



**C O R N U C O P I A**  
**I N S T I T U T E**

**Testimony Presented to the Fall Meeting of the National Organic Standards Board (NOSB)**

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Not long ago, I received an anonymous tip that a certified organic grain operation located in Eastern Europe hired an individual away from their certifier to manage the certified operation's organic division.

According to the tip, this individual was scheming, with his former colleagues, who are still employed by the certifier, to fraudulently label conventional grain as organic.

Anonymous tips providing such limited information can be a dead end or can take time to sort out. **But there is a lesson here,**

When a certifier's employees, consultants, or board members are subsequently hired or retained by an operation that the certifier certifies, there is a *potential conflict of interest*.

This is also true when employees or consultants change employment in the opposite direction-- from a certified operation to certifier, or even between the NOP and these entities.

To be fair, the "revolving door" can function in a positive way in that it allows different sectors of the organic community to make good use of the knowledge and expertise of individuals who have dedicated their work to this area.

**But only if we frame rules and policies around a conflict of interest that *could* arise.**

Why? Because, **potential conflicts of interests are, in fact, conflicts of interest, only they are effectively managed.**

So, let's manage these conflicts of interest by (1) formally recognizing they exist and are a risk factor for certifier fraud; and (2) manage them through disclosure requirements.

The NOP should recognize:

- If a certified operation hires an individual previously employed by its certifier, there is a conflict to manage
- If a certifier hires a former NOP employee as an employee or consultant, there is a conflict to manage

The NOP should require that the nature of these relationships be made publicly available.

Requiring public disclosure would be consistent with other industries, professions, and governing bodies that require disclosure in potential conflict situations.

These industries recognize that this is NOT a hypothetical problem, but circumstances faced by good people by virtue of their positions and capitalized upon by a few crooked opportunists.

Adding this risk factor and disclosure requirement:

- (1) Helps in fraud detection
- (2) Protects all of the ethical certifiers and their employees from the appearance of bias
- (3) Increases public confidence in the organic label.

Addressing the revolving door scenario allows us to focus on productive conflicts—conflicts of ideas—and not on repairing breaches of trust that, all too often, accompany unmanaged conflicts of interest.

I've also submitted [a written comment](#) on this topic which includes more detailed recommendations.