



**Livestock and Seed Program  
Audit, Review, and Compliance Branch  
Quality System Audit Report**

**AUDIT INFORMATION**

|                             |   |
|-----------------------------|---|
| <b>Applicant Name:</b>      | LACON GmbH  |
| <b>Est. Number:</b>         | N/A   |
| <b>Physical Address:</b>    | Brennels Weg 19 D 77654, Offenburg, Germany   |
| <b>Mailing Address:</b>     | Same  |
| <b>Contact &amp; Title:</b> | Sheila Ives, Assistant Quality Manager  |
| <b>E-mail Address:</b>      | <a href="mailto:sheila@lacon-institut.com">sheila@lacon-institut.com</a>  |
| <b>Phone Number:</b>        | 49 781 9193730  |
| <b>Auditor(s):</b>          | Darrell Wilson, Lead Auditor; Vickie Robertson, Auditor   |
| <b>Program:</b>             | USDA National Organic Program (NOP)   |
| <b>Audit Date(s):</b>       | August 29 - September 1, 2005   |
| <b>Audit Identifier:</b>    | NP5241OOA   |
| <b>Action Required:</b>     | Yes   |
| <b>Audit Type:</b>          | Initial Onsite  |
| <b>Audit Objective:</b>     | Verify the company's ability to comply to the audit criteria.   |
| <b>Audit Criteria:</b>      | <ul style="list-style-type: none"><li>• <i>USDA, AMS 7 CFR Part 205 National Organic Program (NOP) Final Rule, dated December 21, 2000;</i></li><li>• <i>Amendment to the National List, effective November 3 &amp; 4, 2003;</i></li><li>• <i>ARC 1025 Procedure National Organic Program (NOP) Accreditation for Organic Certification Organizations; and</i></li><li>• LACON's documents, forms, procedures and processes used in administering their NOP certification program</li></ul> |
| <b>Audit Scope:</b>         | The certifying agent's quality manual including personnel, processes, procedures, facilities and related records.   |
| <b>Location(s) Audited:</b> | <ul style="list-style-type: none"><li>• Brennelles Weg 19 D 77654 in Offenburg, Germany;</li><li>• Weingut Eymann in Goennheim, Germany – Witness Audit of Producer/Processor (Grapes &amp; Wine)- Initial NOP Inspection; and</li><li>• Gaertnei in Epinngen, Germany – Witness Audit of Wild Crops.</li></ul>   |

LACON GmbH has been accredited as a Certifying Agent for the NOP since October 21, 2002 for Crops, Livestock, Wild Crops and Handling. In addition, LACON provides certification services under the EU 2092/91 standard.



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LACON GmbH has 22 clients currently certified to the NOP Program including:

- 6 crops
- 2 crops & processing
- 9 processing/handling
- 1 wild crop
- 4 crops, processing/handling & wild crop

**FINDINGS**

Observations made, interviews conducted, and records and procedures reviewed verified that LACON is currently operating in compliance to the requirements of the audit criteria except as indicated in the findings. Two previous non-compliances were cleared and four new minor non-compliances were identified during the audit.

**NP4097BA.NC1 - Minor - Cleared - 205.504 (c)(2) - Evidence of expertise and ability - Conflicts of interests - conflict of interest disclosure reports -** For all persons who review applications for certification, perform on-site inspections, review certification documents, evaluate qualifications for certification, make recommendations concerning certification, or make certification decisions.....a conflict of interest disclosure report..... *The annual conflict of interest disclosure reports were not submitted for all persons. Only two were submitted for the new Inspector Jens Walter and for the Department Manager Daniela Ratz-Hoffmann.* **Corrective Action:** All personnel that are required to have annual conflict of interest (COI) disclosure reports had signed COI statements on file.

**NP4097BA.NC2 - Minor – Cleared - 205.510(a)(4) - Annual report, recordkeeping, and renewal of accreditation -** The results of the most recent performance evaluations..... *Performance evaluations were only submitted for inspectors and the inspection process. Performance evaluations were not included for persons who review applications, certification documents, make certification decisions, and evaluate qualifications for certification.* **Corrective Action:** All personnel involved in the NOP certification process have current performance evaluations on file.

**NP524100A.NC1 – Minor – Elevated to Major -** NOP§205.400 b states, “A person seeking to receive or maintain organic certification under the regulations in this part must: b) Establish, implement, and update annually an organic production or handling system plan that is submitted to an accredited certifying agent as provided for in §205.200.” NOP§205.406 (a) 1-4 and (b) requires that to continue certification, a certified operation must submit an updated organic production or handling system plan which includes any changes to the plan and an update on the correction of minor noncompliances prior to the on-site inspection. *LACON is not requiring that annual updates be submitted prior to the annual onsite inspection in accordance to the NOP requirements and their own procedures. Inspectors are updating the plans during the inspections.*

**NP524100A.NC2 – Minor –** NOP§205.404 (b)(2) states “The certifying agent must issue a certificate of organic operation which specifies the effective date of certification.” *Certificates being issued by LACON reflect the date the certificate is issued and not the effective date of certification.*



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**NP524100A.NC3 – Minor** – NOP§205.501 (a)(11)(v) states “A private or governmental entity accredited as a certifying agent under this subpart must prevent conflicts of interest by requiring all persons who review applications for certification, perform on-site inspections, review certification documents, evaluate qualifications for certification, make recommendations concerning certification, or make certification decisions and all parties responsible connected to the certifying agent to complete an annual conflict of interest disclosure report.” *All applicable personnel had signed conflict of interest disclosure reports on file; however, one inspector and the head secretary for processing did not complete the section for indicating potential conflict of interest on the conflict of interest disclosure report.*

**NP524100A.NC4 – Minor** – NOP§205.642 states “The certifying agent shall provide each applicant with an estimate of the total cost of certification and an estimate of the annual cost of updating the certification...The fee schedule must explain what fee amounts are nonrefundable and at what stage during the certification process fees become nonrefundable.” *Only 2 clients out of the 7 files reviewed had been provided with fee estimates and the fee schedule does not address nonrefundable fees.*