

The Washington Post

Friday, September 10, 2004; Page E01

Lemons Caught In a Squeeze

Incident Pits Security vs. Free Flow of Trade

By Paul Blustein and Brian Byrnes
Washington Post Staff Writers

Who would accuse innocent fruit of harboring weapons of mass destruction?

That is one of many questions surrounding the incineration last month of about 1 million Argentine lemons, which the U.S. Coast Guard intercepted aboard a New Jersey-bound container ship after an anonymous e-mail alleged that they were laced with a biological agent.

The allegation triggered the biggest test to date of the readiness of U.S. ports to cope with terrorist threats, but has also prompted unease about whether the country's hair-trigger response might affect the flow of trade.

The Coast Guard interdicted the ship, carrying the \$70,000 worth of lemons and millions of dollars worth of other goods as well, and held it 11 miles offshore for a week. The five containers holding the lemons were frozen to dampen the spread of any potential toxins, and examined to see whether they were leaking anything dangerous. The tests were negative, but once the ship was allowed to dock, U.S. officials ordered the lemons destroyed -- both as a final precaution and because the fruit at that point was ruined anyway.

A month later, the incident has left a sour taste. Argentine officials feel slighted at the way they were kept out of the loop, critics are second-guessing the Coast Guard's actions, and the businessmen involved -- who were feuding over the shipment already -- are pointing fingers at each other over who sent the e-mail.

Ricardo Martin, the Buenos Aires fruit exporter who shipped the lemons to a buyer in Montreal, is expecting compensation for what he says are crippling losses to his small company. Along with many others familiar with the case, he wonders about the broader implications for global commerce in a post-Sept. 11 world.

"You know, this could be a new way to harm your competitors," Martin said. "I know that someone is bringing in [goods] at a lower price, I'm just going to start saying, 'Watch out, there's something bad with these containers,' and have them stopped."

Beyond Martin's complaints, there is debate about the way a plethora of federal, state and local agencies reacted -- or as some contend, overreacted -- in one of the first incidents of this kind.

The shipping industry, as well as some of the officials involved, question why the Coast Guard kept the ship at sea for a week, delaying delivery of millions of dollars worth of other merchandise. In Argentina, where the press has dubbed the case "Lemon-gate," government officials are indignant they weren't informed about the alleged threat until media reports of a Coast Guard news conference on Aug. 6.

Shouldn't they be notified at once, they ask, of allegations that biological weapons are being deployed from their nation's ports?

"We're going through a whole process now of reviewing the case -- what went well, what didn't, what can we do better in the future," said Lt. Cmdr. Benjamin Benson, a Coast Guard spokesman. "Because it's realistic to expect that we will deal with similar situations in the future."

Indeed, the odds of a recurrence appear high. Enforcement officials familiar with the nation's ports said that unscrupulous characters in the food industry -- especially purveyors of produce and fish -- have been dropping dimes on each other for years, usually alleging drug smuggling. "It was a huge thing in New York, the produce market there, where guys would call up customs and say, 'There's a load of dope in this guy's container,'" said one veteran agent. "And the produce industry is so fluid, if you can delay your competitor's cargo by a day -- let alone if you can delay it by a week -- you can do a lot of damage."

Nobody blames U.S. officials for reacting with alarm to the anonymous e-mail, which went to the Department of Agriculture on July 29 and warned that an unspecified hazardous material could be found in one of the five containers of lemons on the CSAV Rio Puelo, a Chilean-owned ship due to arrive in Port Elizabeth, N.J., the next day.

Protecting ports, after all, has become one of the government's biggest worries since the Sept. 11, 2001, attacks. Millions of 40-foot-long intermodal containers enter U.S. ports every year for quick mounting onto rail cars and trucks, and U.S. customs inspectors scrutinize only a fraction of them. The prospect that a "dirty bomb" or other weapon of mass destruction might be hidden in a container remains a concern, despite a worldwide agreement to tighten port security. U.S. intelligence officials have identified approximately 15 freighters that they believe are controlled by al Qaeda or could be used by the terrorist network,

The Washington Post reported in late 2002.

Before the Argentine lemon incident, U.S. authorities had only one similar episode to guide them. A year after the Sept. 11 attacks, a Newark-bound German ship was ordered six miles out to sea because one of its hundreds of containers was emitting low-level radioactivity. It was ultimately determined to be naturally occurring radiation from a load of ceramic tiles. The response, widely deemed excessive by maritime experts, was chalked up to the heightened security surrounding the Sept. 11 anniversary.

After boarding the Rio Puelo on July 31, Coast Guard officers moved quickly to test the crew for illness and test the air around the containers for biohazards. Meanwhile, representatives of approximately 40 agencies at all levels of government, from the Department of Homeland Security to the Centers for Disease Control and the states of New York and New Jersey, were meeting and holding conference calls.

Although the initial stages of the response to the Rio Puelo went fairly smoothly, participants say that disagreements erupted once the first-round tests indicated there was no imminent danger.

Customs officials, who have long experience dealing with hazardous cargo, argued for towing the ship into port so they could put the lemon-bearing containers through their Vehicle and Cargo Inspection System. The VACIS machine, according to customs officials, could have detected any dispersal devices hidden inside the containers, laying to rest the worst-case scenarios and reducing the estimated \$1.3 million overall cost of the operation by settling the matter more quickly.

But state and local officials wanted to take no risks, and the Coast Guard agreed.

"Throughout the whole process, we were focused very highly on the safety of the responders and the populations of the locations where these lemons were coming," said the Coast Guard's Benson.

The lemon containers were removed, and their contents destroyed, after the ship was finally allowed to dock on Aug. 6.

"Although all these tests were coming back negative, there was always this lingering concern that maybe there's something in there," Benson said.

Clues about what might really be going on soon emerged, though, as federal investigators learned that during the time the lemons were on the high seas, Martin's Buenos Aires firm, Pampa Store, had become embroiled in a quarrel with the Montreal-based company, Apex Corp., which had agreed to buy the fruit.

Apex "did not want to accept the terms we had previously agreed upon," said Martin, who asserted that once he began searching for a new buyer, Apex began threatening him.

Contacted by phone, Andy Ohri, Apex's head buyer, blamed the Argentines, asserting that Martin's representative was "unable to sell" the lemons despite contacting numerous other buyers in Montreal. Although Ohri emphasized that he did not know who sent the e-mail, "they [Martin's firm] just wanted, maybe, to collect money from insurance," he said. Nonsense, retorted Martin: "These lemons were not insured, so that would not have been a smart move on our part."

Jamie Zuieback, a spokeswoman for the U.S. Bureau of Immigration and Customs Enforcement, said an investigation is underway to determine who sent the e-mail, and whether they should be charged with a federal crime.

The bigger issue, said Christopher L. Koch, president of the World Shipping Council, a trade group that represents the shipping industry, is that "every rumor that someone wants to plant cannot stop commerce like this one did, or commerce will not move." He said his group has arranged "some sessions" with government officials to discuss "a preexisting plan so that if something like this happens, here's how we're going to do it."

Whether the Coast Guard is ready to take that message on board remains to be seen. Agency officials point out in this case that nobody got sick, that consumer confidence in lemons was never shaken, and that public safety has to be their priority.

"The challenge is to find ways to maintain safety while being expeditious about resolving cases like this," Benson said. "That's why we're doing this 'lessons learned' work. There may be some creative solutions out there. We're working on that."

Martin said he was pleased to learn late last week from the Argentine embassy in Washington that the Coast Guard has provided instructions on how he can apply for compensation.

Not only did his firm lose its lemons, but mandarin oranges and some other fruit went bad because of the delay. In addition, a customer in Miami who has bought asparagus in the past "wrote us an e-mail and said that he is not interested in doing a program this year, due to this issue," Martin said. "He's scared that the

merchandise is going to be inspected and that he is going to have a hard time selling it.

"I understand that [U.S. officials] have to take these threats and do everything possible," Martin said. "I just think . . . at least you should know who is telling you these things so you could come back and say, 'Look, you told me this; show me proof,' not just this anonymous e-mail arriving somewhere saying there is something in these five containers and have all this big mess."

Blustein reported from Washington, and special correspondent Byrnes reported from Buenos Aires.