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STATEMENT OF  
BRIAN P. CROWLEY  
ASSOCIATE DIRECTOR, SENIOR LEVEL  
RESOURCES, COMMUNITY, AND ECONOMIC DEVELOPMENT DIVISION

BEFORE THE  
SUBCOMMITTEE ON LIVESTOCK, DAIRY, AND POULTRY  
OF THE  
HOUSE COMMITTEE ON AGRICULTURE

ON THE  
DEPARTMENT OF AGRICULTURE'S  
IMPORT MEAT INSPECTION PROGRAM

Mr. Chairman and Members of the Subcommittee:

We are here today at your invitation to discuss our June 15, 1983, report (GAO/RCED-83-81) which addressed the need for improved management of the Department of Agriculture's import meat inspection program.

In 1981, the latest year for which statistics were available at the time we did our work, 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. In 1982 about 1.9 billion pounds were imported. Because most of the imported meat is used in conjunction with other food stuffs to make processed products such as hot dogs, imported meat is used in more of our total food supply than the 7 percent indicates. The imports were made up of boneless manufacturing meat (60 percent), carcasses and cuts (21 percent), canned products (14 percent), and other products such as cured meats and edible organs (5 percent). About 11 million pounds, or 0.6 percent, of the meat offered for entry

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nationwide in 1981 were rejected by import inspectors. Products were primarily rejected for adulteration with hair or wool, bone, extraneous material, and short weight.

#### SUMMARY

To ensure that Americans receive consistently wholesome products, Agriculture's Food Safety and Inspection Service inspects foreign meat products offered for entry into the United States and reviews foreign inspection systems and plants to determine whether they comply with U.S. requirements. We reviewed both the inspections made at U.S. ports and the reviews made of foreign systems and plants.

Our review of inspection activities covered the 10 U.S. ports with the highest volumes of meat imports. Together these ports accounted for about three-fourths of the total volume offered for entry nationwide in 1981. We also reviewed the Service's monitoring of inspection systems in four countries accounting for about three-fourths of all imports in 1981. (The ports and countries visited are shown in the appendix.)

Our review disclosed a number of problem areas which individually were not overly significant, but when combined demonstrated a need for improvements in the overall management of the program. To help effect corrective actions as soon as possible, we maintained a continuing dialogue with Service officials and provided them with periodic briefings to apprise them of program weaknesses and deficiencies that we had identified. The agency was very cooperative and has taken or initiated actions to correct many of the problems we brought to its attention.

In summary, we found that the procedures used at the 10 ports to sample and inspect meat products differed substantially. We believe these differences contributed to the wide variances that 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 the Service's regulations and instructions were generally outdated, unclear, and/or inconsistent. As a result, they did not adequately detail the procedures import inspectors were to use. Other major factors were (1) the lack of adequate supervision and training of inspection personnel and (2) a workload imbalance among the ports (for example, the average number of lots offered for inspection per full-time equivalent inspector in calendar year 1981 ranged from 671 at one of the ports to 2,799 at another). I will discuss these factors in more detail in a minute.

Regarding the monitoring of foreign inspection systems, we believe that the procedures the Service has used to assess the systems have not provided adequate assurance that products are imported only from plants meeting U.S. requirements. The Service has not used a systematic approach to assess foreign inspection systems but, instead, has monitored the systems through reviews of individual plants. As a result, Service management has not had a sound basis for comparing foreign countries' overall inspection systems with our own. Also, opportunities exist 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 we visited in 1970 in connection with a prior review. Only 4, or about 5 percent, of the 82 plants we visited during this review were rated unacceptable overall and delisted by Service reviewers. In 1970, 14 of the 80 plants we visited, or 17.5 percent, were delisted. However, we noted several changes the Service could make to improve the way it makes and uses foreign plant reviews. I will also discuss these in more detail later.

In commenting on a draft of our report, Agriculture said that it recognized that the systems for assuring the safety of imported meat needed improvement and that it was making these improvements. It said that our report addressed many of the same management issues that the Service had 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.

I will now discuss the major issues covered in our report, first concentrating on the inspections made at U.S. ports and then the reviews made of foreign plants.

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

As I stated previously, 1981 rejection rates at the 10 ports we reviewed ranged from 0.1 percent of the total pounds offered for inspection to about 1.5 percent, or 15 times greater. 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, on the basis of our interviews with inspection personnel, our observations of the inspection procedures being used, and our 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 was needed on these matters to help ensure that American consumers receive consistently wholesome and properly labeled products and to prevent importers from "shopping" for less stringent ports.

Need for better guidance governing  
import inspection

One of the main problems was that although the Service's Automated Import Information System, which was designed to centrally compile plant histories and achieve more consistent sampling policies among the ports, was fully implemented in January 1979, the Service had not updated its regulations and inspection manual to incorporate the changes the new system required in sampling and inspection procedures. Although we found cases where inspectors failed to comply with Service policies and procedures that they were or should have been aware of, most of the differences in the inspection procedures used among the ports resulted from lack of a clear understanding of what was required.

For example, sample sizes prescribed in the inspection manual for canned and packaged products were substantially lower than those prescribed on the inspection results form used with the automated system. One case of this involved canned 11-pound

hams where, for a lot containing 1,440 cans, or 15,840 pounds, the sample size prescribed by the manual was 1 can, or 11 pounds, whereas the inspection form prescribed a sample size of 6 cans, or 66 pounds. Although the inspectors at the ports we visited were following the manual, the Service's import office correlator told us that inspectors at some ports followed the inspection form.

Also, following the manual caused another problem because the computer, into which the inspection results were entered, was programmed in accordance with the inspection form's sample size requirements. Unless the computer terminal operators overrode the computer program, the inspection results were reported in terms of the six can, 66-pound sample rather than the one can, 11-pound sample. The computer was not being overridden at six of the ports we visited, resulting in overreporting the volume of such products inspected.

The inspection manual also did not adequately 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. At only 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 and only at one port were inspectors required to observe the unloading of import meat products. At the other nine, unloading was observed if inspectors were available. At two ports,

employees of cold storage companies were allowed to select samples without direct supervision from inspectors.

Also, the Service had not developed criteria for classifying the magnitude of defects found during product examinations of canned products (that is, whether the defects were minor, major, or critical), and some inspectors were not recording such defects on the inspection results form. One supervisory import inspector told us that he did not categorize and report such defects because he did not have any basis for doing so. The failure to report such defects appeared to explain, at least in part, the substantial reduction in rejections of canned products based on product examinations (1.4 million pounds in 1970 compared with only 62,000 pounds in 1981).

#### Need for more effective training and supervision

Most inspectors we interviewed told us that, in their opinion, periodic refresher training and better communication would aid in getting more consistent inspection results. We believe improved supervision would also help.

Twenty-seven of 36 inspectors and all seven supervisors we interviewed had not received training since the Automated Import Information System, which substantially changed the inspection procedures, was implemented in January 1979.

We believe that more effective training and better communication could help minimize variances among the ports in inspection results. Let me use an example that occurred for lamb and mutton products offered for entry in 1981. One port (New Orleans) accounted for 94 percent of the number of lots of lamb and mutton

products rejected nationwide although it had only 15 percent of the total lots offered for entry. Inspectors and officials of a cold storage company at this port told us that importers were shipping their products to other ports where it was easier to get products inspected and passed. As to why other inspectors at other ports may have been passing products that would not pass in New Orleans, the New Orleans inspectors said that they believed training and experience were major factors.

Supervision of import inspection personnel was erratic. This was due in large part to the lack of a Service policy on designating a supervisory inspector at each major port. Seven of the 10 ports we reviewed, including the two largest, did not have supervisory import inspectors. Further, although circuit supervisors, who are responsible for overseeing inspections at domestic plants as well as ports, are supposed to visit import offices at least once a month, this had not occurred at 2 of the 10 ports. Hence, at some ports inspectors received daily supervision while at others they received very limited supervision.

No systematic supervisory reviews of inspection documents were made at any of the 10 ports. We believe such reviews are needed because in reviewing a sample of about 1,000 case files, we found that about 90 percent contained errors. Typical errors included incorrect country, plant, and product codes and discrepancies between data on foreign inspection certificates and applications for inspection. For example, at one port we found 28 cases where the incorrect country code was used. This resulted in using the wrong plant compliance histories in determining the

types and degree of inspections to be made. If a supervisory inspector had systematically reviewed the case files, this problem could have been detected and corrected sooner.

Significant workload imbalance  
among ports of entry

We believe that the workload imbalance that existed among the 10 ports contributed significantly to the differing procedures used. For example, although the Philadelphia port (which had the lowest rejection rate) handled about 37 percent of all lots offered for inspection at the 10 ports, it had only about 17 percent of the 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. Also, although Philadelphia handled over twice the number of lots offered for inspection as did New York, Philadelphia had only 7 full-time inspectors whereas New York had 13.

Inspectors at ports which were understaffed in relation to others did not provide the degree of control over imported products and samples as did inspectors at the other ports. For example, in New Orleans individual inspectors monitored the unloading of no more than two refrigerated containers at one time while inspectors at other ports monitored the unloading of several. In Philadelphia, inspectors frequently did not monitor the unloading of products and the pulling of samples because not enough inspectors were available to handle the heavy workload.

### Agency actions on our recommendations

We recommended that to help gain more consistency in the procedures used and inspection results achieved at U.S. ports, the Secretary of Agriculture direct the Service to

- provide clear, concise, and up-to-date guidance to import inspection personnel on the matters discussed in our report;
- provide inspectors with periodic training;
- assign an inspector-in-charge at all major ports; and
- develop work measurement standards to use in assuring that the ports are adequately staffed by full-time and/or temporary inspectors.

Agriculture agreed with most of our recommendations directed at strengthening inspections at the ports and described actions that the Service had taken, planned, or underway to improve the guidance and training provided to import inspectors. 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.

On the matter of prescribing procedures for adequately and consistently controlling import meat products and inspection samples, Agriculture said that the Service had revised the inspection 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 relating to such matters as sealbreaking, monitoring the unloading

of products, and using service company employees to select samples.

BETTER WAY OF MONITORING  
FOREIGN INSPECTION SYSTEMS NEEDED

I would like to turn now to the reviews of foreign plants and foreign inspection systems. 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. The Service needs to provide better guidance to its foreign programs officers 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 reviewers' ratings. Also, a more systematic and objective way of compiling the plant review results is needed to adequately keep Service management apprised of the foreign inspection systems' overall effectiveness in ensuring that inspection laws and regulations are adequately implemented.

Slow progress in ensuring that foreign countries' regulations are equal to U.S. regulations

The Service has made limited progress in its effort to ensure that all foreign inspection systems have laws and regulations at least equal to those of the United States. A Service staff officer's analysis of 11 eligible countries' inspection laws and regulations had shown that only 4 had equal requirements. The staff officer estimated that the percent of comparability for the other

seven ranged from 25 to 95 percent and he was working with those seven to help them attain comparability. An additional 34 countries eligible to export meat products to the United States had yet to be reviewed.

The Service is also developing a systems approach to assess foreign inspection systems, but progress on this has been slow. The approach 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.

Although a Service task force had identified deficiencies in the procedures used for determining and monitoring the eligibility of foreign countries to export meat and poultry to the United States and recommended in 1979 that a systematic approach be developed, the systems approach will only be partially implemented for 12 countries in calendar year 1983 and is not expected to be fully implemented for all 45 countries until calendar year 1986. Both the comparability and the systems approach 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.

Monitoring of foreign inspection systems  
could be made more efficient and effective

As I mentioned earlier, 4 of the 82 plants we visited during this review were rated unacceptable overall and delisted. In addition, the five Service reviewers that our auditors accompanied

to determine the adequacy of the Service's monitoring effort rated six plants unacceptable in one or more of the nine basic rating categories. These categories relate to such things as ante mortem and post mortem inspections, sanitary handling of the product, and control of inedible and condemned materials. Also, most of the plants had minor or major deviations in one or more categories.

We believe 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.

We reviewed 834 reports of Australian and New Zealand plants in calendar year 1981 and identified numerous differences among reviewers in filling out the reports that showed more uniform and objective rating criteria are needed. For example, some reviewers noted problems in the comments section of the reports 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.

Further, because several reviewers had visited the Australian plants in 1981, we were able to review reports made on the same plants by different reviewers. For the 49 plants where this occurred, we found 11 cases where the first reviewer rated a category as having no deviations and the second reviewer on the next visit rated the category as unacceptable. (The reviews were made

from 34 to 80 days apart.) While 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 reviewer's report showed no deviations for a plant, whereas 6 weeks later another reviewer's report had the plant delisted, citing longstanding maintenance problems with plant facilities and equipment.

Although the major purpose of reviewing foreign plants has been to assess the adequacy of foreign inspection systems, reviewers rarely commented on the effectiveness of the systems in their reports. Of the reports on the 82 plants we visited, only 4 included comments on the adequacy of the inspection systems. On only two of the four plants that were found unacceptable overall and delisted did the reviewers' reports contain critical comments on the inspection system. Under an effective inspection system, the foreign inspection officials should have delisted the four plants, or seen that corrective actions were taken, without being asked to do so by a Service reviewer.

The Service's 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.

The written guidance on the scope of plant reviews is very limited. Although the reviewers are concerned with 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 domestic supervisory inspectors. The supervisory inspectors in U.S. plants use a worksheet listing 70 items to be reviewed before rating seven general categories whereas foreign plant reviewers have no comparable worksheet. We believe better guidance is needed, including a more detailed plant review form, to help ensure that the scopes of reviews made are consistent and in accordance with Service instructions.

The review form does not call for reviewers to report the results of followup on past deficiencies even though failure to make previously requested corrections can justify removal of eligibility. None of the five reviewers we accompanied reviewed prior reports and therefore could not assure that past deficiencies were corrected.

Inspection resources could be used more effectively and efficiently

Under the Service's current program, plant reviews normally range from four a year to one every 2 years. About 40 percent of the 1,100 certified plants are reviewed at least four times a year. All other plants are reviewed annually or semiannually, except nonexporting Canadian plants which are reviewed once every 2 years.

We believe the Service 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 and assure that inspection laws and regulations are adequately implemented. This could be done by reviewing a sample of plants in each country and categorizing foreign inspection systems according

to the percentage of unacceptable plant ratings. The Service currently uses this approach to determine the equal to status of State inspection systems.

In addition, we recognize the need to periodically review all exporting plants and believe that large exporters and other special interest plants should be reviewed at least once a year.

Agency actions on our recommendations

We recommended that to improve the Service's assessments of foreign inspection systems, the Secretary direct the Service to, 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.

Agriculture disagreed with our recommendations directed at improving foreign plant reviews but agreed in principle with our recommendation to sample foreign plants to be reviewed. Agriculture said that our recommendation that uniform and objective criteria be developed for plant reviewers to use in reviewing foreign plants would leave them little room for judgment. However, as discussed in our report, substantial variances existed among the reviewers in the scopes of the 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.

Agriculture said that in conjunction with the systems approach, the Service 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.

That concludes my statement. We will be glad to respond to any questions you may have.

PORTS OF ENTRY AND COUNTRIES VISITED  
DURING THE GAO REVIEW

<u>Port of entry</u>	Total pounds offered in CY 1981	Total pounds rejected	Percent rejected	Average no. of lots offered for inspection per full-time equivalent inspector
---(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	<u>1,323,033</u>	<u>8,155</u>	.6	1,232

<u>Country</u>	Volume of product imported in CY 1981	Percent of total meat imported
(000 omitted)		
Australia	545,000	30
Brazil	51,000	3
Canada	345,000	19
New Zealand	<u>378,000</u>	<u>21</u>
Total	<u>1,319,000</u>	<u>73</u>