

Maxwell, Mark

From: Bradley, Carol on behalf of Connor, Colette
Sent: 15 March 2005 11:37
To: McMullan, Alan; Maxwell, Mark
Subject: FW: Any comments?: Proposed response to OLAF re tag switching

Importance: High



Proposed response to OLAF re t... tagswitching.doc

Hi Folks,

I am forwarding this on behalf of Colette who is in a meeting all day

Thanks

Carol

-----Original Message-----

From: Glover, Marie On Behalf Of McKibben, Liam
Sent: 15 March 2005 10:54
To: Connor, Colette; Davey, Kate; McMaster, Colette
Subject: Any comments?: Proposed response to OLAF re tag switching
Importance: High

Ladies,

To see - any comments please.

Thanks.

Marie
for Liam

-----Original Message-----

From: Brid.Cannon [mailto:Brid.Cannon@agriculture.gov.ie]
Sent: 14 March 2005 14:20
To: McKibben, Liam
Cc: Steel, Mike
Subject: Proposed response to OLAF re tag switching

<<tagswitching.doc>>

Liam

Commission (OLAF) contacted us late last year on foot of a newspaper report covering an investigation into alleged tag switching and illegal cross-border activity. As it happens the investigation stemmed from a joint initiative by the enforcement teams north and south. We have prepared the attached draft response to the Commission. Grateful if you

would have a look at it and let me know your views.

Regards

Brid Cannon

***** Department of Agriculture and Food *****

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Ms Elizabeth Sperber
European Anti Fraud Office (OLAF)
Investigations and Operations
European Commission
B-1049
Brussels

Ref 05430 19.4.04
CMS Ref. OF/2003/0145

Re: Alleged irregularities involving bovine ear tag switching

Dear Ms Sperber

I refer further to your request for information concerning investigations undertaken into possible irregularities involving bovine ear tag switching. The position is as follows:

Under North/South Ministerial Council Arrangements, there is close co-operation between the administrations in both jurisdictions on, inter alia, matters relating to animal health and welfare. In 2002, a working group was established to enhance co-operation in regard to suspected fraudulent activities with a cross-border dimension. This working group meets on a regular basis, both formally and informally to share intelligence on suspected illegal activities and to co-ordinate enforcement operations on both sides of the border.

Against this background, the authorities in Northern Ireland and in the Republic had some concerns that the Over Thirty Months Scheme in Northern Ireland could provide an incentive for unscrupulous operators to engage in illegal cross-border trade and in tag switching to enter ineligible animals for slaughter in both jurisdictions. The concerns had been the subject of enquiries on both sides of the border. However, it had not been possible to amass sufficient evidence to prove a case.

In early 2004, arising from an investigation of a consignment of cattle stolen from a livestock mart in the south west of Ireland, the Irish authorities uncovered information leading them to believe that these cattle had been transported illegally to a holding in Northern Ireland. This intelligence was shared with the authorities in Northern Ireland and a follow-up investigation of a number of premises in Northern Ireland was carried out by the police authorities in Northern Ireland and a Central Enforcement team from the Department of Agriculture and Rural Development. The stolen cattle were not recovered. However the Northern authorities uncovered a quantity of used ear tags from both jurisdictions. A small number of Irish cattle passports were also found.

Details of the Irish tags and cattle passports (63 in all) were provided to the Southern authorities and a detailed field investigation was conducted to determine the origin, identity and movements of the animals concerned. The results of this investigation were as follows:

March 2005

Ms Elizabeth Sperber
European Anti Fraud Office (OLAF)
Investigations and Operations
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Details of the Irish tags and cattle passports (63 in all) were provided to the Southern authorities and a detailed field investigation was conducted to determine the origin, identity and movements of the animals concerned. The results of this investigation were as follows:

- The tags were genuine tags that had been applied, at one time, to Irish animals.
- The information supplied to the database as regards the origin and life history of the animals was, for the most part, correct. However, there were errors and omissions in respect of notification of some of the final movements of these animals. The movements in question took place for the most part via livestock marts. In particular, while some of the animals were recorded as having been legally exported to Northern Ireland, the involvement of a small number of operators had not been declared in the final transactions. In other cases, no declarations of export had been made leading to the conclusion that the animals in question had been exported illegally to Northern Ireland.
- The errors and omissions were traced to a small number of operators with addresses on both sides of the border. Some of these operators were registered dealers or agents. They would appear to have either mis-declared or failed to declare their involvement in the transactions.

The discovery of the tags by the Northern authorities stymied attempts to enter ineligible animals for the OTM scheme. The subsequent investigations highlighted areas both of strength and weakness in the operation of the Irish bovine animal identification and tracing system, namely:

- A series of validations are in place that prevented the illegal re-entry of animals bearing these tag numbers on the Irish market. These validations include systematic location and status checks of the tag numbers of animals presented at slaughter plants and live export points and in respect of private sales. They are designed to foil the acceptance of any tag number unless it has a live status on the database and unless its current location on the database corresponds to the holding number of the applicant for slaughter/export/clearance to move from farm to farm.
- These validations are augmented by a system for "killing off" on the database animals that disappear in suspicious circumstances to the extent that animals marked as "disappeared" no longer have a status according to the database and would also fail status and location checks mentioned above.
- The above-mentioned validations would also have prevented the issue of surplus replacement tags or replacement passports in respect of these tag numbers.
- The validations applied to the registration of calves and in particular the systematic checks regarding age, status, location, breed and calving intervals of dams would have prevented the use of these tag numbers to register bogus calf births.
- The above-mentioned validations have been introduced and strengthened on an incremental basis over the years since the initial development of the database. In the case of some of the anomalies uncovered by the investigation, modifications to the system were in train and have since been implemented so that the series of events that took place could not recur.
- In particular, the avoidance by certain keepers, in particular third parties, of their notification obligations highlighted an area of weakness in the operation of the

identification and tracing system at livestock marts. Indeed prior to the investigation, modifications were already being considered to ensure that all operators involved in bovine animal movements were captured onto the database. A new systematic inspection system has since been introduced at livestock marts to check the veracity of declarations made as regards the destination of animals and to ensure that third party details are notified to the central database.

- In addition, a systematic inspection system is also being introduced in respect of dealers in bovine animals focussed in particular on the operations of dealers without premises.
- A project is also in hand to introduce an online cattle movement notification system at livestock marts, incorporating pre-clearance of animals against the database before movement is permitted to take place. Moreover, it is the intention over the coming months to intensify targeted checks against a number of specific marts.

The authorities on both sides of the border are very satisfied with the outcome of the joint investigation. It has demonstrated in practical terms the value of co-operation and co-ordination of activities. The Irish authorities are in the process of examining the papers to assess whether there are sufficient grounds for prosecution in respect of the activities carried out within our jurisdiction. We understand that the authorities in Northern Ireland are also initiating prosecutions.

Yours sincerely

Brendan Gleeson
Principal Officer
Finance Division