



## **REPORT TO CONGRESS**

### **EFFORTS TO PREVENT IMPORTATION OF SEAFOOD HARVESTED THROUGH ILLEGAL, UNREPORTED, AND UNREGULATED FISHING AND ADDRESS IMPORTED SEAFOOD FRAUD**

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*Developed pursuant to: Joint Explanatory Statement accompanying the Consolidated Appropriations Act, 2021 (Public Law 116-260)*

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THE JOINT EXPLANATORY STATEMENT ACCOMPANYING THE CONSOLIDATED  
APPROPRIATIONS ACT, 2021 (PUBLIC LAW 116-260) INCLUDED THE  
FOLLOWING LANGUAGE

*Report on Illegal, Unreported, and Unregulated (IUU) Fishing.—In lieu of House language requesting a report on IUU enforcement and seafood traceability, NMFS is directed to provide a report, within 90 days of enactment of this Act, that summarizes ongoing efforts to prevent the importation of seafood harvested through IUU fishing and address imported seafood fraud. The report should include the following: (1) the volume and value of seafood species subject to the Seafood Import Monitoring Program (SIMP) imported during fiscal year 2020; (2) the enforcement activities carried out under SIMP; (3) the percentage of import shipments subject to SIMP selected for inspection or audit; (4) the number of instances of noncompliance with the SIMP requirements; (5) the seafood species in which such noncompliance were found to be the most prevalent; and (6) such other information that NMFS considers appropriate with respect to SIMP monitoring and enforcing compliance.*

THIS REPORT RESPONDS TO THE APPROPRIATIONS COMMITTEES' REQUEST.

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## I. EXECUTIVE SUMMARY

The United States is a global leader in the effort to ensure the sustainability of marine species worldwide. As a primary importer and consumer of seafood, it is pivotal that we work to prevent illegal, unreported, and unregulated (IUU) fishing and the import of IUU fish and fish products. The National Oceanic and Atmospheric Administration National Marine Fisheries Service's (NMFS) Seafood Import Monitoring Program (SIMP) is a traceability program designed to deter the import of IUU fish and fish products and to combat seafood fraud through two primary means: 1) import requirements; and 2) subsequent screening and assessment of shipments that contain product covered by SIMP. In screening the information and data associated with the product and its supply chain, some shipments will be rejected for import authorization and others may be held for inspection or seizure when the required documentation is missing, inadequate, or determined to be potentially fraudulent.

SIMP includes imported fish and fish products from 13 species that have been identified as particularly vulnerable to IUU fishing, seafood fraud, or both (listed below). These 13 species and species groups comprise over 1,100 unique species harvested through hundreds of wild capture and aquaculture sources globally and account for over \$10 billion in imports in Fiscal Year (FY) 2020. NMFS uses the International Trade Data System, the U.S. Government's single data portal for all import and export reporting, to trace these species back to the point of harvest or production and verify whether they were lawfully harvested or produced.

Species and species groups included in SIMP are:

- Abalone;
- Atlantic cod;
- Blue crab (Atlantic);
- Dolphinfin (Mahi Mahi);
- Grouper;
- King crab (red);
- Pacific cod;
- Red snapper;
- Sea cucumber;
- Sharks;
- Shrimp;
- Swordfish; and
- Tuna (Albacore, Bigeye, Skipjack, Yellowfin, Bluefin).

This report responds to the Joint Explanatory Statement accompanying the Consolidated Appropriations Act, 2021, which directs NMFS to provide Congress with a report summarizing the ongoing efforts to prevent the import of fisheries products harvested through IUU fishing practices. The report provides information responsive to the six requested areas: 1) the volume and value of seafood species subject to SIMP imported during FY 2020; 2) the enforcement activities carried out under SIMP; 3) the percentage of import shipments subject to SIMP selected for inspection or audit; 4) the number of instances of noncompliance with the SIMP requirements; 5) the seafood species in which such noncompliance were found to be the most prevalent; and 6) such other information that NMFS considers appropriate with respect to SIMP monitoring and enforcing compliance.

## **II. SIMP EFFORTS TO PREVENT IMPORT OF SEAFOOD HARVESTED THROUGH IUU FISHING**

NMFS, through the Office of International Affairs and Seafood Inspection in collaboration with the Office of Law Enforcement (OLE), works to deter the import of fish and fish products harvested through IUU fishing. This section provides information that NMFS considers appropriate with respect to SIMP monitoring and enforcing compliance.

NMFS focuses on ensuring that required import data reporting is managed in compliance with SIMP regulations. We also conduct audits of import filings to verify and validate supply chain data, ensuring product harvesting, processing, and shipping happens within the scope of legal harvest and production and legitimate trade.

NMFS utilizes product and species codes to identify marine fisheries species being imported into the United States and to identify shipments that contain SIMP species. If the shipment contains any of the 13 species regulated under SIMP, the filer must provide the required details for the harvest of the species. The data is submitted by, or on behalf of, the importer requesting authorization to import through U.S. Customs and Border Protection (CBP) and is checked through the CBP Automated Commercial Environment (or ACE) before it can be imported. NMFS works with importers and brokers to answer general and technical questions pertaining to their import, permit, and overall requirements to ensure compliance with SIMP requirements.

After import to the United States, NMFS may request documentation from the importer for audit. Documentation showing each transaction or processing stage from the point of harvest to the import of the product must be made available upon a NMFS request for audit. NMFS conducts audits based on a weekly random selection of imports. Audits may also be conducted based on a directed approach related to considerations including the source, importer, and species. Noncompliant audit results may be resolved through measures ranging from education and advice for the importer to referrals to OLE for inspection or investigative follow-up. A finding or audit result of noncompliance means that the importer did not fully meet the requirements of SIMP. Deficiencies may fall within a very broad range from a minor issue, such as the omission of a single required data point, to a serious matter such as the refusal to respond to an audit request.

OLE collaborates with CBP, U.S. Immigration and Customs Enforcement, the U.S. Department of Agriculture, the U.S. Food and Drug Administration, and the U.S. Fish and Wildlife Service, as well as various state law enforcement agencies, to inspect shipments containing seafood imports subject to SIMP regulations at border crossings, marine ports, and airports.

Additionally, NMFS inspects information required to be maintained by the Importer of Record documenting chain-of-custody and tracing the seafood from point of entry into the United States back to harvest, including:

- Identity of the harvest vessel and authorizations to fish.
- Location of initial landing of the catch and quantity and species.
- Identity of those in possession of the product from time of landing until entrance into U.S. commerce, including transshipment information.

- Processing or other details relevant to transformation of product between landing and import.
- Shipment details from landing in the United States.

Documents suspected of fraud or alteration are sent back for verification by the issuing authority.

### III. VOLUME AND VALUE OF SEAFOOD SPECIES SUBJECT TO SIMP IMPORTED IN FY 2020

The volume and value of seafood species subject to SIMP imported during FY 2020 totaled 1,330,222,508 kg at a combined value of \$10,354,659,786. The following table reflects the volume and value of each SIMP-covered species imported during FY 2020.

**Table 1: Volume and Value of Species Subject to SIMP, FY 2020<sup>1</sup>**

SPECIES IMPORTED	Quantity in kg	Value in USD
Abalone	619,080	28,828,412
Atlantic Blue Crab	3,212,325	52,845,522
Atlantic Cod	7,331,650	94,490,321
Dolphinfish	21,030,394	174,483,593
General Cod	68,499,849	490,438,017
General Crab	6,260,328	62,756,803
Grouper	5,740,865	46,857,339
Red King Crab	8,636,336	369,037,294
Sea Cucumber	969,511	27,785,555
Sharks	81,048	351,986
Shrimp	749,691,249	6,424,100,211
Swordfish	8,632,208	67,692,575
Tunas	416,013,563	2,307,546,760
General Inverts and Mollusks (shrimp or abalone)*	2,714,067	14,630,473
NPSF Fish Fillets*	5,365,695	62,499,461
Northern Red Snapper*	25,424,340	159,143,876
<b>TOTAL</b>	<b>1,330,222,508</b>	<b>\$10,354,659,786</b>
* The last three categories of reported weights and values above (for General inverts and mollusks, NPSF Fish Fillets, and Northern Red Snapper) are for product codes that are general in terms of the type of products that they cover. They may therefore include both SIMP and non-SIMP species. The vetting of these products for SIMP reporting compliance is done through both the import filing process and through audits; however, they are not readily separable in the overall calculations and reporting for total import weights and values.		

<sup>1</sup> Data from NMFS International Trade Data System

#### **IV. ENFORCEMENT ACTIVITIES CARRIED OUT UNDER SIMP**

Enforcement activities carried out by OLE under SIMP involve conducting inspections and follow-up investigations. In FY 2020, OLE initiated 242 SIMP-related cases. Twenty-three cases resulted in the issuance of civil penalties. NMFS referred five cases to external agencies with jurisdiction over the identified violation – CBP, New York State Department of Environmental Conservation, U.S. Fish and Wildlife Service, Florida Fish and Wildlife Conservation Commission, and U.S. Department of Agriculture Food Safety and Inspection Service. Upon further review, the remaining cases were found to be in compliance.

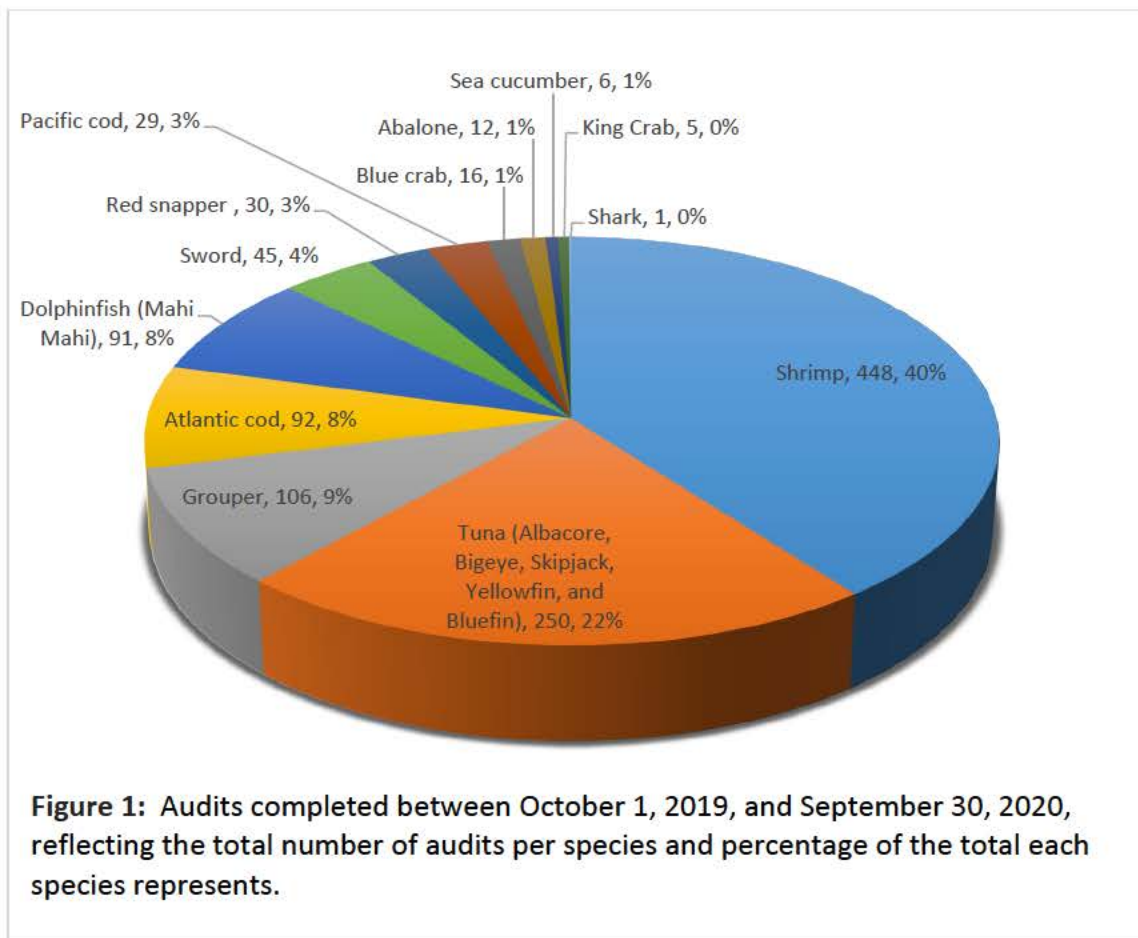
#### **V. PERCENTAGE OF IMPORT SHIPMENTS SUBJECT TO SIMP SELECTED FOR INSPECTION OR AUDIT**

NMFS utilizes a random audit process to select entry filings for audit. The total number of SIMP entry filings in FY 2020 was 135,911. The SIMP audit team, consisting of six full-time auditors, completed 1,131 audits in FY 2020. Audits are conducted on the basis of single customs entry filings. Some audits are extremely complex, while others may be quite simple. Larger entry filings such as those for canned tuna or shrimp may contain dozens of separate harvest events, vessels or aquaculture sites and supply chain data. These audits involve extensive and sometimes detailed documentation for review. The supply chain, documentation, and forms for the various SIMP species vary greatly. Audits often involve ongoing communications with the importer to acquire and assess the appropriate and necessary documentation. Approximately one percent of all SIMP imports in FY 2020 were audited or inspected.

*Percentage of audits by species: FY 2020*

The chart below reflects the audits completed between October 1, 2019, and September 30, 2020, for a total of 1,131 audits. The chart shows the actual number of audits completed for each species, along with the percentage of total audits that species represents. For example, 250 audits were completed for tuna, which represents 22 percent of the 1,131 SIMP audits completed.



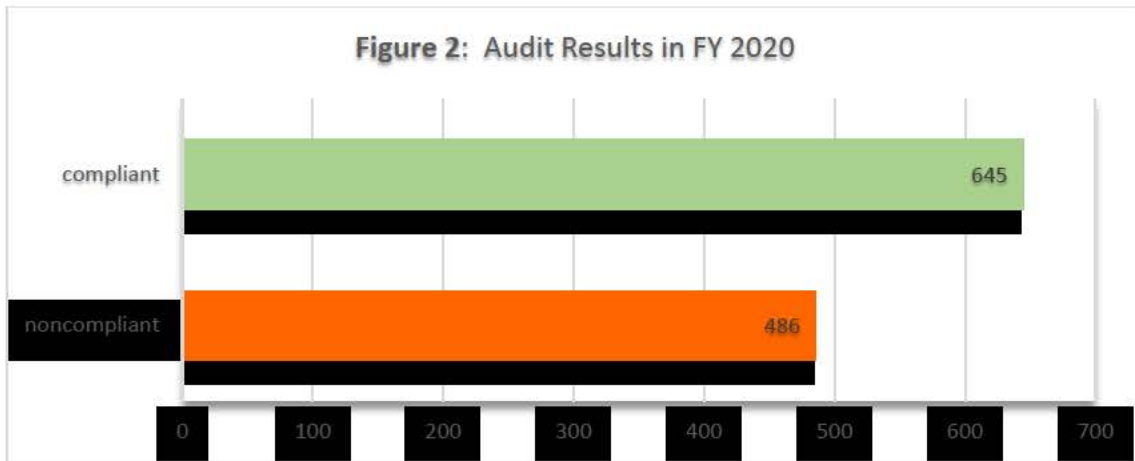


## VI. THE NUMBER OF INSTANCES OF NONCOMPLIANCE WITH SIMP REGULATIONS

The following chart and data reflect the noncompliance results of the audits conducted. The scope of errors, omissions, or concerns that may result in a finding of noncompliance represents a wide array of circumstances. Audit findings may range from the simple misspelling of information or a typographical error that could be corrected and resolved, to the identification of egregious cases involving fraudulent documents or information. The actions taken as a result of the findings are structured to match and accommodate the nature of the deficiency identified. Therefore, results may range from immediate corrections, to allowing a filer the time to obtain and provide documentation, to an immediate referral to OLE. The vast majority of findings have dictated the use of an educational or corrective approach through collaboration with the importers to resolve the current and potential future deficiencies of the audit.

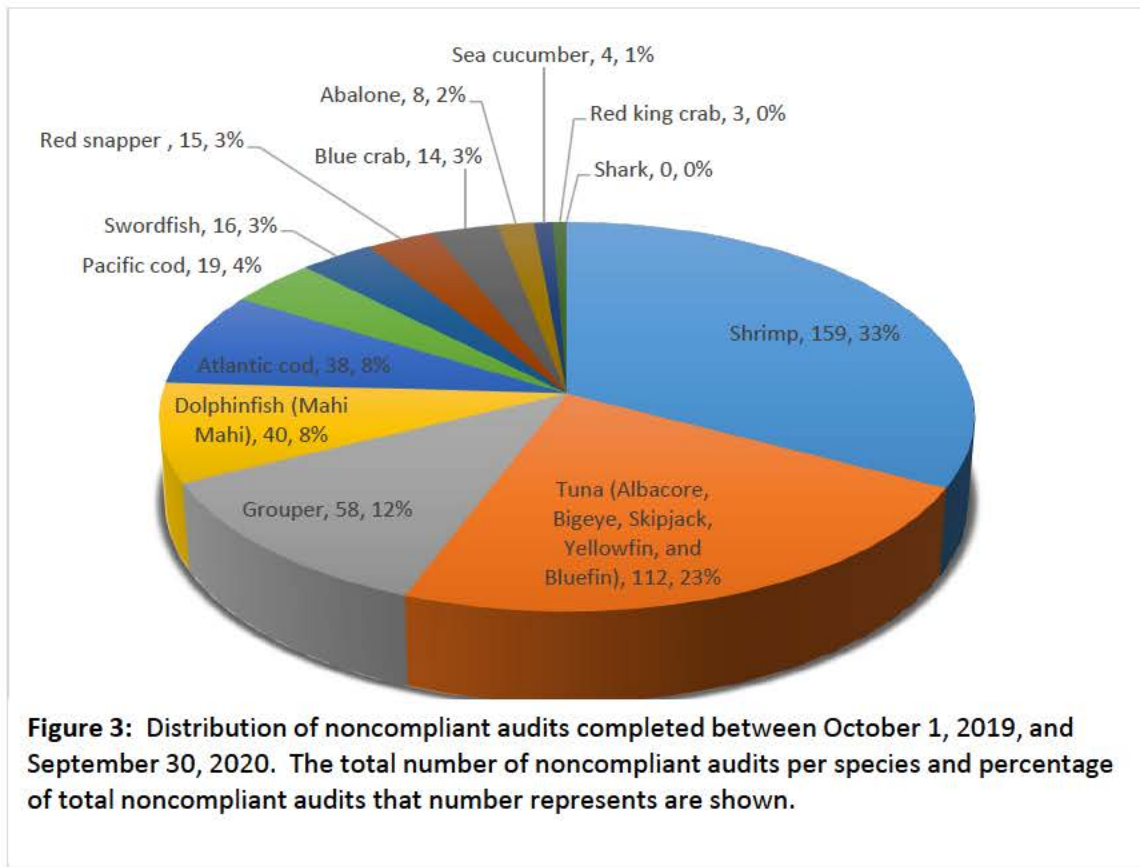
*Audit results: FY 2020*

Figure 2 reflects the audits completed between October 1, 2019, and September 30, 2020. Of the 1,131 audits completed, 57 percent were compliant and 43 percent were found noncompliant.



*Distribution of noncompliant audits, by species: FY 2020*

The chart below reflects the audits found with noncompliance completed between October 1, 2019, and September 30, 2020. Of the 1,131 audits conducted, 486 were noncompliant audits. The species, total number per species, and percentage of what that total represents are shown below.



## VII. SEAFOOD SPECIES IN WHICH NONCOMPLIANCE IS FOUND TO BE MOST PREVALENT

Table 2 reflects the number of audits conducted during FY 2020 for each of the SIMP species. The highest rate of noncompliance, based solely on audits conducted, was blue crab at a rate of 88 percent found to be noncompliant. However, only 16 audits were conducted for that species. Of the three species with more than 100 audits (shrimp, tuna, and grouper), grouper had the highest rate of noncompliance at 55 percent.

These noncompliance rates do not accurately represent the total level of compliance for imports of any given species. The rate of noncompliance may be skewed for some species due to the limited sample sizes of audits represented for some of the SIMP species. Audits are selected randomly from all entry filings and the selection numbers correlate loosely to the number of imports by species. For example, shrimp and tuna have the largest volumes of imports and the number of audits selected for those species is similarly high as well. There are also substantial differences in product supply chains and complexities in documentation among the various types of species and that may affect or impact the rate of compliance.

**Table 2: Audit Results in FY 2020, by Species**

<b>Species</b>	<b>Number of Audits</b>	<b>Number of Noncompliant Audits</b>	<b>Percent Noncompliant</b>
Shrimp	448	159	35%
Tuna	250	112	45%
Grouper	106	58	55%
Atlantic Cod	92	38	42%
Dolphin (Mahi)	91	40	44%
Swordfish	45	16	36%
N. Red Snapper	30	15	50%
Pacific Cod	29	19	66%
Blue Crab	16	14	88%
Abalone	12	8	67%
Sea Cucumber	6	4	67%
King Crab	5	3	60%
Shark	1	0	0%
<b>Total</b>	<b>1,131</b>	<b>486</b>	<b>43%</b>

## VIII. OTHER INFORMATION THAT NMFS CONSIDERS APPROPRIATE WITH RESPECT TO SIMP MONITORING AND ENFORCING COMPLIANCE

The 13 species and species groups covered by SIMP include over 1,100 unique species harvested through hundreds of wild capture and aquaculture sources globally. The species groups for products such as shrimp, grouper, and shark include hundreds of species. The supply chains for these species vary greatly in their sophistication and complexity. After just 3 years of implementation, SIMP is only now reaching the point of establishing what the normal and common import patterns are for the species included in the program. Prior to SIMP, the import

data collected for the United States did not include information as detailed as what is now collected, such as the harvest locations and scientific names of the species. NMFS audits and trade support functions under SIMP facilitate an ongoing dialogue with importers and their brokers to support compliance with reporting and documentation requirements that further ensures that we are deterring and screening the import of products associated with IUU fishing. Due to this ongoing dialogue and education, we anticipate that the higher rates of noncompliance might decrease with time as importers and brokers better learn about SIMP requirements and the information and details necessary for successful audits. In addition, we anticipate the rate of our audits to increase due to the additional auditors on board.

NMFS continues to learn more about the supply chains and how to increase our ability to identify IUU fish and fish products. Through what we have learned from audit documentation and inquiries to export countries, we have begun building a repository of foreign laws and requirements to improve our ability to determine the legality of the harvesting activity. In addition, NMFS is using the information acquired through the import process to establish more extensive tools for fisheries trade monitoring, such as sophisticated analytics, machine learning, and artificial intelligence. Once developed, these tools will enable us to conduct more efficient and appropriately directed audits, inspections, and analysis of our imports.

For further details on SIMP, refer to the publicly available Report on the Implementation of the U.S. Seafood Import Monitoring Program available here:

[www.fisheries.noaa.gov/international/seafood-import-monitoring-program-facts](http://www.fisheries.noaa.gov/international/seafood-import-monitoring-program-facts). It contains additional information on the program's background, funding, resource allocation, outreach efforts, and future plans.

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