

# Deadly duplicity

An offer that is too good to be true usually is, says **Andrew Don**, who has investigated the scourge of counterfeit food and drinks

It is not unheard of for the odd unscrupulous publican to pour a cheap whisky into an empty bottle of a decent brand and pass it off to the punters as the real thing.

Or of watering down some of the spirits – just ever so slightly – not enough for the riff-raff to notice once you've thrown in a bit of ice and a squirt of cola, but enough to make the stock go further and to generate extra profit.

No upstanding publican would do such a thing and hopefully not any of the *Publican's Morning Advertiser's (PMA)* readers, but the sale of food and drink that is not what it seems is a fact of life – think back to last year's horsemeat scandal.

Everyone likes a bargain and it can be tempting to cut corners and costs by buying cheap supplies or to be hoodwinked by the criminal gangs that perpetrate widespread fraud.

At the very least, publicans risk misleading their customers. In extreme cases, they could make them ill or even kill them. Counterfeit spirits seized in the UK have been found to contain dangerously high levels of methanol which can cause nausea, vomiting, blindness and even death.

Serve your customers dodgy stock and you risk prosecution with, potentially, a limitless fine and two years at Her Majesty's pleasure if proved to be selling counterfeit product and tried in the Crown Court. To give an idea of the scale of the prob-

lem, Interpol seized 1,200 tonnes of fake food and 430,000 litres of fake drinks in February this year in operation Opson III. The haul included 17,156 litres of counterfeit Glen's vodka in Scotland.

## Differences go unnoticed

Operation Opson III revealed that the category of food with the highest instances of food fraud was seafood and fish, including use of water to adulterate frozen seafood.

Liam Fassam and Dr Mils Hills from the University of Northampton – experts in risk and supply chain issues – point out that the majority of pubs and other foodservice providers cannot tell the difference between a good fake and the real product.

They say minor differences in packaging and misspellings on

labels would go unnoticed by the average consumer and a small business might pay them scant regard, putting margin before security.

Fassam, lecturer in operations and supply chain management, and Hills, associate professor in risk, resilience and corporate security in Northampton Business School's value chain research group, point out the United States Air Force – which has possibly one of the largest procurement departments in the world – undertook a survey in 2012 and found more than one million counterfeit parts within its supply chains.

Fassam and Dr Mills wonder what chance the food and drink industry across Europe – with its millions of small businesses – has at combatting the problem if even the US Air Force gets taken for a ride.

Terry Donohoe, head of investigations at the Food Standards Agency (FSA), says counterfeit alcohol – mostly vodka and wine – represents the second most commonly reported food fraud, comprising 200 reports to the FSA's Food Fraud Database last year, amounting to 13% of all reports.

The biggest proportion of reports on the database, 16%, were associated with the "sale of unfit food". Early indications this year show a similar trend.

But the Food Fraud Database is not a comprehensive record of food fraud in the UK so this is probably the tip of the iceberg.

James Bielby, chief executive of the

## What's your poison?

Three men who made potentially lethal fake vodka using industrial alcohol received prison sentences in January last year. Her Majesty's Revenue & Customs says the illegal plant in Birmingham city centre had the potential to cost almost £500,000 in lost revenue. The vodka was found to have dangerous levels of methanol which is used in antifreeze.



Federation of Wholesale Distributors, says that the prevalence of counterfeit alcohol is insignificant compared with the amount of duty-avoided stock sold through unscrupulous cash and carries and door-to-door traders, which is costing the Treasury £1.2bn a year.

"Publicans can lose their licence if they are caught with duty-avoided stock and while there is no health risk, there's very good reason to ensure they buy from trusted sources," he says.

## Integrity of food supply chain

Hilary Ross, head of retail, food and hospitality at legal firm DWF, has contributed to the Government's Elliott review into the integrity of the UK's food chains, the publication of which was widely anticipated around the time the PMA went to press.

She said last year's horsemeat scandal raised questions in consumers' minds about the integrity of the food supply chain.

"The first warning sign will usually be price. If you are offered products that are unusually cheap, alarm bells should ring."

Ross says: "It is difficult to say



Meat cheat: what's in your burger?

## How to avoid buying fraudulent and fake products:

Fassam and Hills say the majority of publicans would not be able to tell the difference between a good fake and the real deal.

However, experts suggested adopting the following measures:

- Always buy alcohol from a reputable source.

- If you are unacquainted with any suppliers, think twice about buying from them or ensure you satisfy yourself they are legitimate.

- Seek hygiene and quality certificates and trade organisation audits.

- Exercise caution if the price is very low.

- Look out for spelling mistakes on labels.

- Be aware of differences in logos

or brand colours and signs of adulteration or inferior quality such as labels peeling off chilled champagne bottles.

- Do not buy any stock that gives you cause for concern

- Report any suspicions you have to your local authority or the food fraud team at the FSA.

- Do not serve anything to your customers you are unsure about until it can be verified as genuine.



**1,200**  
the number of  
tonnes of fake food  
seized by Interpol  
in an operation in February

**430k**  
the number of litres of fake  
drinks seized in the same  
operation

**1m**  
the number of counterfeit  
parts found within the US Air  
Force supply chain

how much of the time the sale of counterfeit food or drink will be a health hazard but even where not dangerous, the consequences can still be far reaching.

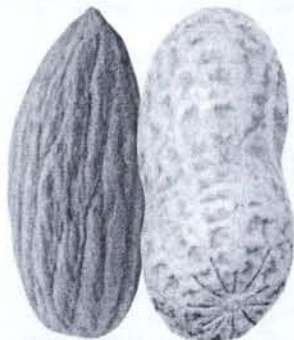
"The use of horsemeat, for example, was not a food safety issue but rather a matter of misleading consumers as to the nature, substance and quality of the beef products they had purchased," she says.

Ross says it is not uncommon for fraud to create genuine risks to safety, such as where animal by-products were reintroduced into the food chain during the BSE crisis and potential allergens used as ingredients without being declared such as the substitution of cheaper peanut powder instead of almond flour. "Counterfeit alcohol can be a particular threat due to the methods of manufacture of bootlegged products," she says.

"There are certainly instances where rogue publicans knowingly sell counterfeit food or drink, but, for the most part, it is our experience that businesses want to do the right thing by their customers," she says.

#### Crime at expense of the public

David Young, partner in legal firm Evershed's corporate compliance team, says the big pub chains will all have contracts with suppliers and they will only be at risk if a member of staff goes "off-piste" and buys cheap vodka from a local wholesaler when something has run out or when someone does not know the correct procedure.



Nut case: peanut or almond flour?

He points to several pieces of legislation that cover the issue: The Food Safety Act 1990, the General Food Law Regulation 2004, the Consumer Protection from Unfair Trading Regulations 2008 as well as weights and measures legislation.

Young has also spoken to Professor Chris Elliott and his review team at Queen's University, Belfast, whom he says believes food fraud is a far bigger problem than it is given credit for.

He says Elliott believes criminals will continue to operate and make

considerable amount of money at the expense of the public who are unlikely to know it is happening.

Fassam and Hills say few people go to work daily to cause harm, but without arming businesses with the tools needed to highlight and target fraudsters, there will always be an easy route to market for those who will exploit the market for ill-gotten gains.

Perhaps, most frightening of all, Fassam and Hills believe it would not take much for a terrorist organisation to infiltrate the food chain.

### Keeping to the letter of the pour law

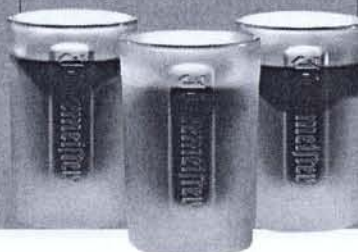
Speciality spirit Jägermeister complains of a growing problem of "passing off" and "pouring over" - deliberate attempts to mislead customers and fraudulently serve them something different from what customers expect.

Nicole Goodwin, UK marketing director of Jägermeister, says licensed premises are looking to tap into the "premiumisation" trend while cutting down on costs by using inferior products but still delivering generous profit margins.

"As competition for customers remains intense in the licensed trade, it's a problem that is likely to grow unless tackled by manufacturers and the

authorities responsible for policing it," she says.

Goodwin says the dangers of serving counterfeit product are obvious. "Without the rigorous checks and processes in place to assess things like quality of ingredients, taste profile and alcohol levels, there are no assurances in place that what is being consumed is safe, let alone that the end result tastes anything like the genuine product."



Goodwin recalls how in August last year, The New York New York bar in Norwich city centre was found at Norwich Magistrates' Court to have poured over.

The court fined the bar owners more than £16,000, including costs, for deceiving the public and for misusing Jägermeister trademarks on their promotional material.

"The bar owners tried to blame their bar staff but they were found guilty of two charges - of selling food not of the nature demanded by the purchases under the Food Safety Act, and engaging in commercial practice which was a misleading action containing false information under trading regulations," Goodwin says.