have laws and regulations satisfying the "equal to" requirements of the Wholesome Meat Act of 1967 (WMA). In fact, all countries presently exporting to the U.S. do have laws and regulations supporting a meat inspection system which is equal to the U.S. system. However, the laws and regulations are only part of the foreign country's system. Where practical, we allow requirements of U.S. law and regulations to be covered by administrative decree in a foreign country. However, foreign systems must always meet U.S. standards to continue exporting to the U.S. They must demonstrate the continuing ability to take the necessary actions to assure the export of unadulterated, properly labelled products. In essence, we do not require the inspection laws of foreign countries to be carbon copies of the U.S. statutes. We believe this approach is both practical and effective for carrying out our responsibilities under the Acts. The U.S. uses a similar approach to satisfy the requirements of foreign countries.

When the Wholesome Meat Act was passed in 1967, forty-two countries were already authorized to export to the U.S. Previously, there were no specific requirements for "at least equal" regulatory requirements. During the 1960's, FSIS conducted reviews of foreign systems to observe operations, explain U.S. requirements, and request supportive documents. When specific problems occurred, we required corrective action and detailed supportive documents. All approved countries were requested to send up-to-date regulatory documents to FSIS and plans were established for a detailed, line-by-line review of these documents. This is a tedious, time-consuming task that has been proceeding intensively for over four years. Most documents require translation. Where U.S. requirements are covered by administrative guidelines, the adequacy of those guidelines must be verified by on site reviews and other means. In the review process the original guide for regulatory review has been revised several times. Because the process is so slow, we have given the highest priority to major exporting countries. By the end of 1983, basic reviews will be completed on the 12 major exporting countries, which account for over 80 percent of the meat imported into the U.S.

Review Expertise

In a number of places you recommend that Foreign Program Officers (FPO's) use rigid criteria in the review process, which would leave them little room for judgment. We depend on the professional expertise of our FPO's. Before an FPO can be considered for the position, he or she must demonstrate an excellent

record with wide experience in the meat and poultry inspection program within the U.S. Many of our FPO's have more than twenty years of experience in slaughter and processing inspection. FPO's draw heavily on their professional judgment, experience, and knowledge of the meat and poultry laws and regulations as they review foreign plants. We plan to continue our approach based on FPO's making sound judgments within broad program review guidelines.

Skip Lot Inspection

The GAO report only touched on skip lot inspection as related to authorizing regulations. We were pleased that GAO auditors had no specific criticisms of the system per se. In fact, the principles of skip lot inspection are consistent with many recent GAO recommendations urging greater use of statistical sampling procedures and quality control. Nevertheless, skip lot inspection is not well understood in some quarters. For that reason we believe the following explanation will be useful to the readers of your report in gaining a better understanding of that system.

Skip lot inspection is based on the premise that plants with good compliance histories require less product evaluation than those with poorer histories. Skip lot procedures were made possible by the introduction in 1979 of Automated Import Information System (AIIS)--a computerized system which assigns inspection levels and procedures based on established sampling rules and the results of previous inspections. When an establishment begins exporting to the United States, all lots of product from the establishment are inspected and the results are entered in the agency's AIIS. If 10 consecutive lots from the establishment pass inspection within a 180-day period, future lots may qualify for skip lot inspecton.

Skip lot is divided into two levels: skip lot 1, which requires that no fewer than one in four lots be sampled, and skip lot 2, which requires that no fewer than one in six lots be sampled. Skip lot inspection, however, does not mean that samples must be taken from every fourth or every sixth lot or that anyone can anticipate which lots will be sampled. The ratios are average rates at which lots from an establishment are sampled over a period of time. Within that period, lots designated for sampling occur with no predictability. The random number generators of the AIIS are designed to ensure that no pattern is established and that no one can determine which lots will be subject to sampling. Thus, under skip lot inspection, it is possible that two or three consecutive lots will be sampled.

We would like to emphasize that if a lot is designated to be skipped, this designation does not mean that the lot receives no inspection at all. Instructions to inspectors require that all lots be examined for general condition and labeling. Furthermore, the AIIS does not prevent inspectors from sampling questionable lots. Inspectors are instructed to override inspection assignments and take samples from lots that the AIIS has not assigned whenever they think such action is prudent.

A data program developed for the AIIS identifies meat and poultry products according to the type of inspection required. There are six basic categories of inspection: net weight, condition of container, product examination, incubation, label examination, and laboratory analysis. Within these categories, there are more than 150 different types of inspection that may be assigned, such as laboratory analyses for specific substances. The inspection assignments generated by the computer depend on the product to be inspected.

Five rules (called switching rules) determine when skip lot inspection is instituted or suspended and when an establishment moves from skip lot 1 to skip lot 2. The basic 10-lot/180-day rule applies to net weight inspections, verification of label claims, and condition of container examinations. Under this rule, inspection of every lot is called normal inspection. As noted, after 10 consecutive lots from an establishment are inspected and passed within 180 days, the sampling frequency is reduced to skip lot 1; similarly, after 10 consecutive lots are sampled and passed within 180 days at skip lot 1, the frequency changes to skip lot 2. The level of inspection always returns to normal when a lot fails inspection or when no product is offered for inspection within 180 days.

The remaining four rules are variations of the 10/180 rule and are tailored to the type of inspection performed. An example is the Acceptable Quality Level 1 (AQL 1) rule, which is used for product examination of boneless meat, red meat and poultry carcasses, and retail and wholesale cuts of meat and poultry. For an AQL 1 examination, the AIIS determines on a random basis which boxes are to be taken from a lot for examination. A portion of the meat from the boxes is inspected for the presence of defects, which are classified as critical, major, or minor. After examining all samples, the inspector determines, on the basis of number and types of defects found, whether the lot passes or fails inspection. The inspector then enters the inspection results in the AIIS, including the number of pounds sampled and the number of critical, major, and minor defects.

Classification of defects is based on the degree to which the wholesomeness of product is affected. Examples of critical defects are off-condition, pathological lesions, and extraneous material that might cause injury or illness. Examples of minor defects are small bruises and blood clots and small stains and discolorations.

To move from normal inspection to skip lot 1 or from skip lot 1 to skip lot 2, an establishment must meet the requirements of the 10/180 rule as well as the additional criteria of the AQL 1 rule. The criteria are that an establishment not have had a critical defect within the last 3,000 sample pounds; a major defect within the last 400 sample pounds; or six minor defects within the last 100 sample pounds. These requirements were designed to measure the overall or cumulative quality of shipments from each plant.

The AIIS is programmed with the established limit of critical, major, and minor defects allowed for each type of product and for different ranges of cumulative sample pounds. It changes the sampling status of product from an establishment

from skip lot 1 or skip lot 2 to normal when a lot fails inspection; when no product is offered for inspection within 180 days; or when the number of accumulated critical, major, or minor defects exceeds the limit.

The other three switching rules are (1) the Acceptable Quality Level 2 rule (for canned and packaged products); (2) the pass/fail rule (for incubation, laboratory analysis for certain substances such as nitrites, and laboratory analysis for water activity and moisture-protein ratio); and (3) the zoned rule (for laboratory analysis for substances such as fat and added water). Samples for residue and species testing are taken at programmed intervals rather than on a skip lot basis.

Our skip lot procedures provide an effective system for inspecting imported product while utilizing our limited resources to the best advantage. This explanation will help readers of your report understand skip lot inspection.

SPECIFIC COMMENTS

We appreciate your efforts in documenting improvements needed in port-of-entry inspection. In response to your specific recommendations below, we discuss the many efforts planned or underway to strengthen the training and guidance provided to import inspectors. We also address in further detail our specific efforts to monitor foreign inspection systems.

We recommend that to achieve greater consistency in the import inspection procedures used among the import offices, the Secretary of Agriculture direct the Administrator, FSIS, to revise the MPI regulations, manual, and other written instructions to provide clear, concise, and up-to-date guidance on the procedures import inspectors are to use in controlling, sampling, and inspecting products offered for entry. In making these revisions action should be taken on the following matters:

[GAO COMMENT: Overall, the efforts USDA describes below should, with adequate follow-through and implementation, result in greater consistency in the inspection procedures used among the import offices. We have commented on those matters we believe need clarification.]

1. Establishing and using adequate sampling plans and criteria for classifying defects for canned and packaged meat products.
We have been actively working on this project. Part 27 of the Meat and Poultry Inspection Manual was revised in December 1982. (See Enclosure 1.) Part 27.13(c)(3) directs inspectors to use the sampling plans and defect criteria printed on MP Form 68. This corrected the specific deficiencies cited in your report and eliminated any existing confusion. In addition, plans are underway for a detailed study to validate the defect criteria and update sampling plans so that sample size and defect classification are directly related to manufacturing capabilities and expected norms.

APPENDIX III

2. Authorizing, by regulation, the skip lot sampling procedures for boneless manufacturing meat.
Agency officials carefully considered the need for adjusting the regulations when skip lot procedures were implemented and concluded that changes were not necessary. We are still of this opinion. However, in order to eliminate any misunderstanding and to make the regulation technically correct, the agency will soon propose an amendment to §327.21(a) of the regulations to authorize skip lot inspection whenever appropriate criteria are met.

3. Prescribing procedures to be followed by inspectors in handling skip lots.
Clear and concise instructions to inspectors are included in the draft training guide as part of the formal training program. We are also working on revisions to the inspection manual which will explain AIIS and skip lot procedures in a more comprehensive manner, clarifying all aspects of skip lot inspection.

4. Prescribing procedures for adequately and consistently controlling import meat products and inspection samples.
Seals are required by the Animal and Plant Health Inspection Service for animal disease control purposes. The responsibility for the breaking of the seals lies with the U.S. Customs Service and APHIS. FSIS responsibilities do not begin until the product is offered for inspection--by then the seals may already be broken. Importers post a bond with Customs to assure intact delivery of shipments to FSIS for inspection.

In December 1982, Part 27 of the inspection manual was revised to prescribe detailed, systematic procedures for the selection, identification and control of samples including the handling, and security of samples, and specific supervisory responsibilities. This subject is also covered in our formal training program initiated in January 1983.

5. Enforcing the task force's recommendations on proportionate sampling, if and when made, so that any resultant revised procedures are consistently followed.
The Agency's Import Inspection Task Force is expected to recommend the elimination of proportional sampling within the next few months. I understand the Task Force will be proposing that random samples of each lot be selected in a manner to assure proper representation of container codes or product sources, while basing final disposition on the entire lot. Procedures will be revised accordingly in the inspection manual and in training materials.

[GAO COMMENT: In view of the pending action to eliminate proportionate sampling, we are not including a recommendation on this matter.]

6. Providing guidance to inspectors on when, and if, it is permissible to sort out products before they are presented for inspection and on the correct procedures for selecting samples shipped in combination bins.
Sorting of products, before presentation for inspection, is allowed at the discretion of the inspector. Inspectors are instructed in training sessions to allow presorting when the cause of damage is known and can be readily identified and characterized. For example, if damage

has been done by a forklift during unloading, or if seawater has leaked into some containers, the inspector may allow the affected products to be sorted. When the affected product cannot be isolated, or when widespread damage has occurred, lots are rejected. The inspection manual also addresses unsound appearing hermetically sealed containers. On these kinds of problems, final disposition must await laboratory results to eliminate the possibility of under processing or spoilage as outlined in section 27.10 of the inspection manual.

Procedures for sample selection are already addressed in Part 27.16(j) of the inspection manual and in training materials. This section covers sample identification, and correlation as well as procedural requirements for selecting, transporting, and securing samples.

[GAO COMMENT: As a matter of clarification, the discussion above pertains to the revised procedures and not those in effect at the time of our review.]

We do not believe that the number or size of combo bins should be a controlling factor in sample selection. Boneless manufacturing meat sampling is based on total pounds rather than the number of units. The inspector correctly carries out these responsibilities by using a random sampling procedure regardless of container configuration or dimensions, as long as all portions of the lot have an equal opportunity to be selected.

7. Requiring importers to consolidate lots of products, meeting FSIS lotting criteria, which are presented for inspection at the same time and place.

It has long been the policy of FSIS to encourage importers to consolidate lots, as is stated in Part 27.11 of the inspection manual. However, cooperation of the importers is needed since the agency does not have the authority to require importers to consolidate lots before they are offered for inspection.

[GAO COMMENT: Recognizing USDA's comments on this matter as well as the fact that the use of skip lot sampling reduces the extent of lots to be inspected, our discussion of this matter, including our proposal that importers be required to consolidate lots, was not included in our final report.]

8. Requiring inspection assignment plans to be dated.

Our policy of dating assignment plans has been verbally communicated to our personnel, and transmitted to document examiners through the Automated Import Information System. This policy is being further reinforced in the formal training program. The dates of inspection assignment plans will also be included as a regular part of the Automated Import Information System data base.

9. Establishing new sampling techniques for wholesale cuts and carcasses which do not limit inspection to a predetermined portion of the product for major and critical defects.

Current policy calls for inspectors to remove critical or major defects observed outside the sample area. If needed, the inspector is also authorized to go to a more intensive sampling plan. In the past, the agency has experimented with different methods for the inspection of carcasses. We are currently evaluating the criteria and will base the development of an improved procedure on the results.

10. Emphasizing to import inspectors that foreign inspection certificates be prepared in accordance with FSIS prescribed procedures.
GAO's auditors apparently observed a case where an inspector failed to follow instructions for handling certificate errors. That should not have occurred. Section 327.4(d) of the regulations states that certificates shall be in both languages. MPI Bulletin 82-39 further clarifies the subjects of certificate alterations and overage/underage procedures. These subjects will also be covered in continuing correlation meetings and training courses. The provisions of bulletin 82-39, Enclosure 2, will soon be incorporated in the inspection manual.

[GAO COMMENT: As discussed on page 25 of the report, it was not "a case where an inspector failed" to follow instructions for handling certificate errors but rather, as our sample of case files showed, the general practice of inspectors.]

11. Requiring the stamping of all rejected products on each carton or carcass as "U.S. Refused Entry" and that such products be segregated and adequately secured.
GAO cited alleged examples of misdirected, rejected product from early 1982. Since that time we have taken measures to increase program awareness and controls over refused entry product, including issuance of a new bulletin and an interim rule. (See Enclosures 3 and 4.) They provide procedures for stamping and identifying refused entry products and notifying Customs officials. They prescribe conditions for the storage and movement of products and the circumstances under which product is destroyed. Also the bulletin and interim rule describe responsibilities of compliance personnel involving legal and other actions. Since tightened controls over product identification and segregation have been implemented, we are aware of no instances of misdirected or misidentified product. Although separate cages might be effective for segregating and holding refused entry product, we have limited authority to require the building of such cages. However, we recognize this is a high risk area and will continue to closely control the movement of refused entry product.

[GAO COMMENT: Recognizing the actions FSIS has taken to better control refused entry products, we are not including recommendations on this matter.]

12. Require that all inspection personnel be provided periodic refresher training and establish a structured on-the-job training program.
A new training program for import inspectors and supervisors began formally in January 1983 and will be repeated periodically. The objectives of this comprehensive program include training for the import inspector in:

-- Contacting appropriate agencies about problems with product offered for importation
-- Determining adequacy of import facilities, equipment, and sanitation
-- Examination of import certificates
-- AIIS, including skip lot procedures
-- Statistical sampling procedures
-- Net weight examination
-- 15 other areas of concern

Enclosure 5 is the draft training guide and summary of the training objectives. We are also stressing on-the-job training in national, regional, area, and circuit level correlation meetings to improve consistency of inspection results.

13. Assign an inspector-in-charge to all major ports, with appropriate written descriptions of responsibilities and duties, including a systematic review of case files.
We concur with this recommendation. I have already endorsed an earlier internal proposal which also made this recommendation.

14. Develop work measurement standards to use in assuring that ports are adequately staffed by full-time and/or temporary inspectors.
We agree and have a project already in progress, headed by our industrial engineering staff. In connection with this recommendation, I would also like to point out some factors which cause variability in workload and procedures among ports of entry. Much variability is due to the volume of product handled, the type of product offered for inspection, and the standards of compliance against which each product is measured. Specifics which affect volume and type of procedure used include the following:

-- Lots of frozen boneless manufacturing meat which require cutting and defrosting consume much more inspection time and service company manpower than do equivalent sized lots of chilled boneless manufacturing meat.

-- The number of skip lots and types of inspection performed on product offered for entry affect GAO's statistics.

-- Efficient utilization of space, trained service company personnel, adequacy of facilities and many other factors contribute to a port's ability to handle large volumes of produce.

-- Country, plant of origin, and type of product play key roles in the ability to handle volume as well as reflecting upon the rejection rates. Certain ports, or establishments within a circuit, handle or specialize in a limited number of products from a few establishments within a country. Although all product originates from approved plants, some manufacturers produce better quality product than others.

* * * * *

We recommend that to more effectively and efficiently ensure that only meat and poultry produced in countries and plants meeting U.S. requirements are permitted entry into the United States, the Secretary of Agriculture direct the Administrator, FSIS to:

1. Revise the MPI manual to set forth the procedures FPO's are to follow in reviewing plants.
Previous audit reports have recognized that professional judgment in specific situations is most important within the limits of general guidelines. Broad guidelines are provided to Foreign Program Officers and have been effective as illustrated by both the steady decline in delistments over the years and GAO's conclusion that the overall quality of foreign plants shipping product to the United States has improved over the last 10 years. We do provide specific guidance to Foreign Program Officers as needed for such items as unusual canning practices, new products or equipment, and different inspection procedures.

We do not agree that the domestic inspection manual is an appropriate place to provide further guidance to FPO's as we change over to a systems approach for reviewing foreign programs. The general approach taken in the inspection manual is to describe specific situations and give inspectors guidance on how to respond to them. The wide variety of procedures which are encountered in foreign systems would make such an approach extremely difficult. Further, it may not be practical to amend the inspection manual, intended for the use of thousands of domestic inspectors, for the benefit of a few FPO's.

2. & 3. Develop more uniform and objective criteria for use in reviewing and rating foreign plants.
Revise the foreign plant review form to ensure that complete and consistent plant reviews are made and to better identify problems for future followup.
Under the systems approach, we are developing objective criteria for use in reviewing each risk area in each country. However, we do not wish to restrict our foreign review officers to collecting specific information on in-plant deficiencies only. Our reviewers use varying approaches, taking into account risk areas and other potential problems in the particular system under review. To determine whether the foreign system is functioning well, they observe and collect information on many facets of the inspection system, e.g., laboratory capabilities, product security at ports, residue programs, and unique disease problems.

For these reasons, we wish to avoid restricting the FPO to a single form such as the 70-Item Plant Review Form, which was designed for the detailed evaluation of daily operations within domestic plants. Sometimes the FPO may focus on records review, at other times on operations on the kill floor. Our plans call for the use of different kinds of forms, consistent with our approach of shifting from a plant-centered to a systemwide review of foreign inspection programs.

4. Emphasize to foreign inspection system officials that they are responsible for identifying and correcting deficiencies and, if warranted, delisting plants and require that they advise FSIS of the reason(s) for each delistment.
FSIS has always encouraged foreign inspection system officials to take appropriate actions and emphasized to them that they are responsible for the operations of their own systems. Foreign countries have delisted many plants which were unable to meet U.S. requirements. Since 1977, a total of 621 plants have been delisted. Of these, 239 were delisted in connection with reviews by our FPO's. The remaining 382 plants were delisted by the foreign governments.

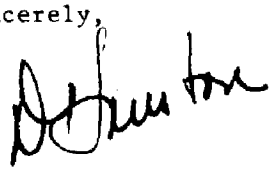
In our recent difficulties with Costa Rican products, we insisted on the accountability of foreign officials as the Costa Rican government took action to assure satisfactory system controls. Findings of FPO's are normally communicated to foreign inspection officials during their oral exit interviews. Comments are also made on the functioning of the overall system or particular parts of it. The new systems approach to foreign reviews will provide a more solid base for comments on inspection system effectiveness. As already mentioned, we will also develop data collection instruments which relate observations to probable risk areas so that specific aspects of a system can be thoughtfully and objectively considered.

5. Develop a more systematic and objective way of compiling the results of plant reviews, using a random sample of plants, as a basis for apprising management of the overall effectiveness of foreign inspection systems in ensuring compliance with U.S. requirements. Periodic reviews of plants outside the sample should be made as necessary--at least annually for large exporters and other special interest plants--considering such factors as volume of exports and rejections at U.S. ports. Plants not exporting to the United States should not be reviewed.

We have been interested in changing to a system that does not routinely include visits to all plants. Our earlier discussions with the Office of General Counsel led to the belief that every plant must be reviewed annually. However, our preferred approach is not a random, but a selective sampling method that will better meet our objectives. If we are able to implement this approach, we will consider which data will be most useful to us in selecting an appropriate sample from a given country. It is likely that individual countries or groups of countries may have samples drawn on different bases, depending on conditions in those countries and the regulatory responses to them. Certain countries with only a few plants may not be appropriate for a sampling approach. We will give careful consideration to a variety of techniques in our efforts to utilize resources efficiently without compromising the standard of consumer protection. We will also continue to consult with the Office of the General Counsel to deal with any legal obstacles to reviewing fewer plants in some countries.

We trust the information provided will be helpful and look forward to receiving your final report.

Sincerely,



Donald L. Houston
Administrator

Enclosures: [See GAO note.]
1-Part 27 of the Inspection Manual
2-MPI Bulletin 82-39
3-MPI Bulletin 82-14
4-Interim Regulation on Imported Products
5-Draft training guide, "Inspection of Import Products"

GAO NOTE: The enclosures are not reproduced in this report.

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