

Feds seize gallons of impure olive oil in bust

An Eyewitness News Follow Up

 By Sarah Wallace

(New York-WABC, February 9, 2006) - Federal investigators in New Jersey have seized thousands of gallons of olive oil.

It was supposed to be the expensive extra virgin variety but isn't. This probe was prompted by an Eyewitness News investigation last Summer.

The Investigator Sarah Wallace is here with more on today's bust.

It turns out that after our investigation into adulterated olive oil sold by one of the largest importers in the world, federal authorities launched their own investigation and came to the same conclusion: that someone was trying to make an impure profit.

Inside the walls of a warehouse in Clifton, New Jersey, nearly 7,000 cases of olive oil are now officially under a federal seizure order. Included in the order, San Giovanni and Hermes Extra Virgin and Pomace Oil -- both of those manufactured by the Krinos company. The company is one of the country's largest importers of Greek foods, headquartered in Long Island City.

Last summer while acting on a tip, we tested the Hermes olive oil. It wasn't extra virgin.

Ron Schnitzer, Sani-Pure Laboratory: "Someone's obviously made a conscious effort to cheapen this particular product. I would think it's very characteristic of a soy oil or a canola oil."

He was right. Federal authorities found the same thing.

At that time, Krinos promised to voluntarily recall all its Hermes oil on store shelves in the U.S. and Canada. The company blamed its supplier -- DMK Global Marketing -- which is now also named by federal authorities as the supplier for the adulterated San Giovanni.

When we spoke to the head of DMK last Summer, he took no responsibility for the problem.

Dominick Scarola, DMK Global Marketing: "I'm just the middleman."

Sarah Wallace: "But how do you know the product's extra virgin oil?"

Scarola: "They tell me so."

The head of DMK and Krinos both maintain they have fully cooperated with federal authorities. But the FDA says this is still an open investigation.

If you're wondering what happens to all that oil, officials will seek a court order to have it all destroyed.

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