



United States Department of Agriculture

Agricultural Marketing Service

National Organic Program

ISTITUTO PER LA CERTIFICAZIONE ETICA E AMBIENTALE

Via Giovanni Brugnoli 15, Bologna, Emili Romagna, 40122, ITALY

meets all the requirements prescribed in the USDA National Organic Program Regulations

7 CFR Part 205

as an Accredited Certifying Agent

for the scope of

Crops, Handling, Livestock, Wild Crops Operations

This certificate is receivable by all officers of all courts of the United States as prima facie evidence of the truth of the statements therein contained. This certificate does not excuse failure to comply with any of the regulatory laws enforced by the U.S. Department of Agriculture .

Status of this accreditation may be verified at <http://www.ams.usda.gov>

Certificate No: **USDA-49-25**

Effective Date: **04/12/2023**

Expiration Date: **04/12/2028**

Issue Date: **04/04/2025**

Christopher Purdy
Acting Deputy Administrator
National Organic Program

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CERTIFICATE OF ACCREDITATION





1400 Independence Avenue, SW.
Room 2648-S, STOP 0268
Washington, DC 20250-0268

NOTICE OF CONTINUED ACCREDITATION

June 28, 2022

Cristina Baia
Istituto per la Certificazione Etica e Ambientale
Via Giovanni Brugnoli 15
Bologna, Emilia-Romagna 40122
ITALY

Dear Ms. Baia:

The United States Department of Agriculture (USDA), Agricultural Marketing Service (AMS), National Organic Program (NOP), completed a Midterm Assessment of the Istituto per la Certificazione Etica e Ambientale (ICEA) organic certification program.

Enclosed for your review is the corrective action report (NOP-76-20), which indicates that six noncompliances were identified. Corrective actions submitted in response to these noncompliances (AIA-2549-20, AIA-2550-20, AIA-2554-20, AIA-3005-20, AIA-4311-20 and AIA-5034-20) are accepted. The implementation and effectiveness of the corrective actions will be verified during your next audit.

Eleven previous noncompliances (AIA-2547-20, AIA-2548-20, AIA-2551-20 through AIA-2553-20, AIA-2555-20 through AIA-2558-20, AIA-2923-20 and AIA-2924-20) are cleared since the corrective actions were determined to be implemented and effective.

Thank you for representing the USDA as an accredited certifying agent. If you have any questions, please contact Alexis Randolph, Accreditation Manager, at alexis.randolph@usda.gov or +1-619-451-6336.

Sincerely,

Robert Yang
Director, Accreditation Division
National Organic Program

Enclosure: NOP-76-20 Audit & Corrective Action Report



National Organic Program
1400 Independence Avenue, SW.
Room 2642-South, STOP 0268
Washington, DC 20250-0268

NATIONAL ORGANIC PROGRAM: AUDIT & CORRECTIVE ACTION REPORT

GENERAL INFORMATION

- **Certifier Name** Istituto per la Certificazione Etica e Ambientale, (ICEA)
- **Physical Address** Via Giovanni Brugnoli 15, Bologna, Emilia-Romagna 40122, ITALY
- **Audit Type** Renewal Audit
- **Auditor(s) & Audit Dates** Joshua Lindau, Renee Gebault King, 05/02/2023 to 05/05/2023
- **Audit Identifier** NOP-221-23

CERTIFIER OVERVIEW

The National Organic Program (NOP) conducted an onsite Renewal Audit of Istituto per la Certificazione Etica e Ambientale (ICEA)'s USDA organic certification program covering the period September 3, 2021, to May 5, 2023. The purpose of the audit was to verify ICEA's compliance with the Organic Foods Production Act of 1990 (OFPA), the USDA organic regulations (7 CFR Part 205), and the NOP Handbook. Audit activities included a review of certification activities, interviews with ICEA personnel, a records audit, and two onsite witness audits. The two witness audits consisted of the annual inspection of two handling operations; both operations are in Italy.

ICEA is a not-for-profit business initially accredited on April 13, 2003. ICEA is accredited to the crops, wild crops, livestock, and handling scopes. ICEA's office is in Bologna, Italy. ICEA certifies 437 operations and offers certification services in Italy, Mexico, Greece and Japan. Certification activities are performed by 8 ICEA employees and 40 contractors who conduct inspections and reviews.

NOP DETERMINATION:

NOP reviewed the audit results to determine whether ICEA's corrective actions adequately addressed previous noncompliances. NOP also reviewed any corrective actions submitted as a result of noncompliances issued from findings identified during the audit.

Any noncompliance labeled as "**Cleared**," indicates that the corrective actions for the noncompliance are determined to be implemented and working effectively. Any noncompliance labeled as "**Accepted**" indicates acceptance of the corrective actions and verification of corrective action implementation will be conducted during the next audit.

Noncompliances from Prior Assessments

AIA-3005-20 - Cleared.

AIA-4311-20 - Cleared.

AIA-5034-20 - Cleared.

AIA-2550-20 - Accepted. (NOP-94-17.NC4) 7 C.F.R. §205.501(a)(21) states, "A private or governmental entity accredited as a certifying agent under this subpart must... Comply with, implement, and carry out any other terms or conditions determined by the Administrator to be necessary." NOP 2613, Responding to Residue Results, Section 5.1.a, states that the certifying agent should "Notify the certified operation of the test results and indicate that the product may be sold as organic. In addition, section 5.1.3b states that the certifying agent should "Immediately notify the certified operation of the test results and indicate that the product may not be sold as organic."

Comments: *ICEA's notifications to operations regarding positive test results do not indicate the "crop may not be sold as organic." ICEA's notifications to operations regarding negative test results or no-detects, do not indicate the "crop may be sold as organic."*

Corrective Action: ICEA conducted a training on October 30, 2018, with applicable ICEA personnel, including a review of NOP 2613 on the training agenda. ICEA trained its certification committee on this subject and the committee has stated proposals without the notification to the operator that the product may/may not be sold as organic will not be approved. ICEA has implemented this policy and provided evidence of the notification in ICEA database system.

Verification of Corrective Action: The auditor's review of sampling result notification letters to operations showed ICEA is not implementing the corrective action in accordance with NOP 2613. The notifications to operators with positive residue sample results state, "The product may not be sold as 100% organic." For negative results, the notification to the operator states, "may be sold as NOP."

2022 Corrective Action: ICEA updated the noncompliant templates to include language consistent with NOP 2613 Responding to Results from Pesticide Residue Testing. ICEA conducted training for the staff who conduct NOP reviews and the certification committee on October 30, 2020. The training materials consisted of NOP 2613 Responding to Results from Pesticide Residue Testing. To prevent this noncompliance from reoccurring, only the certification committee will send out notifications to producers with the notification regarding product sale. Pesticide residue sample analysis results and the notification for product sale are sent via email which is monitored by a member of ICEA's technical staff. ICEA provided the following to the NOP for review: three notifications to producers of the positive or negative pesticide residue test results and whether or not the product could be sold as organic; copies of the

NOP 2613 Responding to Results from Pesticide Residue Testing training materials; and the training attendance list.

2023 Verification of Corrective Action: The auditors' review of certification files and interviews with staff found ICEA does not consistently notify operations that their product may be sold as organic when residue analysis indicates there are no detections of prohibited substances. Additionally, ICEA does not always notify operations that their product may not be sold as organic when required by NOP 2613.

2023 Corrective Action: ICEA re-reviewed all 2023 sampling cases and related communications for compliance and updated its Policy Manual to include additional details regarding notifying clients of residue testing results. Additionally, ICEA plans to discontinue offering certification services in Mexico by 2024, which will reduce the number of operations certified by ICEA by 75%. ICEA believes that the decrease in the number of ICEA certified operations will reduce the workload on staff and result in better staff performance. ICEA staff also conduct a bi-monthly monitoring activity of all sampling cases and related communication.

AIA-2554-20 - Accepted. (NOP-94-18.NC8) 7 C.F.R. §205.501(a)(21) states, "A private or governmental entity accredited as a certifying agent under this subpart must:... Comply with, implement, and carry out any other terms and conditions determined by the Administrator to be necessary." NOP Instruction 2601 The Organic Certification Process section 3.4, states "The inspection includes... Reconciliation of the volume of organic products produced or received with the amount of organic products shipped, handled and/or sold, also known as trace-back audits or in-out balances."

Comments: *ICEA inspection reports do not adequately demonstrate that traceability and in/out balance activities are consistently conducted and recorded. The auditor reviewed several inspection reports for operations certified in Mexico and could not determine whether adequate traceability and in/out balance activities were conducted.*

Corrective Action: ICEA revised and submitted its crop and processing inspection report templates to include areas to document mass balance and a sheet to document traceability. On April 15, 2019, ICEA conducted an online training for inspectors which provided the updated forms and policy updates. The updated forms were replaced in the ICEA database and are the only forms available, submission of old forms will not be accepted.

Verification of Corrective Action: The auditor's review of inspection reports demonstrated ICEA inspectors are not consistently recording Mass Balance and Traceability activities or providing a summary statement explaining the outcome of their activities. ICEA review staff did not consider these unsuccessful audit activities to be a compliance concern.

2022 Corrective Action: ICEA conducted training for inspectors on October 30, 2020. Training topics included Mass Balance and Traceback requirements and examples of Mass Balance and Traceback exercises performed by inspectors. ICEA provided the NOP an example of a completed and successful traceback exercise, in which the inspector correctly used ICEA's updated traceback form. The NOP reviewed the successful Mass Balance and Traceback exercises and the training materials, agenda and attendance list for the October 30, 2020, training. NOP-involved ICEA review staff will take the following OILC courses in 2022: NOP-080 Traceability Techniques, NOP-140 Recordkeeping, NOP-150 Organic System Plans, NOP-160 Organic Regulations and Retail Labeling, NOP-170 Certification Review Essentials and NOP-240 Evaluating an Operation's Corrective Actions to Noncompliances. These trainings were not yet attended and will be verified at the next audit.

2023 Verification of Corrective Action: The auditors' review of inspection reports found that ICEA's inspectors are not consistently conducting traceback and mass balance exercises. In an annual inspection report for an organic processor, the ICEA inspector did not complete any

traceback or mass balance exercises because the operation had not sold organic product since the last inspection.

2023 Corrective Action: ICEA included a note in the inspector instructions to use a conventional product, when appropriate, for traceback or mass balance exercises for the 2023 season. ICEA held training on December 11, 2023 and explained conducting traceback or mass balance exercises for situations where organic product transactions had not occurred. ICEA evaluated staff on their understanding of the requirements in a post-training test.

AIA-2545-20 - Accepted. (AP-398-18.NC1) 7 CFR §205.501(a)(21) states, “A private or governmental entity accredited as a certifying agent under this subpart must:… Comply with, implement, and carry out any other terms and conditions determined by the Administrator to be necessary.” NOP 2605 Instruction: Reinstating Suspended Operations, Section 3.4, Steps for Evaluating Reinstatement Applications for Certifiers, states, “Upon receipt of an operation’s request for reinstatement, the certifier will… submit… the following: Initial Notice of Noncompliance, Notice of Proposed Suspension, Notice of Suspension; Copy of the inspection report, including the results of verification of whether (1) products were sold, labeled, or represented as organic during the suspension period, and (2) there is a system in place that will prevent comingling of noncompliant product produced or inventoried during the suspension period; and Notice(s) of Noncompliance issued as result of the onsite inspection and documented objective evidence to demonstrate that the operation has corrected the noncompliance(s).”

Comments: *The NOP’s review of three reinstatement requests that ICEA submitted on September 4, 2018 and November 23, 2018 found that ICEA did not provide the following required information: the required notices of noncompliance and adverse action notices; documented evidence of noncompliance correction; and the results of verification that product produced during suspension was not sold as organic or that a system was in place to prevent comingling of noncompliant product produced or inventoried during suspension.*

Corrective Action: The ICEA certification committee will examine the reinstatement requests for completeness before submitting them to USD. ICEA submitted an example of a reinstatement request, which included a checklist for information to be included in reinstatement requests. ICEA also created a guidance document, "Instruction Reinstating Suspended Operation," which includes a list of information to be sent to NOP with reinstatement packages. ICEA submitted training records to demonstrate that on June 10, 2019, ICEA trained reviewers and the certification committee on NOP 2605, "Instruction: Reinstating Suspended Operations."

Verification of Corrective Action: The auditors were unable to verify this corrective action. ICEA has not submitted any reinstatement requests since submitting the corrective actions. NOP will attempt to verify the effectiveness of this corrective action at ICEA’s next audit.

AIA-2546-20 - Accepted. (AP-116-18.NC1) 7 CFR § 205.501(a)(2) states, “A private or governmental entity accredited as a certifying agent under this subpart must: Demonstrate the ability to fully comply with the requirements for accreditation set forth in this subpart.”

Comments: *A review of the onsite inspection report ICEA provided with its November 24, 2017 reinstatement request submission found that the inspector did not use ICEA’s Concern Report form (RCNOP—RCJAS 04 – M.RCCOR 04 Ed.02 Rev.01 of 29.02.16), which was submitted to the NOP as a corrective action following the NOP’s 2015 assessment of ICEA’s satellite office in Mexico. Instead, the inspector used the previous noncompliant Reporte de No Conformidad form, which listed issues of concern identified by the inspection as noncompliances and included the operation’s proposed corrective actions.*

Corrective Action: ICEA sent a training presentation to all its inspectors on January 31, 2018.

The presentation informed the inspectors where to download updated inspection report forms, and stated that inspection reports using outdated forms will not be accepted. ICEA posted the revised form, RCNOP—RCJAS 04 – M.RCCOR 04 Ed.02 Rev.01 of 29.02.16, to its database. ICEA submitted a copy of an inspection report from a February 2018 inspection to demonstrate use of the correct updated form.

Verification of Corrective Action: The auditors were unable to verify this corrective action. ICEA has not submitted any reinstatement requests since submitting the corrective actions. NOP will attempt to verify the effectiveness of this corrective action at ICEA's next audit.

AIA-2549-20 - Accepted. (NOP-94-17.NC3) 7 C.F.R. §205.501(a)(21) states, "A private or governmental entity accredited as a certifying agent under this subpart must:..." Comply with, implement, and carry out any other terms and conditions determined by the Administrator to be necessary." NOP 2027, "Personnel Performance Evaluation," Section 3.2b states, "The field evaluation system should be developed using best practices, such as a risk-based approach (i.e., inspector experience, annual number of inspections, work product assessment, etc.) or another approach sufficient to determine inspector competency. Inspectors who have demonstrated full competency may be field evaluated less regularly but still require an annual performance evaluation."

Comments: *ICEA's current written policy on performance evaluations requires annual field evaluations for inspectors, however, all inspectors are not receiving annual field evaluations. ICEA has not conducted a field evaluation for one inspector who has been conducting NOP inspections since 2014.*

Corrective Action: ICEA submitted an alternative inspector field evaluation plan. ICEA will conduct field evaluations for all inspectors in the first year of NOP inspection and for inspectors conducting greater than 10 inspections annually. Field evaluations will be scheduled the following year for inspectors receiving an annual performance review score of 2 or less. ICEA field evaluation plan states all inspectors will receive a field evaluation at least every three years.

Verification of Corrective Action: ICEA did not follow the field evaluation plan submitted for the corrective action. Three inspectors who were in their first year of NOP inspections did not receive field evaluations; and of those three, two did not receive annual performance evaluations. Additionally, ICEA's Performance Evaluation Procedure (Ed01 Rev01) contains discrepancies. Section 5(c) states not all inspectors need an annual field evaluation, but Section 6.1.2 states each inspector will receive an annual field evaluation.

2022 Corrective Action: ICEA updated their Performance Evaluation Procedure (Ed01 Rev01) sections 5c and 6.1.2 to include consistent language regarding inspector field evaluations. Inspector performance evaluations include a review of each inspection report submitted annually and a field evaluation at least once in every three-year period. The updated procedures were reviewed by the NOP and are consistent with NOP 2027 Instruction Personnel Performance Evaluations as an alternative proposal for field evaluations. ICEA provided the NOP with a schedule of inspector performance evaluations for 2022, 2023 and 2024, which follows ICEA's Performance Evaluation Procedure updated in January 2022. On a monthly basis, ICEA will monitor the status of scheduled inspector performance evaluations with the software platform, WICEA.

2023 Verification of Corrective Action: ICEA's accepted corrective action for conducting field evaluations had not been in effect long enough to determine whether ICEA had effectively implemented its corrective actions. NOP will attempt to verify the effectiveness of this corrective action at ICEA's next audit.

Noncompliances Identified during the Current Assessment

AIA-5200-23 - Accepted. 7 C.F.R. § 205.404(d) states, “Once certified, a production or handling operation's organic certification continues in effect until surrendered by the organic operation or suspended or revoked by the certifying agent, the State organic program's governing State official, or the Administrator.”

Comments: *ICEA's organic certificates do not fully comply with the requirements of the USDA organic regulations. The auditor's review of certification files found organic certificates with the following noncompliant statement in both Italian and English: This document belongs to ICEA to whom it must be returned upon request. It can be suspended or revoked by ICEA at any time in case of identified non-compliance of the certified company. This certificate authorizes the company to issue declarations of conformity only for the products listed in the annex.*

Corrective Action: ICEA updated its organic certificate template to remove the noncompliant statement. ICEA reissued all certificates through the Organic Integrity Database in March 2024.

AIA-5202-23 - Accepted. 7 C.F.R. §205.501(a)(4) states, “A private or governmental entity accredited as a certifying agent under this subpart must: Use a sufficient number of adequately trained personnel, including inspectors and certification review personnel, to comply with and implement the organic certification program established under the Act and the regulations in subpart E of this part;”

Comments: *ICEA does not have a sufficient number of personnel to implement its USDA organic certification program. ICEA is not consistently issuing notifications of adverse action in a timely manner. The auditor's review of certification files and interviews with certification staff found ICEA did not issue notifications of suspension in a timely manner to three operations after the operations failed to request mediation or file an appeal by the deadline. Additionally, ICEA accepted two requests for mediation that were received after the proposed effective date of suspension. ICEA explained this delay in action was due to NOP certification staff being assigned to other more pressing tasks.*

Corrective Action: ICEA has implemented an alert within its certification management software that automatically notifies staff when a noncompliance deadline has passed. ICEA updated its *ICEA Policy Manual* to state that ICEA will issue the proposed suspension within 7 days of the expiry date of the noncompliance and that ICEA will issue the final suspension or revocation within 7 days of the expiry date of the proposed adverse action. ICEA plans to discontinue offering certification services in Mexico by 2024, which will reduce the number of operations certified by ICEA by 75%. ICEA believes that the decrease in the number of ICEA certified operations will reduce the workload on staff and result in better staff performance. ICEA conducted training on the revised policy on December 11, 2023.

AIA-5205-23 - Accepted. 7 C.F.R. §205.501(a)(3) states, “A private or governmental entity accredited as a certifying agent under this subpart must: Carry out the provisions of the Act and the regulations in this part, including the provisions of §§205.402 through 205.406 and §205.670;”

Comments: *ICEA does not consistently carry out the provisions of the Act and regulations, specifically **NOP 3012 Interim Instruction Material Review**. The auditors' review of certification files and interviews with staff found that ICEA does not always verify the compliance of an operation's material inputs and does not verify that operation's material input use complies with National List annotations.*

Corrective Action: ICEA revised and implemented their *Procedure for Input Compliance Ed 01*

Rev 00. In addition, ICEA revised organic system plan (OSP) forms to collect material input information from clients and corresponding sections of the inspection checklists to verify material input information. ICEA conducted training on the revised procedure and documents on December 11, 2023.

AIA-5206-23 - Accepted. 7 C.F.R. §205.501(a)(3) states, “A private or governmental entity accredited as a certifying agent under this subpart must: Carry out the provisions of the Act and the regulations in this part, including the provisions of §§205.402 through 205.406 and §205.670;”

Comments: *ICEA does not consistently carry out the provisions of the Act and regulations. ICEA does not always ensure that organic system plans (OSP) are complete and accurately describe the operation and its activities, as required by §205.201. The auditor’s review of certification files found incomplete OSPs that were missing information. ICEA did not require the applicants to provide the current or corrected information.*

Corrective Action: ICEA updated its organic system plan (OSP) forms *M.0205 NOP-COR Annex Organic Productions Management Plan Ed.03 Rev 00* and *M.0206 Annex NOP/COR Processing Management Plan Ed. 01 Rev 04*. ICEA sent revised OSPs to all clients by the end of March 2024 to capture information about activities and material inputs. ICEA trained staff on the revised forms on December 11, 2023.

AIA-5207-23 – Accepted. 7 C.F.R. §205.501(a)(2) states, “A private or governmental entity accredited as a certifying agent under this subpart must: Demonstrate the ability to fully comply with the requirements for accreditation set forth in this subpart.”

Comments: *ICEA does not consistently demonstrate the ability to fully comply with the requirements for accreditation. The auditors review of certification files found the following issues:*

- 1. ICEA’s organic system plan (OSP) templates and supporting forms do not require the operation to disclose a list of each substance to be used as a production or handling input, indicating its composition, source, and location(s) where it will be used, as required by requirements of §205.201(a)(2).*
- 2. ICEA’s inspection report template does not require the inspector to verify an operation’s material inputs or their compliant use per National List annotations, as required by §205.403(c)(1).*

Corrective Action: ICEA developed an internal instruction *Procedure for Input Compliance Ed. 01 Rev. 00*. ICEA also revised organic system plan (OSP) templates and the corresponding section of the inspection report to include verification of all production inputs as listed in the OSP. ICEA conducted training on the revised documents on December 11, 2023.

AIA-5208-23 – Accepted. 7 C.F.R. §205.501(a)(3) states, “A private or governmental entity accredited as a certifying agent under this subpart must: Carry out the provisions of the Act and the regulations in this part, including the provisions of §§205.402 through 205.406 and §205.670;”

Comments: *ICEA does not carry out the provisions of NOP 2609 Instruction Unannounced Inspections. The auditor’s review of ICEA’s unannounced inspections for the NOP and interviews with certification staff found ICEA only conducts “unannounced” NOP inspections when paired with a scheduled announced inspection for another certification scheme.*

Corrective Action: ICEA revised their unannounced inspection policy in *USDA National Organic Program: ICEA Policy Manual Ed 04 Rev 04* to state that multi-scheme inspections will be unannounced inspections for all schemes. This will prevent the occurrence of unannounced NOP inspections scheduled with announced inspections for other schemes. ICEA conducted training on the revised documents on December 11, 2023.

AIA-5211-23 - Accepted. 7 C.F.R. §205.501(a)(3) states, “A private or governmental entity accredited as a certifying agent under this subpart must: Carry out the provisions of the Act and the regulations in this part, including the provisions of §§205.402 through 205.406 and §205.670;”

Comments: *ICEA is not carrying out the provisions of the Act and regulations, specifically the noncompliance and adverse action process. The auditors’ review of certification files found that ICEA issued a notification of proposed suspension and a notification of suspension to an applicant for certification.*

Corrective Action: ICEA held training on December 11, 2023, on the process for denial of certification. In addition, ICEA submitted a documented case of issuing a denial of certification for an applicant on November 19, 2024.

NATIONAL ORGANIC PROGRAM: AUDIT & CORRECTIVE ACTION REPORT

GENERAL INFORMATION

- **Certifier Name** Istituto per la Certificazione Etica e Ambientale (ICEA)
- **Physical Address** Via Giovanni Brugnoli 15, Bologna, Emilia-Romagna
40122, ITALY
- **Audit Type** Mid-term Audit
- **Auditor & Audit Dates** Alison Howard, Joshua Lindau, 09/28/2020 to 10/02/2020
- **Audit Identifier** NOP-76-20

CERTIFIER OVERVIEW:

Istituto per la Certificazione Etica e Ambientale (ICEA) is a for profit company accredited on April 13, 2013, to the USDA National Organic Program (NOP) for Crops, Livestock, Wild Crop and Handling/processing. The ICEA Organic Certification Program certifies 394 operations to the following certification scopes: Crops (293), Livestock (0), Wild Crop (0) and Handlers (101).

ICEA's office is in Bologna, Italy and provides certification services in Italy, Mexico, Japan, and Greece. Certification services are performed by the Manager, three organic certification reviewers/officers and one administrative person. ICEA employs forty-four inspectors.

The NOP conducted a desk audit of ICEA's certification activities during the period October 19, 2018 to July 28, 2020. The purpose of the audit was to verify ICEA's conformance to the USDA organic regulation.

NOP DETERMINATION:

The NOP reviewed the audit results to determine whether ICEA's corrective actions adequately addressed previous noncompliances. The NOP also reviewed any corrective actions submitted as a result of noncompliances issued from Findings identified during the audit.

Any noncompliance labeled as "**Cleared**," indicates that the corrective actions for the noncompliance are determined to be implemented and working effectively. Any noncompliance labeled as "**Accepted**" indicates acceptance of the corrective actions and verification of corrective action implementation will be conducted during the next audit.

Noncompliances from Prior Assessments

AIA-2547-20 - Cleared
AIA-2548-20 - Cleared
AIA-2551-20 - Cleared
AIA-2552-20 - Cleared
AIA-2553-20 - Cleared
AIA-2555-20 - Cleared
AIA-2556-20 - Cleared
AIA-2557-20 - Cleared
AIA-2558-20 - Cleared
AIA-2923-20 - Cleared
AIA-2924-20 - Cleared

AIA-2549-20 (NOP-94-17.NC3) - Accepted. - 7 C.F.R. §205.501(a)(21) states, “A private or governmental entity accredited as a certifying agent under this subpart must:...” Comply with, implement, and carry out any other terms and conditions determined by the Administrator to be necessary.” NOP 2027, “Personnel Performance Evaluation,” Section 3.2b states, “The field evaluation system should be developed using best practices, such as a risk-based approach (i.e., inspector experience, annual number of inspections, work product assessment, etc.) or another approach sufficient to determine inspector competency. Inspectors who have demonstrated full competency may be field evaluated less regularly but still require an annual performance evaluation.”

Comments: *ICEA’s current written policy on performance evaluations requires annual field evaluations for inspectors, however, all inspectors are not receiving annual field evaluations. ICEA has not conducted a field evaluation for one inspector who has been conducting NOP inspections since 2014.*

2019 Corrective Action: ICEA submitted an alternative inspector field evaluation plan. ICEA will conduct field evaluations for all inspectors in the first year of NOP inspection and for inspectors conducting greater than 10 inspections annually. Field evaluations will be scheduled the following year for inspectors receiving an annual performance review score of 2 or less. ICEA field evaluation plan states all inspectors will receive a field evaluation at least every three years.

2020 Verification of Corrective Action: ICEA did not follow the field evaluation plan submitted for the corrective action. Three inspectors who were in their first year of NOP inspections did not receive field evaluations; and of those three, two did not receive annual performance evaluations. Additionally, ICEA’s Performance Evaluation Procedure (Ed01 Rev01) contains discrepancies. Section 5(c) states not all inspectors need an annual field evaluation, but Section 6.1.2 states each inspector will receive an annual field evaluation.

2022 Corrective Action: ICEA updated their Performance Evaluation Procedure (Ed01 Rev01) sections 5c and 6.1.2 to include consistent language regarding inspector field evaluations. Inspector performance evaluations include a review of each inspection report submitted annually and a field evaluation at least once in every three-year period. The updated procedures were reviewed by the NOP and are consistent with NOP 2027 Instruction Personnel Performance Evaluations as an alternative proposal for field evaluations. ICEA provided the NOP with a schedule of inspector performance evaluations for 2022, 2023 and 2024, which follows ICEA’s Performance Evaluation Procedure updated in January 2022. On a monthly basis, ICEA will monitor the status of scheduled inspector performance evaluations with the software platform, WICEA.

AIA-2550-20 (NOP-94-17.NC4) - Accepted. - 7 C.F.R. §205.501(a)(21) states, “A private or governmental entity accredited as a certifying agent under this subpart must... Comply with, implement, and carry out any other terms or conditions determined by the Administrator to be necessary.” NOP 2613, Responding to Residue Results, Section 5.1.a, states that the certifying agent should “Notify the certified operation of the test results and indicate that the product may be sold as organic. In addition, section 5.1.3b states that the certifying agent should “Immediately notify the certified operation of the test results and indicate that the product may not be sold as organic.”

Comments: *ICEA’s notifications to operations regarding positive test results do not indicate the “crop may not be sold as organic.” ICEA’s notifications to operations regarding negative test results or no-detects, do not indicate the “crop may be sold as organic.”*

2019 Corrective Action: ICEA conducted a training on October 30, 2018, with applicable ICEA personnel, including a review of NOP 2613 on the training agenda. ICEA trained its certification committee on this subject and the committee has stated proposals without the notification to the operator that the product may/may not be sold as organic will not be approved. ICEA has implemented this policy and provided evidence of the notification in ICEA database system.

2020 Verification of Corrective Action: The auditor’s review of sampling result notification letters to operations showed ICEA is not implementing the corrective action in accordance with NOP 2613. The notifications to operators with positive residue sample results state, “The product may not be sold as 100% organic.” For negative results, the notification to the operator states, “may be sold as NOP.”

2022 Corrective Action: ICEA updated the noncompliant templates to include language consistent with NOP 2613 Responding to Results from Pesticide Residue Testing. ICEA conducted training for the staff who conduct NOP reviews and the certification committee on October 30, 2020. The training materials consisted of NOP 2613 Responding to Results from Pesticide Residue Testing. To prevent this noncompliance from reoccurring, only the certification committee will send out notifications to producers with the notification regarding product sale. Pesticide residue sample analysis results and the notification for product sale are sent via email which is monitored by a member of ICEA’s technical staff. ICEA provided the following to the NOP for review: three notifications to producers of the positive or negative pesticide residue test results and whether or not the product could be sold as organic; copies of the NOP 2613 Responding to Results from Pesticide Residue Testing training materials; and the training attendance list.

AIA-2554-20 (NOP-94-18.NC8) - Accepted. (NOP-94-18.NC8) - 7 C.F.R. §205.501(a)(21) states, “A private or governmental entity accredited as a certifying agent under this subpart must... Comply with, implement, and carry out any other terms and conditions determined by the Administrator to be necessary.” NOP Instruction 2601 The Organic Certification Process section 3.4, states “The inspection includes... Reconciliation of the volume of organic products produced or received with the amount of organic products shipped, handled and/or sold, also known as trace-back audits or in-out balances.”

Comments: *ICEA inspection reports do not adequately demonstrate that traceability and in/out balance activities are consistently conducted and recorded. The auditor reviewed several inspection reports for operations certified in Mexico and could not determine whether adequate traceability and in/out balance activities were conducted.*

2019 Corrective Action: ICEA revised and submitted its crop and processing inspection

report templates to include areas to document mass balance and a sheet to document traceability. On April 15, 2019, ICEA conducted an online training for inspectors which provided the updated forms and policy updates. The updated forms were replaced in the ICEA database and are the only forms available, submission of old forms will not be accepted.

2020 Verification of Corrective Action: The auditor's review of inspection reports demonstrated ICEA inspectors are not consistently recording Mass Balance and Traceability activities or providing a summary statement explaining the outcome of their activities. ICEA review staff did not consider these unsuccessful audit activities to be a compliance concern.

2022 Corrective Action: ICEA conducted training for inspectors on October 30, 2020. Training topics included Mass Balance and Traceback requirements and examples of Mass Balance and Traceback exercises performed by inspectors. ICEA provided the NOP an example of a completed and successful traceback exercise, in which the inspector correctly used ICEA's updated traceback form. The NOP reviewed the successful Mass Balance and Traceback exercises and the training materials, agenda and attendance list for the October 30, 2020, training. NOP-involved ICEA review staff will take the following OILC courses in 2022: NOP-080 Traceability Techniques, NOP-140 Recordkeeping, NOP-150 Organic System Plans, NOP-160 Organic Regulations and Retail Labeling, NOP-170 Certification Review Essentials and NOP-240 Evaluating an Operation's Corrective Actions to Noncompliances. These trainings were not yet attended and will be verified at the next audit.

Noncompliances Identified during the Current Assessment

AIA-3005-20 - Accepted. 7 C.F.R. §205.501(a)(9) states, "A private or governmental entity accredited as a certifying agent under this subpart must: Maintain all records pursuant to §205.510(b) and make all such records available for inspection and copying during normal business hours by authorized representatives of the Secretary and the applicable State organic program's governing State official;"

Comments: *ICEA did not make all records available for inspection during the audit. The auditors issued two written requests for certification files prior to the audit. Following a review of the documents, auditors requested missing maps, flow charts, labels, and production materials. During the audit, auditors requested these same missing documents on two separate occasions. ICEA never submitted all the documents requested.*

Corrective Action: ICEA's technical review staff is responsible for preparing audit documents. Translation was an issue that contributed to this noncompliance. During the audit, documents were requested and due to the language barrier, the documents were either not provided or not translated. Some documents are not able to be translated via a translation service if they have been scanned as a PDF. ICEA will provide an interpreter for the next NOP audit which will alleviate the translation issue that occurred during the audit.

AIA-4311-20 - Accepted. 7 C.F.R. §205.662(a)(1) states, "When an inspection, review, or investigation of a certified operation by a certifying agent or a State organic program's governing State official reveals any noncompliance with the Act or regulations in this part, a written notification of noncompliance shall be sent to the certified operation. Such notification shall provide: A description of each noncompliance;"

Comments: *ICEA does not consistently issue a written notification of noncompliance when an operator is noncompliant with the USDA organic regulation in the following manner:*

- *ICEA issued a combined Notice of Noncompliance and Notice of Resolution following*

an inspection where the inspector accepted a corrective action at the inspection prior to the noncompliance being issued.

- *ICEA contacted a Grower Group in November 2019 to schedule the annual inspection. The Grower Group did not respond to the inspection request, and ICEA did not issue a noncompliance for failure to respond.*

Corrective Action: ICEA conducted training for staff on October 30, 2020, using the Noncompliance and Adverse Action Flow Chart and the ICEA Procedure for Sanctions. The training focused on the role of inspectors noting “concerns” during the inspection and how these concerns become noncompliances. The ICEA certification committee reviews the concerns noted by the inspector and determines whether to issue a noncompliance. The NOP reviewed ICEA’s submitted training materials, agenda, and attendance list.

AIA-5034-20 - Accepted. 7 C.F.R. §205.501(a)(5) states “A private or governmental entity accredited as a certifying agent under this subpart must: Ensure that its responsibly connected persons, employees, and contractors with inspection, analysis, and decision-making responsibilities have sufficient expertise in organic production or handling techniques to successfully perform the duties assigned.”

Comments: *ICEA does not ensure that its employees with inspection, analysis, and decision-making responsibilities have sufficient expertise in organic production or handling techniques prior to performing the duties assigned in the following manner:*

- *ICEA approved product profiles for “Organic” products in which the product ingredients were not identified as organic on the label’s ingredient statement as required by §205.303(b)(1).*
- *ICEA approved product profiles and labels for products to be sold as “100 percent organic” that were being produced with sulfur dioxide and ethylene. §205.301(a) and (f)(4) requires that “100 percent organic” products be produced using 100 percent organically produced ingredients and organic processing aids.*
- *ICEA approved three labels that did not identify the name of the certifying agent that certified the handler of the finished product on the information panel, below the information identifying the handler or distributor of the product and preceded by the statement, “Certified organic by * * *,” or similar phrase, which is required by §205.303(b)(2).*
- *ICEA approved an organic label for a product that did not have a product composition profile with sufficient detail as to be readily understood and audited.*
- *Auditors reviewed an Unannounced Inspection report where the sampling questions were not completed by the inspector. Additionally, ICEA staff did not identify this as a compliance concern.*
- *In one of the files reviewed by auditors, a “Made with organic (specified ingredients)” product was incorrectly listed on the organic certificate as “100 percent organic.”*

Corrective Action: ICEA conducted training for staff on October 30, 2020. The training addressed the topics: organic labeling and product composition, calculating the percentage of organic products, labeling organic wine, and accurately completing an inspection report. The ICEA technical committee will conduct bimonthly monitoring of labels and product profiles and document the monitoring on the label review file. The NOP reviewed ICEA’s submitted training materials, agenda, and attendance logs. ICEA corrected the following noncompliant documents:

1. ICEA provided copies of compliant labels identifying organic ingredients on the label

- of an organic product.
2. ICEA provided an updated organic certificate showing the compliant organic designation of raw agricultural products.
 3. ICEA provided processed product labels with the correct placement and content of the “Certified organic by.....” statement.
 4. ICEA provided a compliant product profile listing the correct organic designation of the processed product ingredients.
 5. ICEA provided documentation that ICEA received incomplete inspection reports, flagged them as incomplete and took the appropriate measures to have the inspection reports completed before making a certification decision.
 6. ICEA provided an example of a compliant organic certificate and compliant product labeling information.

NATIONAL ORGANIC PROGRAM: CORRECTIVE ACTION REPORT

AUDIT AND REVIEW PROCESS

An onsite renewal assessment of Istituto per la Certificazione Etica e Ambientale (ICEA) organic program was conducted on October 15, 2018. The National Organic Program (NOP) reviewed the auditor’s report to assess ICEA’s compliance to the USDA organic regulations. This report provides the results of NOP’s assessment.

GENERAL INFORMATION

Applicant Name	Istituto per la Certificazione Etica e Ambientale (ICEA)
Physical Address	Via Giovanni Brugnoli 1, Bologna 40122 ITALY
Mailing Address	Via Giovanni Brugnoli 1, Bologna 40122 ITALY
Contact & Title	Ms. Cristina Baia; NOP Office Manager
E-mail Address	Cristina.baia@icea.bio
Phone Number	39 051 27 29 86
Reviewers Auditors	Jason Lopez, NOP Reviewer; Penny Zuck and Lars Crail, Onsite Auditors.
Program	USDA National Organic Program (NOP)
Review Dates Audit Dates	NOP assessment review: May 28, 2019; June 9, 2019; September 3, 2019 Onsite audit: October 15-19, 2018
Audit Identifier	NOP-94-17
Action Required	None
Audit & Review Type	Renewal Assessment
Audit Objective	To evaluate the conformance to the audit criteria; and to verify the implementation and effectiveness of ICEA’s certification system.
Audit & Determination Criteria	<i>7 CFR Part 205, National Organic Program as amended</i>
Audit & Review Scope	ICEA’s certification services in carrying out the audit criteria during the period: June 2015 through October 2018.

Istituto per la Certificazione Etica e Ambientale (ICEA) is a for-profit company that has been accredited by the USDA National Organic Program (NOP) since April 13, 2013 to certify crops, wild crops, livestock, and handling operations. ICEA currently certifies 586 operations, which includes 493 crops, 1 wild crops, 0 livestock, 126 handling operations, and 5 grower groups. ICEA’s certified operations are located in Bosnia, Herzegovina, Côte d’Ivoire, Ecuador, Greece, Italy, Japan, Mexico, United States of America, and Uzbekistan. ICEA’s head office is located in Bologna, Italy. ICEA maintains 17 regional offices in Italy, along with foreign offices in Mexico and Ecuador. In Mexico, ICEA partners with Metrocert, a local certifier, to provide USDA organic certification services.

ICEA has a seven-member board of directors. ICEA also has a six-member Committee for the Impartiality Safeguard (CSI) and three-member Appeals Committee (Comitato Unico Ricorsi).

Both committees are made up of various stakeholders in the organic industry. The main role of the CSI is to conduct a review of ICEA's certification files annually to verify impartiality and proper adherence to all requirements of the certification process. The Appeals Committee reviews and makes decisions on rebuttals and complaints against ICEA.

ICEA's USDA organic certification program is managed by the NOP Office department in ICEA's head office. NOP Office staff include one program manager (ICEA director), three technical staff (reviewers/evaluators), and one administrative staff. There are 50 contracted inspectors, and a three-member Certification Committee that is responsible for making all certification decisions, including decisions on corrective action submissions.

Witness audits were conducted of a Processing/Handling operation in Italy; a Crop operation in Mexico; two Handlers in Mexico; and a Crop, Processing/Handling operation in Mexico.

NOP DETERMINATION:

NOP reviewed the onsite audit results to determine whether ICEA's corrective actions adequately addressed previous noncompliances. NOP also reviewed any corrective actions submitted as a result of noncompliances issued from Findings identified during the onsite audit.

Non-compliances from Prior Assessments

Any noncompliance labeled as "**Cleared**," indicates that the corrective actions for the noncompliance are determined to be implemented and working effectively. Any noncompliance labeled as "**Accepted**" indicates acceptance of the corrective actions and verification of corrective action implementation will be conducted during the next onsite audit.

2015 Mexico Satellite Office audit:

NP5106LCA.NC1 – Cleared.

NP5106LCA.NC2 – Cleared.

NP5106LCA.NC 3 – Cleared.

NP5106LCA.NC4 – Cleared.

NP5106LCA.NC5 – Cleared.

2015 Midterm on-site assessment:

NP3249ADA.NC1 – Cleared.

NP5172RKA.NC1 – Cleared.

NP5172RKA.NC3 – Cleared.

NP5172RKA. NC4 – Cleared.

NP5172RKA.NC5 – Cleared.

NP5172RKA.NC7 – Cleared.

NP5172RKA.NC8 – Cleared.

NP5172RKA.NC9 – Cleared.

NP5271RKA.NC10 – Cleared.
NP5271RKA.NC11 – Cleared.
NP5271RKA.NC12 – Cleared.
NP5271RKA.NC13 – Cleared.

NP5172RKA.NC2 – Accepted. 7 CFR §205.501(a)(21) states, “A private or governmental entity accredited as a certifying agent under this subpart must: ... implement, and carry out any other terms and conditions determined by the Administrator to be necessary.” Additionally, NOP 2601 Instruction Organic Certificates states, “Organic certificates should be issued in English and include the following ...: Effective date (when the current or initial certifying agent first certified the operation to the USDA organic regulations); Issue date (when the certifying agent issued the organic certificate); Anniversary date (when the certified operation must submit its annual update). Categories of organic certification (crops, wild crops, livestock, and handling/processing); ... The statement, “Certified to the USDA organic regulations, 7 CFR Part 205.””

Comments: *The review of organic certificates revealed that ICEA’s certificate template and issuance of organic certificates do not comply in the following manner:*

- The certificate refers to the effective date as the “Date of the first issue.”
- *The certificate does not include an issue date. The certificate includes a “Date of the first issue” and a “Date of the last issue.” The date of the first issue is the day the Certification Committee first made the decision to certify the operation; the date of the last issue is the date of the most recent certification decision. Those dates may be different from the date the certificate is issued.*
- *The certificate does not include an anniversary date. **This point is cleared.***
- *The categories of operation ICEA lists on the certificate are Crops Production, Wild Harvest, Processing Production, and Livestock Production. An interview with staff additionally indicated that traders, re-packers, and re-labelers are all categorized as Processing Production; not as Handling.*
- *The certificate states, “Meets the Requirements of USDA/NOP Standard (National Organic Program).”*
- *The certificate ICEA issued for a Made with Organic wine product incorrectly stated the labeling category to be “Made with Org. Ingr.” instead of “Made with Organic (specified ingredients or food groups).” **This point is cleared.***

2016 Corrective Action: ICEA updated the certificate template to include effective, anniversary, and issue dates. The certificate also includes the reference to 7 CFR Part 205. A copy of the certificate template was submitted. ICEA updated the client certificate reviewed to state “Made with Org. grapes”. Processing Production was changed to Handling, and the certificates for traders and packers will be updated to handlers. ICEA’s NOP staff were trained on these changes August 30, 2016.

2018 Verification of Corrective Action:

- ICEA’s current certificate includes the “Anniversary Date”. **Cleared**
- The auditor reviewed a certificate for a wine operation – the category listed for NOP wine is “made with organic grapes” as indicated in the corrective action. **Cleared**

- One reviewed certificate does not list the category of organic operation as “Crops,” instead the certificate states “Crop Production.” **Accepted**
- The term “Date of first issue” is used instead of the term “Effective Date” to indicate when an operation’s certification was granted. **Cleared**
- The term “Date of the last issue” is used instead of the term “Issue Date” to indicate the certificate’s issue date. **Accepted**
- A review of certificates issued indicate the correct categories of certification as Crops, and Handling. ICEA is still using Wild Harvest as a category for Wild Crops. ICEA does not currently certify any Livestock operations. **Accepted**
- The certificate does not include the required statement “Certified to the USDA organic regulations, 7 CFR Part 205.” **Accepted**
- Dates on certificates are listed as day/month/year instead of month/day/year. **Cleared**

2019 Corrective Actions: ICEA revised and submitted organic certificates that have corrected the identified issues. The revised template has replaced the previous version in the ICEA database and the only organic certificate available to personnel.

NP5172RKA.NC6 – Accepted. 7 CFR §205.660(d) states, “Each notification of noncompliance, rejection of mediation, noncompliance resolution, proposed suspension or revocation, and suspension or revocation issued pursuant to §205.662, §205.663, and §205.665 and each response to such notification must be sent to the recipient's place of business via a delivery service which provides dated return receipts.”

Comments: *ICEA only sends its operations in Italy notifications of noncompliance via Poste Italiane’s registered mail service, which provides dated return receipts. All notifications of rejection of mediation, noncompliance resolution, proposed suspension or revocation, suspension or revocation, and each response to such notification are sent via regular mail or email. For operations located in countries outside of Italy, ICEA sends all notifications of noncompliance, rejection of mediation, noncompliance resolution, proposed suspension or revocation, and suspension or revocation, and each response to such notification via regular mail or email.*

2016 Corrective Action: ICEA notified all offices that official notices must be sent by mail with waybill (shipping receipt), until they acquire an email system to track notices electronically.

2018 Verification of Corrective Action: ICEA does not send all required notices to operations via a delivery service which provides dated returned receipts.

2018 Corrective Actions: ICEA has implemented the use of an electronic certified mail system in Italy and Mexico. The Japan foreign office uses registered post. Staff have been trained and have implemented the policy change. ICEA provided proof of dated return receipts.

Non-compliances Identified during the Current Assessment and Corrective Actions

Any noncompliance labeled as “**Accepted**,” indicates that the corrective actions for the noncompliance are accepted by the NOP and will be verified for implementation and effectiveness during the next onsite audit.

NOP-94-17.NC1 – Accepted. 7 C.F.R. §205.663 states, “Any agreement reached during or as a result of the mediation process shall be in compliance with the Act and these regulations. The Secretary may review any mediated agreement for conformity to the Act and these regulations and may reject any agreement or provision not in conformance with the Act or these regulations.”

Comments: *ICEA is not entering into settlement agreements with operators following mediation. In most cases, the operator is allowed to submit a proposal of corrective actions or changes to their organic system plan and upon review and acceptance by ICEA, the case (notice of proposed suspension) is closed.*

Corrective Actions: ICEA has revised and submitted its notice of proposed suspension, mediation request form and settlement agreement form. ICEA trained applicable staff on the new forms and mediation policies on January 13, 2019.

NOP-94-17.NC2 – Accepted. 7 C.F.R. §205.662(a)(1) states, “When an inspection, review, or investigation of a certified operation by a certifying agent...reveals any noncompliance with the Act or regulations in this part, a written notification of noncompliance shall be sent to the certified operation. Such notification shall provide: A description of each noncompliance;...”

Comments: *ICEA’s notices of noncompliance sometimes reference NOP Handbook documents without referencing the USDA organic regulations.*

Corrective Actions: ICEA conducted a training on October 30, 2018 with applicable ICEA personnel which had “USDA organic regulations in notices of noncompliance” on the training agenda. ICEA stated its certification committee will not accept proposed noncompliances without USDA regulation references. ICEA’s process is that all proposals for issuing sanctions are sent to ICEAS certification committee for approval prior to issuing the notice.

NOP-94-17.NC3 – Accepted. 7 C.F.R. §205.501(a)(21) states, “A private or governmental entity accredited as a certifying agent under this subpart must:...” Comply with, implement, and carry out any other terms and conditions determined by the Administrator to be necessary.” NOP 2027, “Personnel Performance Evaluation,” Section 3.2b states, “The field evaluation system should be developed using best practices, such as a risk-based approach (i.e., inspector experience, annual number of inspections, work product assessment, etc.) or another approach sufficient to determine inspector competency. Inspectors who have demonstrated full competency may be field evaluated less regularly but still require an annual performance evaluation.”

Comments: *ICEA’s current written policy on performance evaluations requires annual field evaluations for inspectors, however, all inspectors are not receiving annual field evaluations. ICEA has not conducted a field evaluation for one inspector who has been conducting NOP inspections since 2014.*

Corrective Actions: CEA submitted an alternative inspector field evaluation plan. ICEA will conduct field evaluations for all inspectors in the first year of NOP inspection and for inspectors conducting greater than 10 inspections annually. Field evaluations will be scheduled the following year for inspectors receiving an annual performance review score of 2 or less. ICEA field evaluation plan states all inspectors will receive a field evaluation at least every three years.

NOP-94-17.NC4 – Accepted. 7 C.F.R. §205.501(a)(21) states, “A private or governmental entity accredited as a certifying agent under this subpart must... Comply with, implement, and carry out any other terms or conditions determined by the Administrator to be necessary.” NOP 2613, Responding to Residue Results, Section 5.1.a, states that the certifying agent should “Notify the certified operation of the test results and indicate that the product may be sold as organic. In addition, section 5.1.3b states that the certifying agent should “Immediately notify the certified operation of the test results and indicate that the product may not be sold as organic.”

Comments: *ICEA’s notifications to operations regarding positive test results do not indicate the “crop may not be sold as organic.” ICEA’s notifications to operations regarding negative test results or no-detects, do not indicate the “crop may be sold as organic.”*

Corrective Actions: ICEA conducted a training on October 30, 2018 with applicable ICEA personnel, including a review of NOP 2613 on the training agenda. ICEA trained its certification committee on this subject and the committee has stated proposals without the notification to the operator that the product may/may not be sold as organic will not be approved. ICEA has implemented this policy and provided evidence of the notification in ICEA database system.

NOP-94-17.NC5 – Accepted. 7 C.F.R. §205.406(a)(3) states, “To continue certification, a certified operation must annually pay the certification fees and submit the following information, as applicable, to the certifying agent: An updated organic production or handling system plan which includes:...an update on the correction of minor noncompliances previously identified by the certifying agent as requiring correction for continued certification;...”

Comments: *ICEA’s annual update form does not require the operation to provide an update on the correction of minor noncompliances previously identified by the certifying agent as requiring correction for continued certification.*

Corrective Actions: ICEA updated and submitted the Management plan conformation form to include a statement declaring the implementation of corrective action to previous noncompliances. ICEA trained applicable staff on the updated form during the October 30, 2018 training.

NOP-94-17.NC6 – Accepted. 7 C.F.R. §205.403 (c)(3) states, “The on-site inspection of an operation must verify: That the information, including the organic production or handling system plan, provided in accordance with §§205.401, 205.406, and 205.200, accurately reflects the practices used or to be used by the applicant for certification or by the certified operation;...”

Comments: *During at witness audit, ICEA’s inspector did not review and verify a facility map and product flow as part of the on-site inspection.*

Corrective Actions: ICEA revised and submitted its crop and processing inspection report forms to include verification of site maps and product flow plans. On April 15, 2019, ICEA conducted an online training for inspectors which provided the updated forms and policy updates. The updated forms were replaced in the ICEA database and are the only forms available, submission of old forms will not be accepted.

NOP-94-18.NC7 – Accepted. 7 C.F.R. §205.403(c)(1) states, “The on-site inspection of an operation must verify: The operation’s compliance or capability to comply with the Act and the regulations of this part;...” Specifically an operation’s organic system plan that describes the operation’s monitoring practices and procedures...”

Comments: *ICEA does not require inspectors to verify §205.201(a)(3), an operation’s monitoring practices and procedures. During witness audits, inspectors did not verify whether operations are compliant with this requirement.*

Corrective Actions: ICEA revised and updated its crops and processing inspection reports to verify if the operation conducts monitoring practices and their effectiveness. On April 15, 2019, ICEA conducted an online training for inspectors which provided the updated forms and policy updates. The updated forms were replaced in the ICEA database and are the only forms available, submission of old forms will not be accepted.

NOP-94-18.NC8 – Accepted. 7 C.F.R. §205.501(a)(21) states, “A private or governmental entity accredited as a certifying agent under this subpart must:… Comply with, implement, and carry out any other terms and conditions determined by the Administrator to be necessary.” NOP Instruction 2601 The Organic Certification Process section 3.4, states “The inspection includes… Reconciliation of the volume of organic products produced or received with the amount of organic products shipped, handled and/or sold, also known as trace-back audits or in-out balances.”

Comments: *ICEA inspection reports do not adequately demonstrate that traceability and in/out balance activities are consistently conducted and recorded. The auditor reviewed several inspection reports for operations certified in Mexico and could not determine whether adequate traceability and in/out balance activities were conducted.*

Corrective Actions: ICEA revised and submitted its crop and processing inspection report templates to include areas to document mass balance and a sheet to document traceability. On April 15, 2019, ICEA conducted an online training for inspectors which provided the updated forms and policy updates. The updated forms were replaced in the ICEA database and are the only forms available, submission of old forms will not be accepted.

NOP-94-18.NC9 – Accepted. 7 C.F.R. §205.501(a)(8) states, “A private or governmental entity accredited as a certifying agent under this subpart must:… Provide sufficient information to persons seeking certification to enable them to comply with the applicable requirements of the Act and the regulations in this part;…”

Comments: *ICEA does not require operations to describe or submit retail and non-retail labels used for products produced and/or handled making organic claims.*

Corrective Actions: ICEA has revised and submitted management plan templates requesting the submission of labels for approval. The new templates were replaced in the ICEA database on April 16, 2019 but ICEA has not received a new certification applicant to date. Until new templates are received, ICEA sent a notice for the client’s signature that confirms the use of ICEA approved labels.

NOP-94-18.NC10 – Accepted. 7 C.F.R. §205.501(a)(21) states, “A private or governmental entity accredited as a certifying agent under this subpart must:… Comply with, implement, and carry out any other terms and conditions determined by the Administrator to be necessary.” NOP 2601, The Organic Certification Process, 3.4, states, “At the end of the inspection, the inspector conducts an exit interview with an authorized representative of the operation. During the exit interview, the inspector communicates any potential noncompliances observed, and requests any additional information that may be missing from the OSP.”

Comments: *During two witness audits, the auditor observed the inspectors obtain responses from the operators that appear to be corrective actions addressing the inspector's findings. The auditor was informed that the operations responses would be considered corrective actions and evaluated by the certifier for adequacy.*

Corrective Actions: On April 15, 2019, ICEA conducted an online training for inspectors which provided the explanation of an exit interview found in NOP 2601 Section 3.4. ICEA has additionally, has included a "final meeting" evaluation point in the inspector witness audit report.

NOP-94-18.NC11 – Accepted. 7 C.F.R. §205.504(e) states, "A private or governmental entity seeking accreditation as a certifying agent must submit the following documents and information to demonstrate its expertise in organic production or handling techniques; its ability to fully comply with and implement the organic certification program established in §§205.100 and 205.101, §§205.201 through 205.203, §§205.300 through 205.303, §§205.400 through 205.406, and §§205.661 and 205.662; and its ability to comply with the requirements for accreditation set forth in §205.501: Any other information the applicant believes may assist in the Administrator's evaluation of the applicant's expertise and ability."

Comments: *In one grower group inspection report reviewed by the auditor, it did not state the reason (e.g. random, new member, high risk, etc...) why each member was selected for the external (i.e. certifier) inspection. Without this information, the auditor was unable to determine if certifier grower group inspections are compliant with NOSB Recommendation 2008, section III.D.1.*

Corrective Actions: ICEA has developed and submitted a supplemental checklist for grower group verification. The checklist documents the reason each member was selected for the external inspection. Additionally, the checklist provides a verification for all requirements of grower groups. ICEA provided training to applicable staff on September 4, 2019.

NOP-94-18.NC12 – Accepted. 7 C.F.R. §205.501(a)(21) states, "A private or governmental entity accredited as a certifying agent under this subpart must:... Comply with, implement, and carry out any other terms and conditions determined by the Administrator to be necessary." NOP Policy Memo 11-10, "*Grower Group Certification*," refers to the 2002 National Organic Standards Board (NOSB) Recommendation which provides the criteria for the certification of grower groups:

Comments: *Auditor's review of one group's certification records identified these deficiencies with the internal control system (ICS) manual:*

- *There is no detailed description or chart of the organization's structure including the names of assigned ICS personnel.*
- *There is no detailed job descriptions and duties of ICS personnel.*
- *There is no detailed sanction procedure.*
- *There is no procedure for notify the certifier when noncompliances are detected by the ICS.*
- *There is no detailed external and internal training program.*
- *How conflict of interest is addressed by the group.*

Corrective Actions: ICEA issued the grower group a noncompliance on April 5, 2019 for the missing ICS information noted. ICEA sent a request to the operation on June 10, 2019 requesting the information and ICEA has not reported receipt of the information to date. After

the USDA audit ICEA conducted a training for its reviewers and certification committee covering the NOP Policy Memo 11-10 “Grower Group Certification” and the 2002 NOSB recommendations on criteria for certification of grower groups.

NATIONAL ORGANIC PROGRAM: CORRECTIVE ACTION REPORT

AUDIT AND REVIEW PROCESS

The National Organic Program (NOP) conducted a mid-term assessment of Istituto per la Certificazione Etica e Ambientale (ICEA). An onsite audit was conducted, and the audit report reviewed to determine ICEA’s capability to continue operating as a USDA accredited certifier.

GENERAL INFORMATION

Applicant Name	Istituto per la Certificazione Etica e Ambientale (ICEA)
Physical Address	Via G. Brugnoli 15, Bologna, Italy 40122
Mailing Address	Via G. Brugnoli 15, Bologna, Italy 40122
Contact & Title	Ms. Fabia Montalbani, NOP Office Manager
E-mail Address	nop@icea.info
Phone Number	914.319.9040
Reviewer(s) & Auditor(s)	Rebecca Claypool, NOP Reviewer; Renee Gebault King, Robert Yang, On-site Auditors.
Program	USDA National Organic Program (NOP)
Review & Audit Date(s)	NOP assessment review: May, 18 2016 Onsite audit: September 28 - October 1, 2015
Audit Identifier	NP5271RKA
Action Required	Yes
Audit & Review Type	Mid-Term Assessment
Audit Objective	To evaluate the conformance to the audit criteria; and to verify the implementation and effectiveness of ICEA’s certification
Audit & Determination Criteria	<i>7 CFR Part 205, National Organic Program as amended</i>
Audit & Review Scope	ICEA’s certification services in carrying out the audit criteria during the period: September 2013 through September 2015

Istituto per la Certificazione Etica e Ambientale (ICEA) is a for-profit company that has been accredited by the USDA National Organic Program (NOP) since April 13, 2013 to certify crops, wild crops, livestock, and handling operations. ICEA currently certifies 342 operations, which includes 214 crops, 7 wild crops, 112 handling operations, and 9 grower groups. ICEA’s certified operations are located in Italy, Turkey, Mexico, Ecuador, Ivory Coast, Bosnia and Hezegovina, Albania, and Romania. ICEA’s head office is located in Bologna, Italy. ICEA maintains 17 regional offices in Italy, along with foreign offices in Turkey and Ecuador. In Mexico, ICEA partners with Metrocert, a local certifier, to provide USDA organic certification services.

NOP DETERMINATION:

NOP reviewed the onsite audit results to determine whether ICEA's corrective actions adequately addressed previous noncompliances. NOP also reviewed any corrective actions submitted as a result of noncompliances issued from Findings identified during the onsite audit.

Non-compliances from Prior Assessments

Any noncompliance labeled as “**Cleared**,” indicates that the corrective actions for the noncompliance are determined to be implemented and working effectively. Any noncompliance labeled as “**Outstanding**” indicates that either the auditor could not verify implementation of the corrective actions or that records reviewed and audit observations did not demonstrate compliance.

NP3249ADA.NC1 – Accepted. 7 CFR §205.642 states, “Fees charged by a certifying agent must be reasonable, and a certifying agent shall charge applicants for certification and certified production and handling operations only those fees and charges that it has filed with the Administrator. 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 certifying agent may set the nonrefundable portion of certification fees; however, the nonrefundable fees must be explained in the fee schedule submitted to the Administrator. The fee schedule must explain what fee amounts are nonrefundable and at what stage during the certification process fees become nonrefundable.”

Comments: *A review of the fee schedule and various files/invoices found:*

- 1) *That the fee schedule does not include all fees that may be charged to a client as there are differing fees for Italian clients and clients in other countries. This is due to the fact that ICEA has agreements with other inspection bodies (Mexico, Ecuador, Indonesia, etc.). These agreements set the fees that those inspection bodies charge to a company. It then collects the fees and the agreed portion is sent to ICEA. The agreement includes the annual fees only, but not other fees such as updates.*
- 2) *The clients in foreign countries do not see a detailed invoice showing what fees the foreign office is charging based on the agreement files with ICEA. Additionally, for clients where it is a base price, with no additional costs added, the operation does not get an invoice, but merely signs the fee schedule and it is submitted back to ICEA.*
- 3) *It does not fully explain what fees are nonrefundable and at what point in the process the fees become nonrefundable. Instead it states, ‘The fee for inspection visit carried out must still be paid even if the certification process was interrupted.’ It was found that there are other points at which they are nonrefundable and these are not clarified.*

2014 Corrective Action:

- 1) ICEA submitted revised fee schedules for Italian clients, Mexican clients, and Ecuadorean clients. The schedules included a complete listing of different expense categories. ICEA stated that it would issue a specific estimate for each Italian and foreign company. The Mexico and Ecuador offices issue fee estimates to operators within those countries, according to the fee schedules set for those offices. They send the fee estimates to operations via email, with a copy to the ICEA head office to show that the fees are charged according to the schedule.

- 2) ICEA submitted a cost estimate sent to an avocado operation in Mexico in April 2014. The estimate specified the cost of certification services, inspection services, and travel.
- 3) The ICEA submitted revised fee schedules for the general fees, as well as fees in Mexico and Ecuador, which explained that a 50% deposit was due with the application, and that the fees were not refundable.

2015 Verification of Corrective Action (October):

- 1) *A review of ICEA's current fee schedules indicated that the fee schedules include all fees that may be charged to a client. **This point is cleared.***
- 2) *A review of cost estimates issued to clients in Italy, Ecuador, Turkey, and the Ivory Coast indicated that the estimates specified the cost of certification services, inspection services, and travel costs. **This point is cleared.***
- 3) *The review of ICEA's current fee schedules indicated that ICEA's general fee schedule for operators in the EU states what fee amounts are refundable. ICEA's current fee schedules for operations in Mexico and Ecuador do not. **This point is outstanding.***

2016 Corrective Action: ICEA updated the Mexico and Ecuador fee schedules to include the fee amounts that are refundable, and is now using the new fee schedules. The revised fee schedules were submitted.

NP3249ADA.NC2 – Cleared.

NP3249ADA.NC3 – Cleared.

NP3249ADA.NC4 – Cleared.

NP3249ADA.NC5 – Cleared.

NP3249ADA.NC6 – Cleared.

NP3249ADA.NC7 – Cleared.

NP3249ADA.NC8 – Cleared.

Non-compliances Identified during the Current Assessment

Any noncompliance labeled as “**Accepted**,” indicates that the corrective actions for the noncompliance are accepted by the NOP and will be verified for implementation and effectiveness during the next onsite audit.

NP5172RKA.NC1 – Accepted. 7 CFR §205.501(a)(2) states, “A private or governmental entity accredited as a certifying agent under this subpart must: demonstrate the ability to fully comply with the requirements for accreditation set forth in this subpart.”

Comments:

1. *ICEA's combined notice of noncompliance and proposed suspension template does not fully comply with §205.662(c) & (f) in the following manner:*
 - *The template incorrectly states, “To avoid suspension of your organic certification you must do one (1) of the following: Submit acceptable corrective action in writing to the notice of noncompliance by (specify date) to ICEA office.” A notification or proposed suspension may not provide an opportunity to correct the noncompliance.*

- *The template also incorrectly states, “If your certification is suspended you will not be able to sell, label or represent your product as organic for a period of (length of suspension).”*
2. *ICEA’s notice of suspension template does not fully comply with §205.662(f). The template states, “This suspension implies that you will not be able to sell, label or represent your product as organic for a period of (length of suspension). Reinstatement for certification must be requested from the Secretary of Agriculture” The notification does not clearly inform the operation that a certified operation whose certification has been suspended must request reinstatement of its certification, even if the suspension period has concluded.*
 3. *ICEA’s notices of proposed revocation and revocation templates do not fully comply with §205.662(f)(2) in the following manner:*
 - *The template states, “As consequence of revocation, your company will be ineligible to receive certification for a period of 5 years following the date of such revocation.” The statement does not include eligibility requirements for “a person responsibly connected” to the operation.*
 - *The template incorrectly states, “Reinstatement for certification must be requested from the USDA Secretary of Agriculture, and will only be considered for certification if the noncompliance has been corrected and your operation has undergone an inspection to verify that your operation is in compliance and capable of remaining in compliance.” Revoked operations are not required to request reinstatement.*
 - *ICEA’s application for certification form – MRCNOP01 Application for certification Ed02 Rev04 – does not fully comply with §205.401(c). The form does not require an applicant who has received a notification of noncompliance or denial of certification to provide a description of the actions taken by the applicant to correct a prior noncompliance or provide evidence of such correction. The form only requires the applicant to “attach, in case it’s applicable, any notification of nonconformities and/or negation of certification.” As a result, ICEA’s application review process does not fully meet the requirements of §205.402(a)(3).*
 - *ICEA’s Notice of Proposed Suspension, combined Notice of Noncompliance and Proposed Suspension, Notice of Proposed Revocation, and Notice of Denial incorrectly states, “If your request for mediation is accepted and the mediation is unsuccessful, upon written notification, you will have 30 calendar days, from receipt of notice, to appeal.” This does not comply with §205.663, which states that the applicant for certification or certified operation has “30 days from termination of mediation” to appeal.*
 - *ICEA’s NOP Administrative Procedure (ED.03 Rev.00) incorrectly refers to rebuttals as “appeals.” The procedure states, “Appeals to the certifier are presented to the CNC which makes its decision on the appeal within 30 days from the request,” which does not comply with 7 CFR §205.681.*

2016 Corrective Action:

1. ICEA updated the combined notice of noncompliance and proposed suspension template. The template no longer includes the option to resolve the noncompliance, and it correctly explains the impact of suspension.
2. ICEA updated the notice of suspension template. The template correctly explains the impact of suspension.

3. ICEA updated the notice of proposed revocation and revocation templates. The templates include reference to a person responsibly connected to the company. All references to the appeal process correctly state that the certified operation has 30 days from the termination of mediation to appeal. ICEA updated the NOP Administrative Procedure (ED.03 Rev.01) to correctly refer to an operator's rebuttal of a certifier decision. ICEA also updated the application for certification form, MRCNO01 Application for Certification Ed03 Rev02, to include a description of the actions taken to resolve noncompliances of applicants that were previously certified. The updated templates were added to the ICEA database, and copies of the templates and procedures were submitted.

NP5172RKA.NC2 – Accepted. 7 CFR §205.501(a)(21) states, “A private or governmental entity accredited as a certifying agent under this subpart must: ... implement, and carry out any other terms and conditions determined by the Administrator to be necessary.” Additionally, NOP 2601 Instruction Organic Certificates states, “Organic certificates should be issued in English and include the following ...: Effective date (when the current or initial certifying agent first certified the operation to the USDA organic regulations); Issue date (when the certifying agent issued the organic certificate); Anniversary date (when the certified operation must submit its annual update). Categories of organic certification (crops, wild crops, livestock, and handling/processing); ... The statement, “Certified to the USDA organic regulations, 7 CFR Part 205.””

Comments: *The review of organic certificates revealed that ICEA's certificate template and issuance of organic certificates do not comply in the following manner:*

- *The certificate refers to the effective date as the “Date of the first issue.”*
- *The certificate does not include an issue date. The certificate includes a “Date of the first issue” and a “Date of the last issue.” The date of the first issue is the day the Certification Committee first made the decision to certify the operation; the date of the last issue is the date of the most recent certification decision. Those dates may be different from the date the certificate is issued.*
- *The certificate does not include an anniversary date.*
- *The categories of operation ICEA lists on the certificate are Crops Production, Wild Harvest, Processing Production, and Livestock Production. An interview with staff additionally indicated that traders, re-packers, and re-labelers are all categorized as Processing Production; not as Handling.*
- *The certificate states, “Meets the Requirements of USDA/NOP Standard (National Organic Program).”*
- *The certificate ICEA issued for a Made with Organic wine product incorrectly stated the labeling category to be “Made with Org. Ingr.” instead of “Made with Organic (specified ingredients or food groups).”*

2016 Corrective Action: ICEA updated the certificate template to include effective, anniversary, and issue dates. The certificate also includes the reference to 7 CFR Part 205. A copy of the certificate template was submitted. ICEA updated the client certificate reviewed to state “Made with Org. grapes”. Processing Production was changed to Handling, and the certificates for traders and packers will be updated to handlers. ICEA's NOP staff were trained on these changes August 30, 2016.

NP5172RKA.NC3 – Accepted. 7 CFR §205.501(a)(21) states, “A private or governmental entity accredited as a certifying agent under this subpart must: ... implement, and carry out any other terms and conditions determined by the Administrator to be necessary.” Additionally, NOP 5022 Guidance Wild Crop Harvesting clarifies what information a wild crop harvesting Organic System Plan (OSP) should include.

Comments: *ICEA’s Wild Crop OSP form does not require the applicant to provide the following information:*

- *Impact of proposed harvesting on the long-term viability of the wild species and on the area’s ecosystem;*
- *Description of the monitoring system that will be used to ensure that the crop is harvested in a sustainable manner that does not damage the environment, including soil and water quality;*
- *List of any rare, threatened, or endangered terrestrial or aquatic plants or animals that occur in the harvest area;*
- *If there are potential or actual negative impacts resulting from the wild crop management and harvesting, a description of actions taken to address and correct the impacts; and*
- *The training provided and the procedures employed to ensure that all collectors harvest crops in accordance with OSP and in a manner that does not damage the environment.*

2016 Corrective Action: ICEA updated the Wild Crop OSP to include all of the required questions. ICEA requested that all wild crop operators complete the updated Wild Crop OSP by July 18, 2016. A copy of the Wild Crop OSP was submitted.

NP5172RKA. NC4 – Accepted. 7 CFR §205.662(e)(1) states, “If the certified operation fails to correct the noncompliance, to resolve the issue through rebuttal or mediation, or to file an appeal of the proposed suspension ... of certification, the certifying agent ... shall send the certified operation a written notification of suspension”

Comments:

- *The review of notice of proposed suspension files revealed an instance where an operation surrendered its certification upon receiving a notice of proposed suspension; ICEA did not send the operation a notification of suspension. A surrender of certification after the issuance a notification of proposed suspension does not stay the noncompliance process.*
- *The review of certification files revealed that if a certified operation does not respond to its Notice of Suspension by requesting mediation or submitting an appeal, ICEA issues the operation a proposed revocation. And if the operation does not respond to the notification of proposed revocation, ICEA sends the operation a notification of revocation.*

2016 Corrective Action: ICEA updated their Sanction Procedure Ed01 Rev01 document to outline the compliant process for issuing adverse actions. ICEA’s NOP staff were trained on the updated procedure on August 30, 2016.

NP5172RKA.NC5 – Accepted. 7 CFR §205.662(c) states, “When correction of a noncompliance is not possible, the notification of noncompliance and the proposed suspension or revocation of certification may be combined in one notification.”

Comments: *The review of nine combined Notices of Noncompliance and Proposed Suspension ICEA issued to its certified operations in Mexico indicated that in all instances ICEA incorrectly issued the certified operation a combined Notice of Noncompliance and Proposed Suspension for not paying certification fees and/or not submitting an updated organic system plan, which are correctable noncompliances.*

2016 Corrective Action: ICEA updated their Sanction Procedure Ed01 Rev01 document to note that a combined notice of noncompliance and proposed suspension may be issued when the correction of the noncompliance is not possible. The updated procedure was submitted, and ICEA staff were trained on the updated procedure on August 30, 2016.

NP5172RKA.NC6 – Accepted. 7 CFR §205.660(d) states, “Each notification of noncompliance, rejection of mediation, noncompliance resolution, proposed suspension or revocation, and suspension or revocation issued pursuant to §205.662, §205.663, and §205.665 and each response to such notification must be sent to the recipient's place of business via a delivery service which provides dated return receipts.”

Comments: *ICEA only sends its operations in Italy notifications of noncompliance via Poste Italiane's registered mail service, which provides dated return receipts. All notifications of rejection of mediation, noncompliance resolution, proposed suspension or revocation, suspension or revocation, and each response to such notification are sent via regular mail or email. For operations located in countries outside of Italy, ICEA sends all notifications of noncompliance, rejection of mediation, noncompliance resolution, proposed suspension or revocation, and suspension or revocation, and each response to such notification via regular mail or email.*

2016 Corrective Action: ICEA notified all offices that official notices must be sent by mail with waybill (shipping receipt), until they acquire an email system to track notices electronically.

NP5172RKA.NC7 – Accepted. 7 CFR §205.662(b) states, “When a certified operation demonstrates that each noncompliance has been resolved, the certifying agent or the State organic program's governing State official, as applicable, shall send the certified operation a written notification of noncompliance resolution.”

Comments: *The review of one notification of noncompliance ICEA issued to an operation in Mexico for failure to submit certification fees and an updated organic system plan revealed that although the operation resolved the noncompliance, ICEA did not send the operation a written notification of noncompliance resolution. An interview with staff indicated that ICEA does not send a certified operation a written notification of noncompliance resolution when the operation resolves a noncompliance for not paying fees or submitting an updated organic system plan.*

2016 Corrective Action: ICEA updated the Sanction Procedure Ed01 Rev01 document to specify that a noncompliance resolution must be sent to the operator when the noncompliance is corrected. Staff were trained August 30, 2016.

NP5172RKA.NC8 – Accepted. 7 CFR §205.501(a)(3) states, “A private or governmental entity accredited as a certifying agent under this subpart must: Carry out the provisions of the Act and the regulations in this part” Also, 7 CFR §205.100(a) states, “Except for operations exempt or excluded in §205.101, each production or handling operation or specified portion of a production or handling operation that produces or handles crops, livestock, livestock products, or other agricultural products that are intended to be sold, labeled, or represented as "100 percent organic," "organic," or "made with organic (specified ingredients or food group(s))" must be certified according to the provisions of subpart E of this part and must meet all other applicable requirements of this part. Additionally, NOP 4009 Instruction Who Needs to Be Certified states, “When organically producing or handling agricultural products, a certified operation may not: Allow an uncertified operation to produce or handle agricultural products, under contract or other arrangement, on the uncertified operation’s land or premises”

Comments: *The review of certification files revealed an instance where ICEA allowed uncertified operations to produce and process, on their own land and premises, cotton products on behalf of the certified operation. An interview with certification staff indicated that ICEA allows its certified operations to contract uncertified operations to produce or handle products for them. The contracted operations are added to the certified operation’s organic system plan and individually inspected, but not individually certified.*

2016 Corrective Action: ICEA notified the operation in question that all uncertified operators needed to obtain their own organic certification by March 31, 2016. ICEA issued notices of noncompliance to the operations that did not respond by the deadline. Staff and inspectors were notified in December of 2015 of the updated policy.

NP5172RKA.NC9 – Accepted. 7 CFR §205.501(a)(3) states, “A private or governmental entity accredited as a certifying agent under this subpart must: Carry out the provisions of the Act and the regulations in this part....” Also, 7 CFR §205.102(a)(b) states, “Any agricultural product that is sold, labeled, or represented as "100 percent organic," "organic," or "made with organic (specified ingredients or food group(s))" must be: Produced in accordance with the requirements specified in §205.101 or §§205.202 through 205.207 or §§205.236 through 205.240 and all other applicable requirements of part 205; and Handled in accordance with the requirements specified in §205.101 or §§205.270 through 205.272 and all other applicable requirements of this part 205.”

Comments: *The review of certification files and a witness audit revealed that ICEA allows its USDA organic certified operations in Italy to use products that are certified under (EC) No. 834/2007 to produce/handle products sold, labeled, and represented as certified USDA organic. Additionally, the ICEA Administrative Procedures Manual (Ed. 03 Rev. 00) incorrectly states, “In according to the USDA-EU Organic equivalence arrangement, ICEA accepts the 834/07 certification of suppliers issued by certifying agents accredited for EU rule 834/07 but not accredited by USDA. The last handling or packaging has to be in European country.”*

2016 Corrective Action: ICEA informed their clients NOP certified products must be processed from NOP certified ingredients/suppliers. ICEA sent a letter to their clients requiring them to notify ICEA by June 30, 2016, if they intended to maintain their NOP organic certification, or if they intended to surrender. ICEA will issue a noncompliance to the operations that do not respond. ICEA now requires NOP organic certificates for each supplier and subcontractor that

handles the NOP certified product. NOP staff were trained on this update during the August 30, 2016 training.

NP5271RKA.NC10 – Accepted. 7 CFR §205.662 states, “When (a) review ... of a certified operation by a certifying agent or a State organic program's governing State official reveals any noncompliance with the Act or regulations in this part, a written notification of noncompliance shall be sent to the certified operation.... When rebuttal is unsuccessful or correction of the noncompliance is not completed within the prescribed time period, the certifying agent or State organic program's governing State official shall send the certified operation a written notification of proposed suspension or revocation of certification of the entire operation or a portion of the operation, as applicable to the noncompliance.... If the certified operation fails to correct the noncompliance, to resolve the issue through rebuttal or mediation, or to file an appeal of the proposed suspension or revocation of certification, the certifying agent or State organic program's governing State official shall send the certified operation a written notification of suspension.”

Comments: *The review of certification files revealed the following instances where ICEA’s practices did not comply with the noncompliance procedure requirements of §205.662:*

- *A review of notices of noncompliance issued by ICEA in 2014 to nine certified operations in Mexico revealed that ICEA issued notices of noncompliance to the operations for not paying their certification fees and not submitting their updated organic system plan approximately four months after the due date. ICEA requires its certified operations in Mexico to annually submit certification fees and an updated organic system plan by March 31st. ICEA did not send the operations a Notice of Noncompliance until August 5, 2014.*
- *The due date stated on the notice of noncompliance was November 14, 2014. The operation did not respond to the noncompliance and subsequently surrendered its certification on February 5, 2015. ICEA did not issue the operation a notice of proposed suspension for failing to correct the noncompliance or resolve the issue through rebuttal by the due date.*
- *The due date stated on the notice of noncompliance was December 31, 2012. ICEA sent email reminders on April 23, 2013 and June 25, 2013; and then issued the operation a notice of proposed suspension on July 23, 2013.*
- *The due date stated on the notice of noncompliance was May 23, 2015. The operation was sent a notice of proposed suspension on July 21, 2015 for not responding to the noncompliance, with a proposed suspension effective date of August 21, 2015. At the time of the office audit, ICEA had not yet issued the operation a notification of suspension.*

2016 Corrective Action: ICEA added a deadline field in their database to alert them of when items from operators are due. If information is not submitted by the deadline the item turns bright green in the ICEA database and they are reminded to send out the next appropriate notice. Staff were trained on the database change on August 30, 2016.

NP5271RKA.NC11 – Accepted. 7 CFR §205.405(a) states, “When the certifying agent has reason to believe, based on a review of the information specified in §205.402 or §205.404, that an applicant for certification is not able to comply or is not in compliance with the requirements of this part, the certifying agent must provide a written notification of noncompliance to the

applicant. When correction of a noncompliance is not possible, a notification of noncompliance and a notification of denial of certification may be combined in one notification.”

Comments: *The review of one combined notice of noncompliance and denial of certification issued by ICEA revealed that ICEA simultaneously issued a separate notice of noncompliance and a notice of denial of certification to the operation for one issue. The notice of noncompliance stated that the operation did not comply with §205.103, and the notice of denial stated that the operation did not comply with §205.272. Additionally, the notice of noncompliance stated the operation’s right to rebut or correct the noncompliance.*

2016 Corrective Action: ICEA updated their Sanction Procedure Ed01 Rev01 to state that written notification of noncompliance must be issued to applicants, and when the correction of the noncompliance is not possible a combined notice of noncompliance and denial may be issued. ICEA staff were trained on the updated procedure on August 30, 2016.

NP5271RKA.NC12 – Accepted. 7 CFR §205.501(a)(5) states, “A private or governmental entity accredited as a certifying agent under this subpart must: ensure that its ... employees ... have sufficient expertise ... to successfully perform the duties assigned.”

Comments: *The review of certification files revealed the following:*

- *A Wild Crop operation’s current certificate incorrectly states that the operation is certified for Crops. An interview with certification staff revealed that the database from which staff issue certificates does not include a Wild Crops category, and therefore staff issuing the certificate are responsible for verifying that the appropriate category is manually entered into the certificate template.*
- *A Crop and Processing grower group’s current certificate incorrectly states that the operation is certified for Wild Crops and Processing. A review of the operation’s October 2014 certificate revealed that the certificate incorrectly stated that the operation was certified only for Processing. The certificate should have stated that the operation was certified for Crops and Processing.*

2016 Corrective Action: ICEA is now requiring that the reviewer writes the scope(s) for the client on the evaluation form they submit to the certification committee. When the certificate is created, the scopes will already be identified on this form. ICEA is also requesting that the database managers make a modification to add all of the NOP certification scopes within the database, so they can be printed on certificates.

NP5271RKA.NC13 – Accepted. 7 CFR §205.501(a)(6) states, “A private or governmental entity accredited as a certifying agent under this subpart must: conduct an annual performance evaluation of 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 implement measures to correct any deficiencies in certification services.” Additionally, NOP 2027 Instruction Personnel Performance Evaluations, section 3.2 Evaluation Criteria states, “Certifying agents conducting performance reviews should use the following kinds of evaluation criteria:”

Comments: *ICEA does not conduct performance evaluations of the ICEA Director that meet the evaluation criteria of NOP 2027. The annual evaluation of the director is limited to an overall assessment of ICEA’s USDA/NOP certification program, which is reviewed during ICEA’s*

annual internal management review. An interview with staff indicated that ICEA has developed a new performance evaluation form – MM1304 “Schedule of Evaluation of Performance.” The form will be implemented by March 30, 2016, and will be used to conduct the 2015 performance evaluations of the ICEA director and other staff.

2016 Corrective Action: ICEA developed a performance evaluation form for the Director to be conducted by the Board of Directors during the annual management review. The evaluation form was submitted.

NATIONAL ORGANIC PROGRAM: CORRECTIVE ACTION REPORT

AUDIT AND REVIEW PROCESS

The National Organic Program (NOP) conducted an assessment of Istituto per la Certificazione Etica e Ambientale certification activities performed in its Mexico office. An onsite audit was conducted, and the audit report reviewed to determine Istituto per la Certificazione Etica e Ambientale's capability to continue operating as a USDA accredited certifier.

GENERAL INFORMATION

Applicant Name	Istituto per la Certificazione Etica e Ambientale (ICEA), <i>dba</i> Metrocert
Physical Address	ICEA: Via Giovanni Brugnoli 15, 40122 Bologna, Italy Metrocert: Academico de Letran, 7 Fracc. Andres Quintana Roo, CP. 58088, Morelia, Mexico
Mailing Address	Same as above.
Contact & Title	ICEA: Via Giovanni Brugnoli 15, 40122 Bologna, Italy Metrocert: Academico de Letran, 7 Fracc. Andres Quintana Roo, CP. 58088, Morelia, Mexico
E-mail Address	ICEA: nop@icea.info
Phone Number	ICEA: 39 51 272986
Reviewer(s) & Auditor(s)	Jason Lopez, NOP Reviewer Lars Crail, On-site Auditor
Program	USDA National Organic Program (NOP)
Review & Audit Date(s)	NOP assessment review: August 11, 2015 Onsite audit: April 16-17, 2015
Audit Identifier	NP5106LCA
Action Required	None
Audit & Review Type	Satellite Office Assessment
Audit Objective	To evaluate the conformance to the audit criteria; and to verify the implementation and effectiveness of [ACA acronym]'s certification system.
Audit & Determination Criteria	<i>7 CFR Part 205, National Organic Program as amended</i>
Audit & Review Scope	ICEA's certification services in carrying out the audit criteria during the period: April 16-17, 2015

The Istituto per la Certificazione Etica e Ambientale (ICEA) main office is located in Bologna, Italy. ICEA has a satellite office – Metrocert - in Morelia, Michoacan, Mexico. This satellite office is responsible for providing services of the following organic schemes: USDA National Organic Program (NOP), European Union, Japanese Agriculture System, IFOAM, National

Mexican Standards, and Korea. Metrocert also operates a small organic material review program. ICEA is accredited to ISO 17065.

The Mexican office manages approximately 185 NOP certified operations located primarily in the state of Michoacan, Mexico. There are approximately five grower group operations. Metrocert conducts NOP inspection services for their parent company, ICEA. Procedures, policies, and document templates are located on Metrocert's website: www.metrocert.com.

Metrocert staff appears to be knowledgeable regarding the USDA organic regulations and NOP policies. Metrocert staff demonstrated adequate skills to carry out certification activities during the audit.

WITNESS AUDIT:

The onsite audit included a witness audit of an annual inspection by Metrocert staff of an avocado grower in the state of Michoacan.

NOP DETERMINATION:

NOP reviewed ICIA's corrective actions submitted as a result of noncompliances issued from Findings identified during the onsite audit.

Non-compliances Identified during the Current Assessment

Any noncompliance labeled as "**Accepted**," indicates that the corrective actions for the noncompliance are accepted by the NOP and will be verified for implementation and effectiveness during the next onsite audit.

NP5106LCA.NC1 – Accepted - 7 CFR §205.501(a)(6) states, "A private or governmental entity accredited as a certifying agent under this subpart must: (6) Conduct an annual performance evaluation of 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 implement measures to correct any deficiencies in certification services." NOP 2027, Personnel Performance Evaluations, Section 3.2 (b), states "Inspectors should be evaluated during an onsite inspection by a supervisor or peer (another inspector) at least annually. This field evaluation should be conducted at the certifying agent's expense."

2015 Comments: *According to Metrocert personnel, informal inspector field performance evaluations are conducted, but not documented.*

2016 Corrective Action: ICEA developed a "*Performance Evaluation Procedure*" on January 14, 2016. This procedure states the applicable personnel will be evaluated on several criteria including organic expertise and knowledge of the USDA organic regulations. ICEA's quality and certification managers will complete all performance evaluations annually. ICEA performance evaluations for inspectors will consist of a document evaluation and a field evaluation. Inspectors reports will be evaluated on a scale from 0 - 4 (0=unacceptable; 4=excellent). Field evaluations are defined as an evaluation of the inspector performing an

inspection. ICEA's new procedure requires the quality and certification managers to plan all evaluations prior to March 31 of the applicable year.

NP5106LCA.NC 2 – Accepted - 7 CFR §205.662(e)(1) states that “If the certified operation fails to correct the noncompliance, to resolve the issue through rebuttal or mediation, or to file an appeal of the proposed suspension or revocation of certification, the certifying agent...shall send the certified operation a written notification of suspension or revocation.”

Comments: *ICEA issued a revocation notice after suspending an operation.*

2016 Corrective Actions: ICEA developed a “*Procedure for Sanctions*” on January 14, 2016. The procedure correctly defines the progression of sanctions from a notice of noncompliance to a suspension/revocation. Sanctions are individually defined in accordance with USDA organic regulation §205.662.

NP5106LCA.NC 3 – Accepted - 7 CFR §205.403(c)(2-3) states, “The on-site inspection of an operation must verify... (2) That the information, including the organic production or handling system plan...accurately reflects the practices used or to be used...by the certified operation; (3) That prohibited substances have not been and are not being applied to the operation...”

Comments: *The inspector did not completely verify information in the organic systems plan (OSP). Although the OSP indicated a recording keeping system in place, there were no production records and the inspector did not identify this as an issue of concern. The inspector did not identify and verify that all the substances used and present during the onsite inspection matched the list of inputs in the OSP.*

2016 Corrective Actions: ICEA addressed the noncompliance by adding inspection report questions asking for the verification of inputs and a comparison of onsite records and records described in the OSP. ICEA revised their procedures to require inspectors to provide evidence of onsite input material verification with completed inspection reports. ICEA communicated the new inspection requirements to inspectors via email on April 23, 2015.

NP5106LCA.NC4 – Accepted - 7 CFR §205.501(a)(11)(vi) states, “Ensuring that the decision to certify an operation is made by a person different from those who conducted the review of documents and on-site inspection.”

Comments: *When issues of concern are identified by the inspector during the inspection, the inspector completes a “Reporte de no Conformidad” that records noncompliances and the corrective actions from the operation.*

2016 Corrective Actions: ICEA developed a “*Procedure for Sanctions*” on January 14, 2016. This procedure defines the responsibilities of the inspector and ICEA's certification committee. The inspector will identify issues of concern during the onsite inspection and the certification committee will be responsible for determining noncompliances and issuing any applicable notices of noncompliance. ICEA revised the “*Reporte de no Conformidad*” so the inspectors report issues of concerns identified during the onsite inspection on the report now titled “*Concern Report*.” The “*Concern Report*” does not record noncompliances or corrective actions.

NP5106LCA.NC5 – Accepted - 7 CFR §205.662(c) states, “When rebuttal is unsuccessful or correction of the noncompliance is not completed within the prescribed time period, the certifying agent or State organic program's governing State official shall send the certified operation a written notification of proposed suspension or revocation of certification of the entire operation or a portion of the operation, as applicable to the noncompliance... The notification of proposed suspension or revocation of certification shall state: (1) The reasons for the proposed suspension or revocation; (2) The proposed effective date of such suspension or revocation; (3) The impact of a suspension or revocation on future eligibility for certification; and (4) The right to request mediation pursuant to §205.663 or to file an appeal pursuant to §205.681. NOP 2015 ACA training slides regarding adverse actions also reiterated that the only options for a Notice of proposed Suspension are mediation or appeal.

Comments: *ICEA's Notice of Proposed Suspension letter indicates the ability of the operation to submit corrective actions.*

2016 Corrective Actions: ICEA has corrected the “*Notice of Proposed Suspension*” template. The template now only offers mediation or appeal. Additionally, ICEA provided the combined “*Notice of Noncompliance/Proposed Suspension*” template that is also compliant. The new letter templates have been saved to the ICEA database and the old templates have been archived and are no longer used.

NATIONAL ORGANIC PROGRAM REPORT

AUDIT AND REVIEW PROCESS

The Istituto per la Certificazione Etica e Ambientale (ICEA) submitted an application for accreditation renewal to the US Department of Agriculture (USDA), Agricultural Marketing Service, National Organic Program (NOP) on October 19, 2012. The NOP reviewed this application and conducted an on-site assessment from December 19-21, 2013. The NOP also conducted two witness inspections in Guanajuato, Mexico in December, 2013. The NOP issued a Notice of Noncompliance to ICEA on March 14, 2014, and ICEA responded with corrective actions on April 11, 2014. The NOP reviewed these corrective actions on June 27, 2014.

GENERAL INFORMATION

Applicant Name:	Instituto per la Certificazione Etica e Ambientale (ICEA)
Physical Address:	Via Nazario Sauro 2, Bologna, Italy 40121
Mailing Address:	Via Nazario Sauro 2, Bologna, Italy 40121
Contact & Title:	Christina Baia, Export Manager; Paolo Perrone, Food Director
E-mail Address:	nop@icea.info
Phone Number:	39 051 27 29 86
Auditor(s):	Betsy Rakola, NOP Reviewer; Nikki Adams, Lead On-Site Auditor; Miguel Caceres, Witness Inspection Auditor.
Program:	USDA National Organic Program (NOP)
Audit Date(s):	June 27 – July 11, 2014 (corrective action review)
Audit Identifier:	NP3249ADA
Action Required:	None
Audit Type:	Renewal Assessment
Audit Objective:	To evaluate the conformance to the audit criteria; and to verify the implementation and effectiveness of [ACA acronym]'s certification system.
Audit Criteria:	<i>7 CFR Part 205, National Organic Program as amended</i>
Audit Scope:	ICEA's certification services in carrying out the audit criteria during the period: December 2010 – December 2013

GENERAL INFORMATION

ICEA is a for-profit organization that was accredited as a certifying agent on April 13, 2003, to the USDA National Organic Program (NOP) for crops, wild crops, livestock, and handling operations. ICEA is currently certifying operations to the NOP in Italy, Mexico, Turkey, Albania, Bosnia Herzegovina, Ecuador, Sri Lanka, Malaysia, Indonesia, Romania, Ethiopia and Ukraine. The majority of ICEA's clients are in Italy and Mexico. The most current list of ICEA certified operations included a total of 284 clients, which consisted of: 1) crops – 107; 2)

crop/handlers – 67; 3) wild crop – 9; 4) livestock - 0; and 5) handlers – 110. The list also included 3 grower groups.

The main office for administrative and executive decisions is located in Bologna, Italy. ICEA also maintains 17 regional offices throughout Italy, as well as foreign offices in Turkey, Albania and Romania that are staffed by company employees for other certification programs. ICEA has an agreement with local certification agents in Mexico and Ecuador to do NOP inspections. Inspectors used for NOP inspections may also be stationed in the foreign offices. All NOP certification decisions are administered from the headquarters in Bologna, Italy. Satellite offices issue cost estimates, receive certification applicants and annual updates, conduct inspections, send inspect reports to operations, and issue certificates to operations, once the ICEA head office makes the decision and sends the certificates to the regional offices. Training and performance evaluations of all international office staff and contract employees are conducted by ICEA Italy.

Additionally, ICEA is authorized to conduct organic agricultural certification by the Italian Ministry of Agriculture and operates within the following certifications and standards: 1) European Quality Standard ISO 17065 by ACCREDIA for the certification products in accordance to EEC 889/2008; 2) Japan Agricultural Standard (JAS) by the Japanese Ministry of Agriculture, Forestry, and Fisheries (MAFF); 3) Canadian Organic Regime (COR); 4) Global Gap; 5) Global Organic Textile Standards (GOTS); 6) natural organic cosmetics - Cosmetic Regulations (COSMO); and 7) National Organic Program (NOP).

NOP DETERMINATION

NOP’s assessment and accreditation decision of ICEA’s compliance to the USDA organic regulations is based on a sample of its certification system records and activities. This section describes the NOP’s review and determination of the certifying agent’s noncompliance response. If ICEA effectively implements the proposed corrective actions, then they will adequately address the noncompliances identified during the on-site renewal audit. During the next on-site audit, the NOP will verify corrective actions for implementation and effectiveness.

Prior Non-compliance Corrective Actions

The NOP auditor reviewed information during the assessment to verify that the certifying agent effectively implemented the corrective actions from previous assessments. The auditor was able to verify all the items labeled “cleared.”

NP8084OOA.NC1 – Cleared
NP8084OOA.NC2 – Cleared
NP0193AKA.NC1 - Cleared
NP0193AKA.NC2 - Cleared
NP0193AKA.NC3 - Cleared
NP0193AKA.NC4 - Cleared
NP0193AKA.NC5 – Cleared

Non-Compliances – Certifier Response Accepted

The findings below are new noncompliances identified during the 2013 renewal assessment. The NOP has accepted ICEA's response to these noncompliances.

NP3249ADA.NC1 – Accepted. NOP §205.642 states, “Fees charged by a certifying agent must be reasonable, and a certifying agent shall charge applicants for certification and certified production and handling operations only those fees and charges that it has filed with the Administrator. 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 certifying agent may set the nonrefundable portion of certification fees; however, the nonrefundable fees must be explained in the fee schedule submitted to the Administrator. The fee schedule must explain what fee amounts are nonrefundable and at what stage during the certification process fees become nonrefundable.” *A review of the fee schedule and various files/invoices found:*

- 1) *That the fee schedule does not include all fees that may be charged to a client as there are differing fees for Italian clients and clients in other countries. This is due to the fact that ICEA has agreements with other inspection bodies (Mexico, Ecuador, Indonesia, etc.). These agreements set the fees that those inspection bodies charge to a company. It then collects the fees and the agreed portion is sent to ICEA. The agreement includes the annual fees only, but not other fees such as updates.*
- 2) *The clients in foreign countries do not see a detailed invoice showing what fees the foreign office is charging based on the agreement files with ICEA. Additionally, for clients where it is a base price, with no additional costs added, the operation does not get an invoice, but merely signs the fee schedule and it is submitted back to ICEA.*
- 3) *It does not fully explain what fees are nonrefundable and at what point in the process the fees become nonrefundable. Instead it states, ‘The fee for inspection visit carried out must still be paid even if the certification process was interrupted.’ It was found that there are other points at which they are nonrefundable and these are not clarified.*

Corrective Actions:

- 1) ICEA submitted revised fee schedules for Italian clients, Mexican clients, and Ecuadorean clients. The schedules included a complete listing of different expense categories. ICEA stated that it would issue a specific estimate for each Italian and foreign company. The Mexico and Ecuador offices issue fee estimates to operators within those countries, according to the fee schedules set for those offices. They send the fee estimates to operations via email, with a copy to the ICEA head office to show that the fees are charged according to the schedule.
- 2) ICEA submitted a cost estimate sent to an avocado operation in Mexico in April 2014. The estimate specified the cost of certification services, inspection services, and travel.
- 3) The ICEA submitted revised fee schedules for the general fees, as well as fees in Mexico and Ecuador, which explained that a 50% deposit was due with the application, and that the fees were not refundable.

NP3249ADA.NC2 – Accepted. NOP §205.404(c) states, “Once certified, a production or handling operation's organic certification continues in effect until surrendered by the organic operation or suspended or revoked by the certifying agent, the State organic program’s governing State official, or the Administrator.” *A review of various certificates found that they included the following statement, “This document belongs to ICEA and shall be returned on request: it can be suspended or withdrawn by ICEA at any time in case of non-fulfillment is ascertained.”*

Corrective Actions: ICEA submitted a revised certificate template which removed the statement, “it can be suspended or withdrawn by ICEA at any time in case a non-fulfillment is ascertained.”

NP3249ADA.NC3 – Accepted. NOP §205.670(b) & (c) states, “...Samples may include the collection and testing of soil; water, waste; seeds; plant tissue; and plant, animal, and processed products samples. Such tests must be conducted by the applicable State organic program’s governing State official or the certifying agent at the official’s or certifying agent’s own expense. A certifying agent must conduct periodic residue testing of agricultural products... Such tests must be conducted by the certifying agent at the certifying agent's own expense.” *A review of testing conducted, fees charged, and invoices issued found that test fees are being charged to the client.* **Corrective Actions:** ICEA rebutted this finding, stating that it had not charged USDA organic operations for residue testing, but that its invoices did not clearly explain for which regulatory scheme the testing was conducted. As evidence of a correction, ICEA submitted the copy of an invoice for sampling, which clearly stated that the sampling was performed under the European Union certification. ICEA stated that its quality manual indicates that testing performed for the NOP shall not be charged to the operator, but that analyses for other certification schemes may be charged to the operation. ICEA provided a copy of its quality manual as evidence.

NP3249ADA.NC4 – Accepted. NOP §205.402(a)(1) states, “Upon acceptance of an application for certification, a certifying agent must: Review the application to ensure completeness pursuant to §205.401.” *A review of the OSPs found that they do not contain information on how long or how the client’s own records will be maintained per §205.103.* **Corrective Actions:** ICEA submitted revised organic system plan forms for three different scopes, all of which contain an affidavit stating that the operator shall agree to maintain records for at least five years. The revised OSP forms are published on the ICEA website. ICEA also described the new forms in its newsletter and sent the forms to its foreign offices and inspectors via email. ICEA provided copies of the emails and the newsletter as evidence.

NP3249ADA.NC5 – Accepted. NOP §205.402(b)(2) states, “The certifying agent shall within a reasonable time: Provide the applicant with a copy of the on-site inspection report, as approved by the certifying agent, for any on-site inspection performed.” *Files reviewed, interviews conducted, and observations at the witness audits, found that ICEA does not give the client a copy of the final inspection report after review and approval by ICEA. The client is only provided a summary at the conclusion of the inspection.* **Corrective Actions:** ICEA has designated a responsible staff person for sending the inspection report to the operator. ICEA also provided a copy of its revised procedures manual as evidence, which required that the home or regional office send the approved inspection report to operations. ICEA also submitted the copy of an email sent to an operation, which included a copy of the inspection report as an attachment.

NP3249ADA.NC6 – Accepted. NOP §205.405(d)(1) states, “A notice of denial of certification must state the reason(s) for denial and the applicant’s right to: Reapply for certification pursuant to §§205.401 and 205.405(e).” *A review of the denial issued found that it did not contain the right to reapply for certification.* **Corrective Actions:** ICEA submitted a new template for issuing denials of certification, which it added to its database. The template contained a statement on the right to reapply for certification. ICEA also submitted a copy of its revised procedures, which state that the notice of denial must state the applicant’s right to reapply for certification pursuant to §§ 205.401 and 205.405(e).

NP3249ADA.NC7 – Accepted. NOP §205.403(a)(1) states, “...An on-site inspection shall be conducted annually thereafter for each certified operation that produces or handles organic products for the purpose of determining whether to approve the request for certification nor whether the certification of the operation should continue.” *Of the 14 files reviewed, 1 file (crop/handler) did not have all inspections completed and reviewed for all sites prior to the certificate being issued. A review of the previous year’s sites for this location verified that all were performed and reviewed prior to issuing the certificate as required. However, so far in 2013, only the handler operation had been inspected. The crops have been inspected, but ICEA has not yet received the report to review. The certificate was issued based on the inspection of the handler inspection.* **Corrective Actions:** ICEA submitted an updated certificate for the crop/handler operation, indicating that they had issued an updated certificate for crops. ICEA also submitted a snapshot of its database, showing that both a crop and handling report were recorded. ICEA submitted a copy of the 2013 crop inspection report as evidence that they had completed the on-site inspection for all the operation’s sites. ICEA also explained that they now do a monthly check on the inspection plan, which will allow them to identify any problems (such as the reassignment of inspectors) and avoid delays.

NP3249ADA.NC8 – Accepted. NOP §205.403 (c) states, “The on-site inspection of an operation must verify: (1) The operation’s compliance or capability to comply with the Act and the regulations of this part; (2) That the information, including the organic production or handling system plan, provided in accordance with §§205.401, 205.406, and 205.200, accurately reflects the practices used or to be used by the applicant for certification or by the certified operation.” *A review of the inspection reports for wild crop, crop and handling found that they lack specific information for such areas as pest management, compost, seed sourcing, soil fertility, crop rotation and weed management. Instead, the inspector answers very general overall questions and gives a summary, which may not be specific to the area mentioned above. This is not enough information to make an adequate determination of what was reviewed on-site.* **Corrective Actions:** ICEA modified their inspection report forms, adding the following questions:

- 1) Is the organic system plan present and suitable regarding:
 - a. fertility management?
 - b. weed and pest management?
 - c. management of manure/compost?
 - d. propagation material?
- 2) The crop rotation conforms?

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ICEA submitted evidence of a training module which reviewed the findings of the present audit. ICEA also submitted an email showing that they have sent the revised inspection report to all their inspectors and field offices.

Applicant Name:	Istituto per la Certificazione Etica e Ambientale (ICEA)
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Phone Number:	39 051 272986
Auditor(s):	Meg Kuhn, RAM – East Region
Program:	USDA National Organic Program (NOP)
Audit Date(s):	October 1 – December 17, 2010
NOP Audit Identifier:	AIA100110MMK-1
Action Required:	No
Audit Type:	Mid-Term Corrective Action Audit
Audit Objective:	To review and approve corrective actions addressing the non-compliances identified during the Mid-Term Audit, as well as the corrective actions for two outstanding NCs from the Surveillance-Accreditation Renewal Audit.
Audit Criteria:	7 CFR Part 205, National Organic Program; Final Rule, dated December 21, 2001; revised February 17, 2010.
Audit Scope:	ICEA September 29, 2010 and January 12, 2011 response letters to the Mid Term Audit non-compliance report (ARC Audit Identifier: NP0193AKA)
Location(s) Audited:	Desk

AUDIT INFORMATION

1 of 3 NCs was cleared during the Mid-Term Audit, conducted on July 12-16, 2010, from the previous Surveillance-Accreditation Audit. Two non-compliances remain outstanding from the Surveillance-Accreditation Audit, NP8022DDANC.1 and 3. Five additional NC findings were identified during the Mid-Term Audit. Corrective Actions for these NCs were requested on August 24, 2010. Corrective Actions were received by the NOP on September 29, 2010; additional corrective actions were submitted January 12, 2011. Corrective actions submitted adequately address all non-compliances issued.

NP8084OOA.NC1 – Adequately Addressed – NOP §205.201 states, “The producer or handler of a production or handling operation, except as exempt or excluded under §205.101,... must develop an organic production or handling system plan that is agreed to by the producer or handler and an accredited certifying agent. An organic system plan must meet the requirements set forth in this section for organic production or handling. An organic production or handling system plan must include: (1) A description of practices and procedures to be performed and maintained, including the frequency with which they will be performed; (2) A list of each substance to be used as a production or handling input, indicating its composition, source, location(s) where it will be used, and documentation of commercial availability, as applicable; (3) A description of the monitoring practices and procedures to be performed and maintained, including the frequency with which they

will be performed, to verify that the plan is effectively implemented; (4) A description of the recordkeeping system implemented to comply with the requirements established in §205.103; (5) A description of the management practices and physical barriers established to prevent commingling of organic and nonorganic products on a split operation and to prevent contact of organic production and handling operations and products with prohibited substances; and (6) Additional information deemed necessary by the certifying agent to evaluate compliance with the regulations.” *Of the eleven (11) client files reviewed during the audit process, eight (8) of the files did not cover all the requirements of the NOP final Rule. Also none of the Handling organic system plans includes pest control measures in accordance to § 205.271, Facility Pest Management Practice Standard.*

Corrective Action: ICEA has revised their handling plan to include pest management. EU system plans will be included with future submissions to ensure that all information for NOP certification is available for review. Transition to this document for all of their certified operations will be by December 31, 2009. **Verification of Corrective Action:** The organic system plan for handling/processing has been updated to include pest management. The EU system plans have been added to all files and were available for review. However, the information included on the Organic System Plans is not adequate to meet the requirements of the NOP rule. Of the ten (10) files reviewed in the audit process, five (5) did not contain land and/or facility maps; four (4) did not contain adequate information on inputs including source, composition and usage; two (2) operations using manure and/or compost had no information on source, application frequency, application area, time of application (in relation to harvesting) and time/temperature procedures for composting; and one (1) did not contain documentation on non-organic seed which was being used by the operator. In summary, seven (7) of the ten (10) files reviewed were deficient and were not adequate to meet the requirements of the NOP rule. One of the files reviewed (crop/handler) had no inputs indicated on the Organic System Plan, but was found at the witness inspection to be using 18 different inputs including soil amendments and compounds for pest and disease control. Another of the files reviewed was the same which was reviewed in the July 2008 audit in which the lack of information for inputs and manure/compost was identified. The Organic System Plan document was revised since that time, but the information on inputs and manure/compost has not been added to date. It should be noted that the previous Organic System Plan document had much more detailed questions and tables for identifying seeds and inputs, whereas the revised document relies more on the field inspector with most questions being in the yes/no format. None of the inputs observed or reviewed during the audit were prohibited for use by the NOP. **Corrective Action:** ICEA has revised its OSP to require more complete and comprehensive information about compost, manure, seed and planting stock, as well as crop management and inputs for operations. Land and facility maps for operations are noted to be on file for each location in the main ICEA office. Updates to the OSPs were implemented on October 30, 2010, with a corresponding training conducted for all ICEA staff. Documents updated were submitted with the corrective action response. Verification of this response is to be verified at the next on-site audit; however, if effectively implemented, then ICEA’s plan should document compliance with the NOP accreditation requirements.

NP8084OOA.NC2 – Adequately Addressed – NOP §205.402(a) states, “Upon acceptance of an application for certification, a certifying agent must: (1) Review the application to ensure completeness pursuant to §205.401; and (2) Determine by a review of the application materials whether the applicant appears to comply or may be able to comply with the applicable requirements of subpart C of this part.” *Of the eleven (11) client files reviewed during the audit process, eight (8) of the files did not cover all the requirements of the NOP final Rule. During the initial review of the applications, additional information was not requested to obtain the missing information.* **Corrective Action:** The document checklist has been revised to include all of the NOP requirements. Transition

to this document for all of their certified operations will be by December 31, 2009. **Verification of Corrective Action:** The document checklist was revised to include the required information under the scope of handling/processing only. The remaining scopes, therefore, are still deficient as to the requirements of the NOP rule. Of the ten (10) files reviewed during the audit process, seven (7) did not contain adequate information as required by the NOP rule for inputs, seeds and manure/compost. With the exception of clients classified as handler/processors only, the organic system plans do not have adequate information for the certifying agent to make an informed decision as to the ability of the operator to comply with the NOP rule. **Corrective Action:** The checklist for livestock, crop, and wild crop operators was updated to include all requirements, including those for inputs, seeds, and manure/compost. Documents updated were included with the corrective action responses. Verification of these documents in use is to be verified at the next on-site audit; however, if effectively implemented, then ICEA's plan should document compliance to the NOP accreditation requirements.

NP0193AKA.NC1 – Adequately Addressed: NOP §205.403(c) states, “The on-site inspection of an operation must verify: (1) the operation’s compliance or capability to comply with the Act and the regulations in this part; (2) That the information, including the organic production or handling system plan... accurately reflects the practices used or to be used by the applicant for certification or by the certified operation; (3) That prohibited substances have not been and are not being applied to the operation through means which...” NOP §205.403(d) states, “...The inspector must also address the need for any additional information as well as any issues of concern.” *The inspector that conducted the initial inspection (May 28, 2008) and the annual inspection (May 18, 2009) of the witness crop and handling operation did not document any information or identify any issues of concern regarding the use of crop inputs. The 2008 and 2009 inspection reports did not identify that the operation was using any crop inputs or that the inputs being used were not in the organic system plan; although, it was clear from the July 2010 witness audit inspection that the operation had always been using multiple crop inputs. The same inspector conducted the 2008 and 2009 inspections and a different inspector conducted the 2010 inspection (see below).* **Corrective Action:** the inspection report has been updated to require inspectors to provide a list of inputs used within the crop management plan, as well as an update to the crop management plan for operators, requiring them to list all inputs used. Training has been scheduled for all NOP inspectors, and a planned audit to the witness audit referenced in the NC to ensure compliance has been met. Documents updated have been submitted with the corrective action response. Verification of this response is to be verified at the next on-site audit; however, if effectively implemented, then ICEA's plan should document compliance to NOP accreditation requirements.

NP0193AKA.NC2 – Adequately Addressed: NOP §205.403(c) states, “The on-site inspection of an operation must verify: (1) the operation’s compliance or capability to comply with the Act and the regulations in this part; (2) That the information, including the organic production or handling system plan... accurately reflects the practices used or to be used by the applicant for certification or by the certified operation; (3) That prohibited substances have not been and are not being applied to the operation through means which...” *The inspector conducting the crop and handling inspection, observed as a witness audit, did not have a copy of the NOP Rule in electronic or hardcopy. The inspector had documented qualifications and training and appeared knowledgeable of the NOP; however, the inspector did not have the NOP Rule available for reference in determining compliance to the NOP. The inspector did identify appropriate issues of concern for the certified operator not having the crop inputs in their organic system plan and for adding a new wine grape field without notifying ICEA.* **Corrective Action:** The specific inspector has been notified by ICEA of the required

documents to maintain during on-site inspections, including the NOP Rule. Training has been scheduled for all NOP inspectors to address this topic.

NP0193AKA.NC3 – Adequately Addressed: NOP §205.404(b)(3) states, “The certifying agent must issue a certificate of organic production which specifies the: Categories of organic operation, including crops, wild crops, livestock, or processed products by the certified operation.” *The certificate of organic production lists the products certified, but does not specifically indicate the scope(s) of the operation (crop, wild crop, livestock, and processed products). The list of products is not sufficient due to the fact that a multi-scope operation such as livestock, crop and handling may only list the products “forage, milk, cheese” and it is not clear that all three scopes are being certified.* **Corrective Action Response:** ICEA has revised their certificate template and the types of operation certified (crop, wild crop, processing, or livestock production) has been adequately identified.

NP0193AKA.NC4 – Adequately Addressed: NOP §205.662(a) states, “When an inspection, review, or investigation of a certified operation by a certifying agent...reveals any noncompliance with the Act or regulations in this part, a written notification of noncompliance shall be sent to the certified operation. Such notification shall provide: (1) A description of each noncompliance; (2) The facts upon which the notification of noncompliance is based...” *The notifications reviewed (3) did not provide a detailed description of the noncompliance (e.g. “The attached label does not comply with the NOP.”). Additionally, the applicable clause of the NOP rule is not cited in the notification as the fact on which the noncompliance is based.* **Corrective Action:** The Notice of Non-compliance form has been updated, requiring a description of the non-compliance found as well as a description of the objective evidence to support the finding. Verification this new form is in use will be verified at the next on-site audit; however, if effectively implemented, ICEA’s plan should document compliance to the NOP accreditation requirements.

NP0193AKA.NC5 – Adequately Addressed: NOP §205.662(c)(4) states, “The notification of proposed suspension or revocation of certification shall state...The right to request mediation pursuant to §205.663 or to file an appeal pursuant to §205.681.” *The right to request mediation is not included in either the notification of proposed suspension or the notification of proposed revocation. The right to file an appeal to the NOP is included on the notification of proposed revocation, but not on the notification of proposed suspension.* **Corrective Action Response (NOP Review):** ICEA provided copies of the notices for all adverse actions in their response. The response provided adequately addresses this non-compliance.

- The notices of proposed suspension, proposed revocation, and also the combined notice of non-compliance and proposed suspension forms **are compliant**, as it notifies the operation of its right to appeal or request mediation.
- The notice of suspension **is compliant**.
- The notice of and revocation **is compliant**.