The Clampdown on Cattle Identification Fraud has Provided Protection for the Rural Economy

Trading Standards East Midlands (TSEM) was established in 1996 and is a local authority partnership of eight trading standards services¹. Trading standards services in the region protect the interests of up to 4.3 million consumers² and there are over 260,000 businesses in the region³. A number of counties within the region are rural with agriculture being a significant industry within them. There are more than 13,350 livestock premises within the region along with seven regular weekly or twice weekly livestock markets. In addition to these there are 81 individual markets, sales or shows throughout the year. There are resource difficulties for local authorities due to the sheer number of premises, markets, livestock and related industries i.e. abattoirs, the regular movement of livestock across borders which complicates regulatory issues and the number of regulations they have to enforce concerning animal disease and disease control, animal identification, transportation, welfare, animal feedstuffs and by products.

It is against this backdrop that the need for a regionally coordinated approach was identified to tackle the issue of cattle identification.

Regional intelligence highlights problems with cattle identification

A review was undertaken by the TSEM Regional Intelligence Officer (RIO) of the main trading standards issues and problems, within the TSEM region towards the end of 2006. This review established that a number of TSEM member authorities, particularly the shire counties, had come across problems with cattle identification. These problems included animals arriving at abattoirs with only one identification tag⁴ rather than the two required and animals having the wrong passports⁵. As this was a problem across the region, a project which jointly tackled the issue region-wide was considered an efficient and effective means of addressing the issue, using intelligence-led enforcement. The review resulted in cattle identification being included as one of the priorities in the TSEM Regional Threat Assessment for 2007/2008⁶.

¹ Derby City Council, Derbyshire County Council, Leicester City Council, Leicestershire County Council, Lincolnshire County Council, Northamptonshire County Council, Nottingham City Council and Nottinghamshire County Council.
² Total population of 4.3 million in 2004 (Office for National Statistics 2005)
³ East Midlands Regional Economic Strategy “A flourishing region” Executive Summary
⁴ Cattle born after 1 January 1998 must have a Defra approved ear tag in each ear (double tagging). The tag in each ear must have the same unique number. Such animals will be identified throughout their lifetime by this unique number.
⁵ All cattle born in or imported into Great Britain since 1 July 1996 must have a valid cattle passport. This applies whether the cattle are male, female, dairy or beef. Passports must accompany the animal in all movements.
⁶ Trading Standards East Midlands Strategic Threat Assessment 2007/2008 (Restricted)
The issue of cattle identification is important in order to respond effectively should disease outbreaks occur. Avian Influenza and Foot and Mouth for example have potentially serious consequences for public health and affecting both local and national economies as a result of their impact on trade and tourism. The impacts of animal disease outbreaks can devastate communities, the economy (both local and national), and have potential to severely impact human health.

In terms of impact, a report on foot and mouth disease stated that “...in many areas affected, the social structure and sense of community were severely damaged.” Animal health can affect the agricultural economy, and other sectors such as food production and tourism. Consumer confidence in the safety of food can be damaged, impacting severely on the market. BSE resulted in a ban of beef exports for over 10 years (costing £600 million a year), the disposal of 8.5 million cattle aged over 30 months (costing £3.9 billion) and damage to local communities, social networks, markets and economies. The Foot and Mouth Disease outbreak in 2001 cost £8 billion to society. In recognition of these risks, statutory powers exist to control and eradicate these diseases.

There is a cost to legitimate farmers in terms of incorrectly identified animals being sold and entering the food chain. Any bovine animal whose identity cannot be verified through the statutory cattle passport and numerical identification numbers (ear tags) is therefore untraceable and cannot enter the human food chain. Once at the abattoir these checks are made by the Meat Hygiene Service. The farmer, having originally purchased the animal, fattened it, transported it and possibly incurred veterinary costs would expect it to have a value of £600 - £700. Without traceability the animal is worthless, can be rejected at the abattoir with no payment and will require disposal as an animal by-product.

Any animal checked on farm and found not to comply with the statutory requirements regarding identification and traceability has to be slaughtered at the farm and disposed of at the farmer’s expense (about £100). In some circumstances the farmer may be able to keep the animal for breeding purposes. In order to do this he must apply for a document from British Cattle Movement Service (BCMS). On conclusion of the animal's breeding life it still cannot enter the human food chain on this document.

Hence an unscrupulous person who has or acquires an untraceable animal may seek to obtain an identity for it. This could be done by ‘cloning’ the identity of a dead animal. To do this he/she could purchase the passport of a dead animal on the black market or use the identity of an animal of his own having retained its passport after death of the animal instead of complying with the statutory requirement to inform the British Cattle Movement Service of its death.

Local authorities have a major role in the enforcement of these controls in reducing the risk of animal disease outbreaks and responding effectively when they occur. Accurate cattle identification is a vital element in ensuring the health, welfare and safety of animals and humans in the event of a disease outbreak, whilst ensuring that it contributes towards a stable economy and consumer trust.

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7 Foot and Mouth Disease: Lessons to be Learned Inquiry Report, HC888, TSO, London
10 The Cattle Identification Regulations 2007 Part 4 (S.10)
The importance of this work carried out by local authority animal health and welfare services has of late been recognised nationally in the recent reviews of Sir Phillip Hampton\textsuperscript{11}, Peter Rogers\textsuperscript{12} and David Eves CB\textsuperscript{13}. The Rogers Review in particular included animal health, movements and identification as one of the six priority enforcement areas for the work of local authority regulatory services nationally.

"Protecting animal health is of national importance, but applies mainly to rural areas and border inspection points. Whilst this responsibility still lies with local government, this Review recommends an additional time-limited enforcement priority of: Animal and public health, animal movements and identification\textsuperscript{14}.

To tackle the common problem identified in the East Midlands, a project was initiated, with the key objectives to:

- ensure only correctly identified and fully traceable animals enter the human food chain;
- take advantage of regionally collated intelligence, protect human health and pursue through the courts those who deliberately evade the regulations for financial gain;
- improve liaison with other enforcement agencies by consulting with them at planning stage and setting up lines of communication to ensure that they are involved at each stage of the operation; and
- enhance cross boundary working with authorities in the East Midlands region.

**Task force steps up to stamp out the problem**

To meet the key objectives outlined above, a Cattle Task Group was set up with representatives from each local authority in the East Midlands meeting on a monthly basis. The Group assessed intelligence and agreed activities to address.

A key purpose of the Group was to identify all key agencies and businesses to produce a comprehensive source register. All matters regarding cattle identification issues were entered onto a Memex, the regional intelligence database used by TSEM. Using information from the regional intelligence database flow charts were drawn up to identify all the potential cattle identification fraudulent activities.

A number of liaison meetings with the other agencies i.e. DEFRA Investigation Services, Rural Payments Agency, Cattle Movement Service and the Meat Hygiene Service took place to share intelligence. Based upon analysis of intelligence by Regional Intelligence Manager and partner agencies priorities, two key farming sites were identified as potential targets. These would not have been identified without the Task Group. Additional monitoring and further targeted intelligence gathering was undertaken by all agencies on the identified farming sites, including analysis of historical data, analysis of TB testing charts and monitoring of trade activity at regions livestock markets.

\textsuperscript{11} HM Treasury: Hampton report on Reducing administrative burdens: effective inspection and enforcement 2005
\textsuperscript{12} Cabinet Office- National Enforcement Priorities for local authority regulatory services March 2007
\textsuperscript{13} Animal Health and Welfare Delivery Landscape in England 2008
\textsuperscript{14} Rogers (2007)
It was identified that multi-agency inspections were needed to assess the true situation on the farms targeted. It would also be critical for the inspections to be unannounced, using equipment and personnel capable of carrying out a full herd inspection if no cooperation was obtained from the farmers. The inspections were planned with high level of confidentiality to ensure no potential leaks to the farming community. As a result simultaneous unannounced inspections (Operation Zebra) were carried out on two separate premises. It was agreed through the multi-agency approach that trading standards officers and Rural Payments Agency (RPA) would lead at one premise for cattle identification matters and DEFRA Investigation Services would lead at the other for matters under their remit.

Operation Zebra

The principle target identified by the intelligence was visited first and a full whole herd inspection was carried out over four days without the cooperation of the farmer. This necessitated animal handling contractors and mobile crush handling facilities being used to enable inspection of all the cattle at six different locations. All passports on the farm were also seized. Further premises known to be linked to the farmer were also visited at the same time, including a Rural Payments Agency (RPA) whole herd inspection on one further farm. Numerous cattle identification offences were identified on the inspection. The RPA imposed whole herd movement restrictions on the holding and served the farmer with a notice to identify certain animals.

The inspection established serious identification issues and discrepancies with the majority of this target’s registered herd of nearly 400 animals. Following an investigation for offences under the Cattle Identification Regulations 2007\(^\text{15}\), the defendant pleaded guilty and was fined £14000 and ordered to pay £6000 in costs.

At the second target premise inspected a number of issues were identified with the cattle passports found there. All passports were seized for further examination. No cattle were examined at this premise. Further analysis of the passports seized identified some offences; these passports were detained whilst all others returned.

Further to an investigation under the Cattle Identification Regulations 2007, this defendant pleaded guilty and was fined £3000 and ordered to pay £1400 in costs.

At the second premise, DEFRA seized significant quantities of illegally imported veterinary medicines which appear to have been supplied throughout the region. Illegally imported medicines pose a number of risks, firstly they may not even be approved for use in the UK, they may not have even been tested for approval anywhere, and they may be at different strengths to what is available on the UK market. Clearly if any of these facts are present then there is a risk of meat entering the food chain with unacceptable veterinary residues present. It is likely that illegaly acquired drugs won't be recorded in the medicines records that farmers are required to keep on farm of the drugs they have purchased – so potentially no records will be kept of the drugs that are actually being administered – and animals could be entered into the food chain before the required withdrawal periods for the medicines they have been administered. There is also detrimental economic effect on local veterinary practices that will have been deprived of these sales of legally sourced medicines.

In the case of Operation Zebra, DEFRA decided that the seizure and removal of illegal medicines was the most effective course of action.

\(^{15}\text{http://www.statutelaw.gov.uk/SearchResults.aspx?TYPE=QS&Title=cattle+identification&Year=2007&Number=&LegType=All+Legislation}\)
In addition to enforcement, ‘prevention’ was a major element of the project. This included raising awareness and knowledge of the legal requirements relating to cattle identification within the livestock industry. Ten information posters were produced and displayed alongside the distribution of 1000 leaflets at markets, shows and other appropriate venues across the region. The prevention work and prosecutions have been publicised and are believed to have had an impact in reducing the overall level of cattle identification fraud within the region.

**Joint working led to closer partnership links**

Following on from the initial exercise closer working relationships have been established with other agencies (DEFRA, Rural Payments Agency, British Cattle Movement Service and the Meat Hygiene Service). Initial feedback from the Meat Hygiene Service, albeit anecdotal, has indicated a reduction in the problems with cattle identification. Although there were no actual figures collected previously to provide direct comparisons, a Veterinary Manager from the MHS who covers a substantial part of the East Midlands, commented:

“In relation to the cattle identification/ tagging issues I can confirm that, compared to one, two or more years ago, we have seen a reduction in the number of cattle presented for slaughter with ID issues”.

Furthermore the project has led to enhanced cross boundary working across the authorities across the East Midlands region.
Lessons learnt

The initial problems encountered were due to a large extent to each agency having a limited knowledge and understanding of the responsibilities and duties of its partner agencies. In addition there was a need to establish contacts and processes for the exchange of intelligence and information. Furthermore, each agency invariably maintained its own database and systems for the recording and reporting of information.

These problems were largely overcome through improved communication and liaison between agencies and in particular individual officers making appropriate contacts within those agencies. Agencies maintaining different information systems and non-compatible databases remain a problem but it was possible in most cases to obtain intelligence and information and cross-reference it manually.

The reluctance to appropriately invoke EC Regulation 494/98 to protect the food chain remains an issue.

Economy savings for local authorities through a regional coordinated approach

The main resource commitment from all participating TSEM authorities was officer time with support from DEFRA on the costs of the on farm inspections and enforcement activity. This included the cost of hiring a cattle crush and a small team of specialist cattle handlers.

Cattle fraud is likely to always be a problem to a degree but through a regional coordinated approach with multi-agency partners, the project was able to effectively and efficiently target and deal with unscrupulous activity in the region, therefore benefitting consumers in the food chain, the honest farmers in the agricultural communities and improving partnership working.

The future

Trading standards work in this area is important in protecting the agricultural community and ensuring that it continues to prosper in this difficult economic climate.

The main offenders within the region have been investigated and prosecuted. Consequently the Cattle Task Group has now been finished. However intelligence data is being continually monitored with a view to more coordinated enforcement exercises should further unscrupulous activity be identified.