

HOOK

March 15, 2017. Sunrise Foods, Kansas. An accountant named Sarah Chen opens an invoice and freezes. The Turkish certificate says "Russia". The shipping manifest says "Ukraine". She picks up the phone and accidentally triggers the collapse of a \$70 billion fraud.

But to understand how one accountant destroyed an empire, we need to go back 18 months.

November 2016. A ship called Four Diamond docks at a California port. Organic soybeans from Turkey. USDA certified. Everything looks legitimate. Except for one thing: Turkey doesn't have even 10% of the land needed to grow this volume. But the cargo is approved. Unloaded. Nobody asks questions.

And this is just the beginning.

PART 1

This is one of the most dynamic shadow schemes in US history. Between 2015 and 2016 alone, local farmers engaged in organic production suffered losses of over \$400 million. Not because of bad weather. Not because of high competition. It was because of a detail so small and, at first glance, insignificant that no one would have thought of it right away.

Imagine you are an ordinary farmer from Iowa. You invest in certification. You rotate crops. You control pests without synthetics. Your costs are 30% higher. Yields are lower. But your products are organic, natural, and in demand, so the extra effort pays off. Or would it be more accurate to say "paid off"...

2015. You notice something strange. Turkish organic imports: up 113% in one year. Your soybeans are selling slower. Prices are dropping. You call your USDA regional rep.

"Is someone checking these Turkish shipments?"

"All certified, sir. USDA approved. It'll stabilize." they say.

It doesn't stabilize.

2016. Organic corn from Turkey: sixfold increase. Organic soybeans: 36-fold increase. You call the USDA again. This time, they don't even pretend to care. "We'll look into it." Six months have passed. No response. Your soybean price drops 40%. Your neighbor sells his farm. You're next.

You know the corn flooding your market is fake. Everyone knows. But here's what nobody can explain: every single shipment has a genuine USDA certificate with a real stamp from a real inspector. So either the system is broken... or someone is getting paid to break it.

PART 2

Remember the ship at the beginning? The one from Turkey? Let's try to return to its deck and trace the route from the very beginning.

The journey of our fake organic grain begins in Ukraine, Romania, or even Kazakhstan. These are the three main centers where the crops were actually grown and then exported. As you may have guessed, these were ordinary farms, with pesticides and GMOs. Everything was standard.

In Ukraine, freshly harvested grain goes into a sealed chamber. Workers pump in aluminum phosphide gas — the same stuff used in rat poison. It kills every insect in the grain. Effective. Cheap. And absolutely banned for organic certification. The Ukrainian documents state this clearly: 'Fumigated. NOT organic.' With these honest papers, the grain is loaded onto ships. Destination: Turkey.

But how is it that crops with “white documents” clearly stating their properties arrive in the US under the guise of organic?

The grain arrives in the so-called “free trade zone” in Turkey. This is the first stage of its “organic transformation.” The fact is that this zone has minimal customs control. Here, grain can be repackaged, labels can be changed, and, most interestingly, documents can be manipulated. Turkish companies, such as Beyaz Agro, hide Ukrainian “white” documents and replace them with fake certificates, supposedly from another certifier.

New labels appear on the goods:

Country of origin: Russia

Status: Organic

And no mention of fumigation.

But the documents have to be checked anyway, right?

They should be.

Here's the genius part: USDA pays Turkish certifiers per approval. Not per inspection — per approval. Imagine if a restaurant inspector got paid only when they gave an A-rating. Would you trust that A? ETKO processes 50 shipments a month. Each rejection costs them \$3,000. So what do they do? They stamp everything.

And the grain moves on.

Thus, we get a system that itself encourages people to exploit its loopholes. What's more, it pays you for doing so. It's hard not to take advantage of such a temptation when it's so easy to scale it up.

However, crops are inspected not only when passing through Turkey (in fact, a grain laundering hub), but also when entering the US. This means that there is another hurdle to overcome before fake organic goods are finally legalized. Or, more precisely, there SHOULD be.

During unloading, documents are checked for presence rather than compliance:

the inspector ticks the boxes:

USDA certificate? Yes.

From an accredited agency? Yep.

Stamps? OK.

Three stages of control. Three huge gaps the size of more than one tanker of grain. The result is complete non-compliance of goods at the final point of receipt, and no one batted an eyelid.

But the blow suffered by US farmers was only a harbinger of the storm that was steadily approaching. Even the developers of the shadow scheme, which they scaled so quickly and successfully, did not realize the true scale of the problem.

PART 3

May 2017. Food markets are overflowing with fake organic products, without realizing it. Tofu, soy milk, eggs, even animal feed – all with an "organic" label.

Despite all the public statements and complaints, you and the rest of the organic farmers have come to terms with your inevitable fate. You're either looking for another job or still in deep despair.

But then, something breaks.

March 15, 2017. Sunrise Foods, Kansas. Sarah Chen is reconciling invoices. She's not an inspector – just someone who hates when numbers don't match. The Turkish certificate says "Russia." The shipping manifest says "Ukraine." Sarah picks up the phone.

That call triggers a paper trail. Sunrise refuses the shipment. Demands a refund. Files a complaint. The documents land on the desk of Peter Whoriskey, Washington Post investigative journalist.

At first, it looks like a boring trade dispute. But then he notices something: the same Turkish company, Beyaz Agro, appears in 47 different shipments. All with identical USDA stamps. All from countries with no organic farmland. He spends three weeks tracking down Ukrainian phytosanitary certificates.

May 2017. The headline drops: "The labels said organic. But these massive imports weren't."

The article lists the companies, the documents, the ships. Among them: the Four Diamond.

17 days after the article was published. The public's outrage knows no bounds. Like a farmer who has been mercilessly devastated by the explosion of imported grain, you see a glimmer of hope that the work you have devoted your entire life to still has a chance at reincarnation. All is not lost yet.

After all, news broke that Beyaz Agro had received a non-compliance notice from the USDA and immediately surrendered its certification, waiving its right to appeal. In letters to the USDA, it admits: "The soybeans imported into the United States were not organic." No fight. No objections. They just walked away.

On June 12, 2017, the organic industry created an anti-fraud task force in response to the Washington Post article. In September 2017, the USDA Office of Inspector General published a critical report confirming that fake organic products were entering the country due to weak controls at ports. Reveals: the grain is actually from Ukraine/Romania/Kazakhstan, "laundered" through Turkey.

But acknowledging the gaps in the system and responding to them quickly (if you can call it that) will not help the USDA clean up its reputation even half as successfully as the grain was laundered under their certificates.

At the end of September 2017, Miles McEvoy (head of the National Organic Program for 8 years) announced his resignation.

The scam is exposed. Beyaz Agro surrenders its certification. Miles McEvoy resigns. The USDA promises stricter controls. Washington calls it a victory.

But ETKO – the certifier who approved every fake shipment – is still in business. Not in the US, no. They lost that accreditation. But Turkey? Ukraine? Germany? China? Twenty countries. Still certifying. Still operating. Just under different standards now. GOTS instead of USDA. GlobalGAP instead of organic.

They moved offices. Changed letterheads. Kept the business.

The fraud ended. The fraudsters moved on. And somewhere, right now, another invoice doesn't quite add up. Another accountant hesitates before signing. Another call isn't made.

The system that allowed it? Still running.

CTA (end)

If you are interested in learning about the biggest economic failure in Europe, which occurred almost simultaneously with the organic scandal in the US, you should watch THIS video. And

to make sure you don't miss any more intriguing investigations from around the world, be sure to subscribe to our channel and turn on the bell.