

# NOP Fraud Prevention Plan Template and Guidelines

## Fraud Prevention Plan (FPP)

### Definitions:

Organic fraud – Deceptive representation, sale or labelling of nonorganic agricultural products or ingredients as “100 percent organic,” “organic,” or “made with organic with the general motive of economic gain. Fraudulent acts may include adulteration, substitution, falsified records, the deliberate mislabelling of goods, as well as false statements made on applications, organic system plans, and during inspections.

### Aim:

Section 205.201(a)(3) of the USDA NOP Standard requires all certified operations to maintain and implement practices to verify the organic status of suppliers and products in their supply chain and to prevent organic fraud.

### Background:

A fraud prevention plan takes into consideration Organic Control Points (OCPs), risks across the supply chain and production process where organic fraud or loss of organic status are most likely to occur and details the steps you have in place to mitigate and prevent fraud along with ongoing monitoring practices to assess the effectiveness of mitigation measures.

An effective fraud prevention strategy identifies risks or vulnerabilities across the supply chain and includes steps to ensure the continued validity of organic status and integrity of ingredients / inputs / products / contract manufacturers through the supply chain.

### Instructions:

1. Detail and map out your supply chain.
2. Conduct a fraud vulnerability assessment considering real and potential external and internal risks of fraud across your supply chain – ask yourself, Why, How, and Where fraud within your operation may occur.
3. Consider and document mitigation steps to prevent fraud from occurring.
4. Consider and document monitoring activities you may conduct to ensure risks are managed.

### Risk factors to consider when developing your FPP.

Product Assessment	Supply chain	System and record keeping
Value of product country of origin. e.g., high value products such as saffron may be at risk of adulteration.	Supplier approval and verification process	Traceability and mass balance capability
Country of origin	Frequency of changing suppliers / spot purchases	Verification activities e.g., residue testing
History of fraud	Traceability in the supply chain	Measures to prevent comingling
Drastic fluctuations in price points	Complexity of supply chain and intermediates	Staff code of conduct
Economic and geographical factors	Specification management	Training and monitoring of staff
Packaging (bulk / retail ready)		Oversight of operational activities

### Resources

- [USDA NOP Organic Integrity Learning Center Courses](#)
  - Organic Fraud and the Criminal Mind
  - Preventing the Organic Fraud Opportunity
- [Organic Trade Association, Organic Fraud Prevention Program \(OFPP\)](#)

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## Fraud Prevention Plan (FPP) Example Template

You may use this template to document your FPP along with your organic management plan, or alternatively you may build upon and incorporate organic fraud prevention to your businesses existing food safety Fraud Prevention Plan.

<b>Business Name</b>	
<b>Certification Number</b>	

### A. Map of supply chain

Attach an overview flow chart of your supply chain.

- start with your immediate organic raw material suppliers.
- include any off-site steps e.g., contract manufacturing, transport, storage.
- end with the identifying the point the product leaves your ownership.

I have attached a supply chain map reflective of my operation	<input type="checkbox"/> YES
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### B. Suppliers

Do you have a supplier approval procedure to evaluate and approve new organic suppliers?	<input type="checkbox"/> YES	<input type="checkbox"/> NO
Describe the criteria included in your supplier approval program. *Please note any new organic suppliers must be approved by ACO prior to use		
How frequently do you review supplier organic certificates for validity and full listing of product sourced? Must be completed at least annually.		
<input type="checkbox"/> With each shipment <input type="checkbox"/> Monthly <input type="checkbox"/> Annually <input type="checkbox"/> other, specify:		
Describe your monitoring system for review of supplier organic certificates?		

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## C. Risks, Mitigation and Monitoring

Process step	Risks, Opportunities and Motivations	Prevention / Mitigation Strategies	Monitoring Practices
Incoming	*e.g., Severe adverse weather conditions in country of origin of raw material (Major flooding)	Alternate emergency approved supplier network  Temporary hold on orders  Monitor market changes and media regarding product fraud	Raw material checks and testing upon receipt.  Request full traceability records for batches
In-Process	*e.g., Failure to complete full traceability / mass balance	Training of staff on record keeping practices  Investment in systems / software for better record keeping	Mock traceability and mass balance to be completed every 6 months
Outgoing	*e.g., Contamination of product with prohibited substances during transport	Use trusted pre-approved transport supplier network.  Clear communication to suppliers regarding organic requirements for segregation  Consider transport in retail tamper proof sealed packaging	Supplier audits  QA check of transport vehicles prior to loading

\*Examples are only for reference; you may amend the examples to suit your operations if applicable or remove them from table.

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## D. Notification of fraud

Any identified incidents of organic fraud must be immediately reported to ACO Certification.

Describe your process for addressing and reporting identified incidents of fraud.

## E. Declaration

We, \_\_\_\_\_, agree to fully disclose our supply chain and related activities and records to ensure the prevention and mitigation of fraud within organic supply chains.

Name	
Position	
Signature	