

**U.S. House of Representatives**  
**Committee on Natural Resources**  
**Washington, DC 20515**

September 4, 2024

The Honorable Lina M. Khan  
Chair  
Federal Trade Commission  
600 Pennsylvania Avenue NW  
Washington, DC 20580

Dear Chair Khan,

Recent reporting by the Outlaw Ocean Project<sup>1</sup> and the Associated Press<sup>2</sup> have evidenced issues of illegal, unreported, and unregulated (IUU) fishing and forced labor in the seafood supply chain with alarming detail. We are looking closely into this matter and would like to better understand the steps your agency is taking to address these serious concerns.

The reporting raises serious questions about oversight of the seafood industry and the deceptive business practices employed by companies mislabeling their seafood product to deceive the American consumer. Choice Canning has labeled their imports into the United States under the “Best Aquaculture Practices (BAP)” label, a Global Food Safety Initiative recognized standard. This label has four accountability standards: environmental responsibility, animal health, food safety, and social accountability. The BAP label conveys to the consumers that the seafood they buy has been held to specific sustainable and health standards. However, documents provided to the Committee by a whistleblower from the company stated that less than 10% of the shrimp farms in India with BAP certification adhere to the guidelines required by the certification. The documents indicate that the company is unsure about the origin of the shrimp, including whether the shrimp comes from BAP-certified aquaculture facilities. The whistleblower documented numerous cases of forced labor and unsafe working conditions at the processing plant, seemingly out of compliance with BAP’s social accountability standards.

According to the publicly available documents, Choice Canning’s shrimp products tested positive for antibiotics. Still, the company knowingly shipped them to U.S. retailers, a clear violation of the standards under the BAP certification and U.S. laws. They were allegedly packed

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<sup>1</sup> The Outlaw Ocean Project. *The Whistleblower | India Shrimp: A Growing Goliath*.

<https://www.theoutlawocean.com/investigations/india-shrimp-a-growing-goliath/the-whistleblower/>

<sup>2</sup> Associated Press. *AP finds grueling conditions in Indian shrimp industry that report calls ‘dangerous and abusive’*

<https://apnews.com/article/india-shrimp-seafood-industry-labor-abuses-us-imports-e5b51878eafbb6e28977710b191eb7de>

in unsafe and unsanitary conditions, putting the workers at risk and deceiving the American consumer.

Numerous third-party seafood certifications are available to companies. Still, without proper oversight, they may be misleading consumers by inaccurately claiming that the products they certify adhere to strict environmental and social standards despite their inability to verify these claims adequately.

The U.S. Interagency Working Group on IUU Fishing identifies section 5 of the Federal Trade Commission Act as a tool to combat illegal, unreported, and unregulated through prohibiting deceptive advertising, including “false or misleading claims about the country-of-origin of seafood, seafood species, sustainability of fishing practices, and similar claims important to consumers’ purchasing decisions.”

Please provide answers to the following questions to facilitate a better understanding of how the FTC, with its expertise and authority, ensures the fair marketing of seafood within the seafood industry. Please provide applicable decision memoranda, letters, emails, communications, situation summaries, discussion and evaluation documents, and briefing documents to support these responses.

- 1) Third-party certifications: Third-party certifications help consumers to easily recognize if a product and its production align with their values. As stated under 16 CFR § 260.6, “Third-party certification does not eliminate a marketer's obligation to ensure that it has substantiation for all claims reasonably communicated by the certification.” Despite the certification prohibiting antibiotics, the business willingly deceived consumers by shipping antibiotic-contaminated shrimp shipments to the U.S. and labeling it BAP-certified.
  - a. How does the FTC ensure that third-party certifications such as BAP are not being used to deceive Americans?
  - b. Given the recent reporting, has the FTC initiated any work investigating Global Seafood Alliance for certifying aquaculture farms in India using forged documents?
  - c. What work has FTC done and planned with companies such as Choice Canning who use a third-party certification despite knowingly not adhering to the certification guidelines?
- 2) Made in USA certification: Additional reporting from Outlaw Ocean details how American-caught shrimp is being processed using forced labor in China. In July 2021, the FTC published a “Made In USA” labeling rule. The shrimp industry has been advocating for this label to be applied to seafood caught in the U.S. and processed in the U.S. The FTC’s analysis stated that the FDA’s country-of-origin labeling provides primary regulatory authority over this issue, and the FTC would not issue regulations that preclude existing statutes.
  - a. How does the FTC justify allowing seafood products to use “Made in USA” labeling despite being processed overseas?
  - b. How has the FTC worked with other Federal agencies to strengthen honest labeling practices and improve traceability for seafood products?

- 3) Retailer oversight:
  - a. What is the FTC's statutory ability to hold large corporations selling deceptively labeled seafood accountable?
- 4) IUU Fishing and Seafood Fraud: An estimated \$2.4 billion of seafood comes from illegal, unreported, and unregulated (IUU) fishing<sup>3</sup>. Nearly 11 percent of U.S. seafood imports are caught by IUU fishing, harming people and the environment. <sup>4</sup> Businesses engaging in IUU fishing may be misleading consumers about the sourcing and sustainability of the seafood they sell.
  - a. What specific actions has the FTC taken to combat the sale of IUU-caught seafood and protect the American consumer from deceitful business practices?
  - b. How has the FTC coordinated with agencies such as the Food and Drug Administration and the National Oceanic and Atmospheric Administration to address IUU fishing and seafood fraud?

Thank you for your continued attention to this critical issue. Should you have any questions, please contact any of our staff. We look forward to working with you as we investigate this matter further.

Sincerely,



Raúl M. Grijalva  
Member of Congress  
Ranking Member  
House Committee on Natural Resources



Garret Graves  
Member of Congress



Jared Huffman  
Member of Congress



Melanie A. Stansbury  
Member of Congress

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<sup>3</sup> U.S. International Trade Commission. *Seafood Obtained via Illegal, Unreported, and Unregulated Fishing: U.S. Imports and Economic Impact on U.S. Commercial Fisheries*. <https://www.usitc.gov/publications/332/pub5168.pdf>

<sup>4</sup> Ibid.