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COUNTERFEIT PRODUCTS ~ GENUINE VICTIMS

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9 most counterfeited products in the USA

Thomas C. Frohlich, Alexander E.M. Hess and Vince Calio, 24/7 Wall St. 11:59 a.m. EDT March 29, 2014



(Photo: Thinkstock)

Counterfeit products may cost the global economy up to \$250 billion a year, according to estimates from the Organization for Economic Co-operation and Development (OECD). Millions of those shipments enter the United States.

While government agencies do their best to crack down on counterfeit goods, they only manage to catch a fraction of the fake products that enter the United States. Still, the U.S. Customs and Border Protection (CBP) values that seized fraction at staggering amounts. The value of counterfeit goods seized rose by 38.1% in 2013, from \$1.2 billion in 2012 to \$1.7 billion last year.

Based on the manufacturer's suggested retail price (MSRP) of the genuine versions of the counterfeit goods, some of the most valuable imitations were of handbags and wallets, watches and jewelry, and consumer electronics. 24/7 Wall St. reviewed the nine most counterfeit items seized in 2013, based on their retail value.

The value and number of seizures changes considerably from year to year, depending on what items were being counterfeited, as well as law enforcement activity. Therese Randazzo, director of CBP policy and programs on intellectual property rights, explained that, in some cases, increases in seizures are the result of such activity. In other cases, such as footwear, decreases in seizures can also reflect the success of prior campaigns by CBP and other agencies, she added.

In some cases, changes in the number and value of goods seized did not move in tandem. For instance, while the number of watches and jewelry seized remained roughly the same between 2012 and 2013, the value of those seizures rose by 169%. According to Randazzo, fluctuations will occur with luxury goods like handbags, watches and other types of jewelry in particular, because there is such a large range of values with these products.

Luxury items tend to be the most counterfeited products because they are more valuable, according to Randazzo. And with better counterfeiting methods, there is a greater challenge of detection as well as potential for even higher profits, she explained. Consumers can no longer take for granted obvious signs of imitation such as poor stitching or bad zippers. "Now, the quality [of fake products] has improved so dramatically that [criminals] have been able to charge at prices closer to the price of the genuine article."

China's role as manufacturer for a broad range of authentic products, as well as its intellectual property rights framework, may contribute to the country's high levels of counterfeiting. About \$1.2 billion of the \$1.7 billion worth of imitations picked up by U.S. law enforcement agencies originated in mainland China. More than \$400 million worth of seized goods came from Hong Kong, which CBP classified separately.

The process and methods of detecting these counterfeiting operations is constantly evolving. The increased number of seizures in 2013, according to Randazzo, can be explained in part by new collaborative efforts between CBP and various partners, including China Customs, the customs agency for the People's Republic of China. The success of such operations has resulted in a measurable increase in the number and value of seizures and the ability to target and intercept shipments of knock-off products, she added.

Based on information provided by the CBP, 24/7 Wall St. (<http://247wallst.com/>) reviewed the nine most counterfeited items seized by officials based on the MSRP of the genuine article. We looked at the number of shipments of each product type confiscated in both 2013 and 2012. We also reviewed CBP data by country to identify the value of counterfeit goods produced in specific countries.

These are the 9 most counterfeited products in America.

9. Optical Media

> MSRP of seized goods: \$26.8 million

> Pct. of total seized goods: 2%

The number of shipments of counterfeit optical media products, such as games, DVDs and CDs, the CBP seized fell to 1,409 last year from 2,892 in 2012. The value of the seized counterfeit optical media products fell by 30% from \$38.4 million in 2012 to \$26.8 million in 2013. According to IPR's Randazzo, the drop in seizures may be partly attributable to the Internet, as "the piracy has moved to websites and moved to downloads." Last year, in an effort to fight online piracy, Internet service providers banded together to introduce the Copyright Alert System, designed to fight copyright infringement by warning users against illegal file sharing and downloading.

8. Labels/Tags

> MSRP of seized goods: \$41.8 million

> Pct. of total seized goods: 2%

The number of counterfeit labels — trademarked logos and hang tags that are not attached to products — seized in 2013 was effectively unchanged from 2012. The value of these seizures, however, increased more dramatically than of all but two other products. Last year, the market value of counterfeit labels seized rose by 59% to \$41.8 million. Because consumers recognize many products and brands according to their labels and tags, the fake labels help deceive buyers and make imitations look more authentic. Counterfeiters often smuggle the fake labels and the fake products into the United States separately, Randazzo told 24/7 Wall St. That way, "if the counterfeiters lose the shipment of labels and tags, it's not that big of a loss because they still have the shipment of handbags [or other goods]."

7. Computers/Accessories

> MSRP of seized goods: \$47.7 million

> Pct. of total seized goods: 3%

Slightly more than 1,000 shipments of computers and accessories were seized in 2013. The counterfeit computer seizures accounted for 4% of all counterfeit seizures and for 3% of the total value of all counterfeit goods seized. Last year, the total value of such goods seized was more than \$13 million, or 37.5%, higher than the year before. This is despite the fact that genuine PC shipments have declined worldwide during that time. Randazzo explained that accessories can include a large range of products, including "integrated circuits, semiconductors, networking hardware, [and] printer cartridges." The Semiconductor Industry Association released a report in August, noting that counterfeit semiconductors can cause dangerous malfunctions in medical equipment and even in household appliances.

6. Footwear

> MSRP of seized goods: \$54.9 million

> Pct. of total seized goods: 3%

CBP agents reported 1,683 seizures of contraband footwear in 2013, 214 less seizures than in the year before. The value of these seizures dropped by nearly 47% in 2013, from \$103.4 million in 2012. This was one of the largest percentage declines among products reviewed. "Footwear used to always be the number one commodity," Randazzo said. "And I think we've seized so many container loads of counterfeit shoes that we've actually maybe started to have an effect." This is likely something of a relief to shoe companies, especially Nike, whose shoes are widely believed to be among the most counterfeited footwear brands.

5. Pharmaceuticals/Personal Care

> MSRP of seized goods: \$79.6 million

> Pct. of total seized goods: 5%

CBP agents seized nearly \$80 million worth of counterfeit pharmaceuticals and personal care products last year. This was 4% lower from the nearly \$83 million of such shipments seized in 2012, and down 44% from \$142 million in 2011. Total seizures of such products fell in 2013 to 2,215 from 2,350 the year before. The decrease in seizures can be the result of increased international efforts to crack down on the sale of fake prescription drugs. Randazzo noted that the CBP and other groups have aggressively pursued counterfeit drug operations and shut down websites selling drugs online "because of the threat to consumer health and safety." More than \$18 million worth of fake pharmaceuticals and personal care goods originated in India, accounting for 88% of illicit goods seized from the country last year. An additional \$43.7 million of such goods came from China.

4. Wearing Apparel/Accessories

> MSRP of seized goods: \$116.2 million

> Percentage of total seized goods: 7%

Last year, the United States seized almost 10,000 shipments of counterfeit apparel and accessories, by far the most of any commodity and up 26.8% from the year before. In all, more than \$116 million worth of such items were seized. Like with other goods, exactly what type of product is being counterfeited matters, Randazzo noted, with haute couture knockoffs assigned a higher MSRP than blue jeans, for example. Last year, the CBP, in

conjunction with other federal and local agencies, conducted "Operation Red Zone," which seized \$17.3 million worth of fake sporting apparel — jerseys and ball caps — and other collectibles coinciding with the 2013 Super Bowl.

3. Consumer Electronics/Parts

> MSRP of seized goods: \$145.9 million

> Percentage of total seized goods: 8%

The dollar amount of counterfeit consumer electronics products seized rose by 40% in 2013, to \$145.9 million from \$104.4 million in 2012. Further, consumer electronics comprised 8% of the total value of items seized last year, making it the third most frequently seized fake product. The number of seizures of counterfeit electronic products grew in conjunction with their total value. There were 5,656 such seizures in 2013, a 44% increase from the 3,928 seizures in 2012. According to a report by the CBP, one particularly big seizure in 2013 was by a joint CBP and China Customs operation. The two-month long operation resulted in 1,735 electronics shipments being seized, removing more than 243,000 counterfeit consumer electronic products from the market.

2. Watches/Jewelry

> MSRP of seized goods: \$502.8 million

> Percentage of total seized goods: 29%

The value of seized imitation watches and jewelry grew by 168.9% between 2012 and 2013, considerably more than that of any other commodity. In total, the value of watches seized was more than half a billion dollars in 2013. Last year, there were 1,729 seizures, 21% less than there were in 2012. Randazzo noted that the different trends in value and seizures may be a product "of what's targeted and seized in a given year." For example, fake versions of high-end watches, which retail for thousands of dollars, can boost the values of counterfeits seized. The Federation of Swiss Watch Industry estimated that some 120,000 imitation watches were seized worldwide in 2013.

1. Handbags/Wallets

> MSRP of seized goods: \$700.2 million

> Percentage of total seized goods: 40%

Handbags and wallets were again the most seized counterfeited product, by MSRP, in 2013. The roughly 2,200 shipments seized had a total MSRP of more than \$700 million, accounting for 40% of the total value of all goods seized. Because these products are valued so highly, a drop in total handbag and wallet seizures between 2012 and 2013 did not correspond with a drop in the market value of the items seized. In fact, while seizures fell by 17% in that time, the value of goods seized rose 37%, or by nearly \$189 million. Randazzo explained that the retail value of the genuine goods can increase the value of the seized counterfeits considerably. While a fake Coach bag is often valued in the hundreds of dollars, "if we seize a counterfeit Hermes bag, the value ... of some of those bags is thousands of dollars." Most such counterfeits originate in mainland China, which alone accounted for more than half a billion dollars in fake purses last year, according to the CBP.

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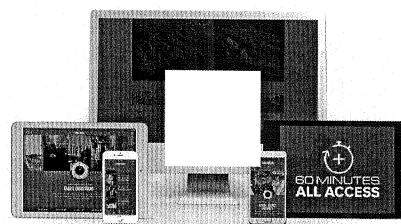
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THE DIFFICULT FIGHT AGAINST COUNTERFEIT DRUGS

Dr. Sanjay Gupta investigates fake medications on his first assignment for "60 Minutes"

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The pills from Peru were sent to Pfizer's testing facility in Groton, Conn. Sometimes counterfeits may have a percentage of the correct active ingredients, but not when it came to a seized antibiotic or an ulcer medicine.

Instead the ulcer medicine contained sugar and chalk. Imagine taking a medication to treat a serious illness with those ingredients.

"People can die. People can be seriously injured, but people can also die," Kumar Kibble, deputy director at Immigrations and Customs Enforcement (ICE), told Gupta.

Kibble is charged with protecting our borders from illicit trafficking. Over the past few years, his attention has increasingly focused on counterfeit drugs.

"In the scheme of things, how big a threat are fake drugs?" Gupta asked.

"Fake drugs are a big threat. And it is an exploding threat you actually have traditional criminal groups that may have engaged in traditional drug trafficking. And they realize, you know, 'I can make just as much money, making, you know, tens of dollars on a pill that I manufacture for pennies,' and have very little exposure in terms of in terms of prosecution," Kibble explained.


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"So, you're talking about a very low risk, very high reward, potentially tons of money," Gupta remarked.

"Yeah. Absolutely," Kibble said. "When you think about that some of these pills can be manufactured you know, for 40 cents and sold for \$18 or \$20, I mean, just think of that profit potential. I mean, it's insane."

Kibble tracks counterfeits from their source in clandestine labs to the United States, where they're typically sold through rogue Internet sites, often posing as legitimate pharmacies.

Thirty six million Americans are estimated to have bought their medicines from these sites, many searching for quality drugs at a better price. Some sites pretend to be from Canada because Canada is known for safe, inexpensive medicines.

Kibble caught one Israeli counterfeiter on a hidden camera admitting that very scheme.

"These are all your Internet Web sites. Is that really from Canada?" an undercover agent asked.

"Noooo!" the counterfeiter replied, laughing.

That same counterfeiter also told undercover investigators of another, decidedly low-tech, way of smuggling hundreds of thousands of pills into the United States: he simply had them dropped in the mail.

At the postal service facility at New York's JFK Airport, the sheer volume of packages of counterfeit and suspicious drugs coming into the country is staggering.

"Our resources certainly haven't kept pace with the volume of products coming into the country or the increase in volume," David Elder of the Food and Drug Administration told Gupta.

Elder told us that when they do find a fake drug, they're often forced to ship it back to the sender. On the day "60 Minutes" was there, they found pills and vials from India posing as legitimate thyroid, fertility and hypertension medication. They had to send it all back.

"That sounds crazy. Why not go after this person?" Gupta asked.

"We don't have the authority to actually destroy this on site. This product could very well come back into the country through a different mail facility. Maybe it gets through. Maybe it gets stopped," Elder said.

"But they're banking on one of these times you're gonna miss," Gupta pointed out.

"Yeah, I think they are," Elder acknowledged.

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MORE FROM 60 MINUTES

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INTERNATIONAL BUSINESS

Counterfeit goods are linked to terror groups

Business - International Herald Tribune

FEB. 12, 2007

NEW YORK — A false door at the back of a cramped New York City store swung open to disclose a secret room lined with counterfeit Prada, Gucci and Fendi bags and wallets.

"It's very cloak-and-dagger," said a British tourist, who declined to give her name and who had been lured to the store by a smooth salesman.

Fake designer bags are part of a \$500 billion global trade in counterfeit goods, and the U.S. authorities say that some of that money is funding terrorism.

In the year between October 2005 and September 2006, the Department of Homeland Security made 14,000 seizures of counterfeit goods worth a total of \$155 million.

In New York alone, the trade was worth \$80 billion, and it costs the city an estimated \$1 billion a year in lost sales tax revenue.

"It's virtually all profit and it isn't funding anything good," the city police commissioner, Raymond Kelly, told a conference on counterfeiting this month. "It is a threat to democracy and a threat to the rule of law."

Kelly said that the group accused of the Madrid train bombings in 2004, which killed 191 people, had used proceeds from the sale of pirated CDs to fund their activities. The U.S. authorities have also said that another group sells counterfeit goods, including fake Viagra, to support Hezbollah, the militant group in Lebanon.

But while a U.S. crackdown on counterfeit goods has pushed fakes into back rooms, sales in Asia are more blatant. Markets from Jakarta to Beijing are filled with fake brands, including Prada, Burberry and Louis Vuitton.

The United States says China is the No. 1 offender in sales of counterfeit goods, but that the goods are also traded in South Korea, Pakistan and India. The issue has become a major trade dispute

In Beijing, fake designer bags with brand names varying slightly from the names of the original goods — Gochi, for instance, and Dolge & Gabanna — are openly displayed at markets. Fake goods of better quality, which can cost more than \$100, are sold in secret stores, the locations of which are passed on by word of mouth.

"These are very good quality," said a young market vendor in the Chinese capital, who declined to give her name. "If you buy more than 10, I'll give you a big discount."

Beijing says that it is committed to protecting intellectual copyrights, but it is asking for understanding from the international community, saying that it cannot eradicate the problem overnight.

Prime Minister Wen Jiabao said in September that China needed more time to deal with the problem, and he acknowledged that China had only awakened to the issue in recent years.

While China receives most of the global criticism about counterfeit goods, market vendors throughout Asia seem to agree that the best fake handbags are manufactured in South Korea.

As in New York, some stores in Seoul have taken to displaying bags with generic logos that are then substituted for designer logos when the bags are sold.

"We do not deal with Chinese products," said a merchant, who spoke on condition of anonymity for fear of being prosecuted, at one of the oldest markets in downtown Seoul, called Namdaemoon. "For fake bags, South Korean products are the best. We export these products to Japan."

At street level, the bags openly displayed at Namdaemoon are clearly fakes, even to a person who knows little about luxury goods, and the prices are low. A fake Hermès bag costs about \$45, much less than the price tag of as much as several thousand dollars for the genuine article.

The so-called "Class A" fakes are hidden in secret locations and not widely available. These bags are displayed with caution and can cost several hundred dollars.

Valerie Salembier, publisher of the women's magazine Harper's Bazaar, said it was important for consumers to know what their money was funding. "Fakes are not fashionable," she said.

But the British tourist in New York just shrugged her shoulders when asked where she thought the \$60 she had just spent on a fake Gucci bag had gone. "In their pockets, I guess," she said, referring to the owner of the store.

"The real thing is so overpriced," she added. "Why spend thousands of dollars when you can get one for much, much less."

A version of this article appears in print on February 12, 2007, in The International Herald Tribune.



U.S.

Northern California Is Hit by Wave of Overdoses From a Disguised Drug

By CHRISTOPHER MELE MARCH 30, 2016

A powerful synthetic drug that is being disguised and illegally sold as a prescription painkiller has caused six deaths and 22 overdoses in Sacramento County, Calif., in less than a week, an official said.

The episodes, which were reported starting March 24, have been scattered throughout the county of 1.5 million people, said the official, Laura McCasland, a spokeswoman for the Sacramento County Department of Health and Human Services.

The victims took what they believed to be Norco, a prescription drug made up of acetaminophen and hydrocodone that is used to treat pain.

“In reality, they’re taking fentanyl, which is much, much, much more potent,” Ms. McCasland said.

Fentanyl is a painkiller that is up to 50 times more powerful than heroin and up to 100 times more potent than morphine. A small amount can be deadly.

In the Sacramento County cases, fentanyl was being produced that was similar in appearance to Norco, Ms. McCasland said. Some overdose survivors said they bought the pills from strangers, and others said that they got them from neighbors and friends, health officials said.

The cases recorded in Sacramento County are part of a wider drug epidemic that has been fueled by prescription painkillers.

John J. Martin, the special agent in charge of the Drug Enforcement Administration's San Francisco field division, said officials nationally were seeing a rise in seizures of fentanyl, which is being produced in China and shipped to Mexico. He said the large number of deaths and overdoses attributed to fentanyl in Sacramento County were a first for his office, which covers 48 California counties.

The people who overdosed in Sacramento County were evenly divided between men and women, and ranged from 24 to 59 years old, Ms. McCasland said.

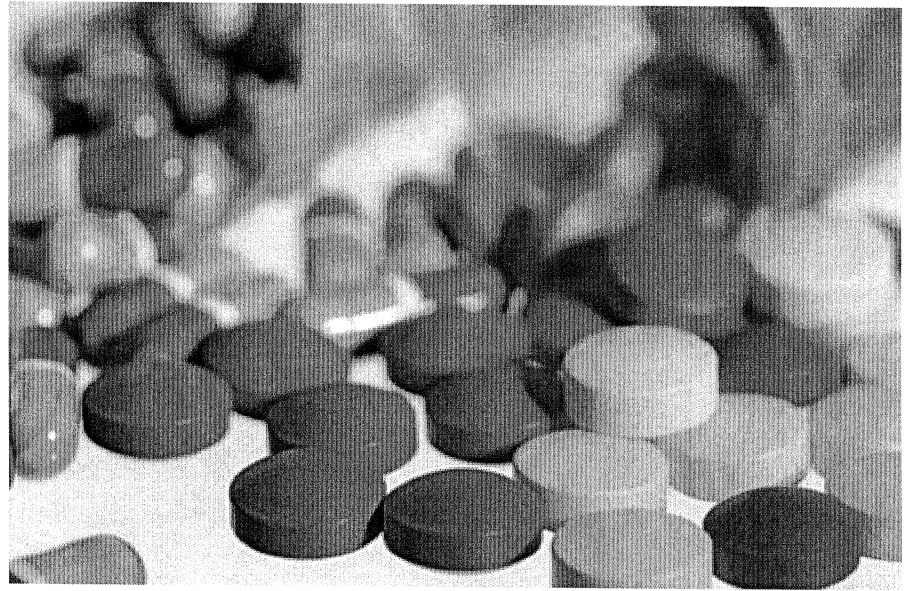
A version of this article appears in print on March 31, 2016, on page A15 of the New York edition with the headline: California: Wave of Overdoses From a Disguised Drug .



Counterfeit Drugs

Counterfeit medications are common in some countries. These drugs may not be effective or may be harmful. When traveling overseas, bring all medications with you.

The World Health Organization recently issued an [alert](#) [652 KB]



(http://www.who.int/medicines/publications/drugalerts/Alert_131_antimalarials_essential_drugs_programme_pre_final.pdf) about counterfeit antimalarial medications being sold in West and Central Africa. Travelers should be aware that drugs purchased in other countries may be counterfeit.

Counterfeit (or fake) medicines are manufactured using incorrect or harmful ingredients. These medicines are then packaged and labeled to look like real brand-name and generic drugs. Counterfeit medicines are unsafe because they may not be effective or may even harm you.

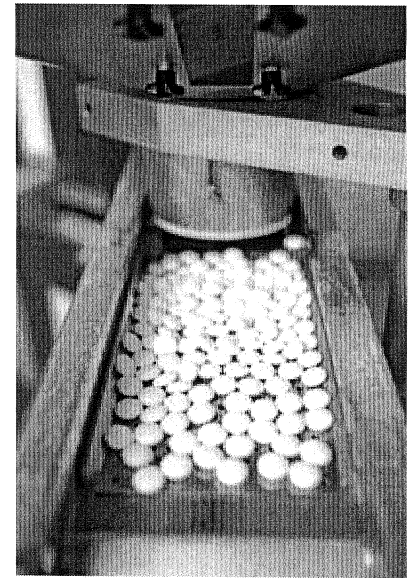
Counterfeiting occurs throughout the world, but it is most common in countries where there are few or no rules about making drugs. An estimated 10%–30% of medicines sold in developing countries are counterfeit. In the industrialized world (countries such as the United States, Australia, Japan, Canada, New Zealand, and those in the European Union), estimates suggest that less than 1% of medicines sold are counterfeit.

The only way to know if a drug is counterfeit is through chemical analysis done in a laboratory. Counterfeit drugs may look strange or be in poor-quality packaging, but they often seem identical to the real thing. The only way to make sure you have the real thing is to bring all the drugs you will need during your trip with you from the United States, rather than buying them while you are traveling.

If an emergency occurs and you must buy drugs during your trip, you can reduce your chances of buying drugs that are counterfeit:

- Buy medicines only from licensed pharmacies and get a receipt. Do not buy medicines from open markets.

- Ask the pharmacist whether the drug has the same active ingredient as the one that you were taking.
- Make sure that the medicine is in its original packaging.
- Look closely at the packaging. Sometimes poor-quality printing or otherwise strange-looking packaging will indicate a counterfeit product.
- If you buy drugs online, visit [Buying Prescription Medicines Online: A Consumer Safety Guide](http://www.fda.gov/Drugs/ResourcesForYou/ucm080588.htm) (<http://www.fda.gov/Drugs/ResourcesForYou/ucm080588.htm>) (<http://www.cdc.gov/Other/disclaimer.html>) to learn how to buy safely.



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ART & DESIGN

Fake Art May Keep Popping Up for Sale

By PATRICIA COHEN NOV. 5, 2012

As soon as Richard Grant, executive director of the Diebenkorn Foundation, glimpsed the three drawings in an Upper East Side apartment several years ago, he knew there was a problem.

The artwork on the wall had been previously identified by the artist's estate as fake Richard Diebenkorns. But here they were again, proudly displayed as Diebenkorns by a new owner who had no idea he had bought discredited drawings.

For organizations like Mr. Grant's that are charged with protecting an artist's legacy, the job of patrolling for fakes has become something like a game of Whac-A-Mole.

"You put it down, and then five, seven years later, poof!, and there it is again," he said by phone from the foundation's offices in California.

The resale of fakes is a persistent and growing problem without a good solution, say collectors, dealers, artist estates and law enforcement agencies.

Although the Federal Bureau of Investigation can seize forgeries in criminal cases, these represent only a tiny portion of the counterfeit art that is circulating.

“They churn through the market,” James Wynne, an F.B.I. special agent who handles art forgery cases, said of fakes.

There are no clear rules for what happens to phony art after it is identified. “It all depends what the facts are, what the art is, how many works are involved and how expensive they are,” he said.

Art whose authenticity is disputed occupies a special sort of limbo, as demonstrated by the settlement last month between Knoedler & Company, a Manhattan gallery that abruptly closed last year, and a customer who accused that gallery of selling him a forged Jackson Pollock for \$17 million.

The F.B.I. is investigating whether that painting, known as “Silver Pollock,” might be part of a larger cache of forgeries. But no charges have been brought and the gallery maintains that the work is authentic. So what happens to a \$17 million painting that some people consider a fake?

Given the publicity surrounding this particular case, a sale any time soon would be surprising, art lawyers and dealers agree. But nothing in criminal law would necessarily prevent the owner from selling it today as a Pollock. (Details of the settlement are confidential, including who owns the artwork now.)

When it comes to undisputed fakes, law enforcement officials try to halt resales by such practices as stamping works as fake or, in rare cases, destroying them. Each option has drawbacks, including the possibility of mistakenly destroying an authentic work.

Ultimately, though, both the police and buyers mostly rely on the art market to police itself.

Artist foundations and estates that find fakes on eBay or at small auction

houses can inform the dealer or Web site, but they have no authority to seize or mark the work. Frequently, they say, counterfeits go underground only to re-emerge later, labeled as the real thing.

Jack Cowart, executive director of the Lichtenstein Foundation, said that during the years that it authenticated works by Roy Lichtenstein, he regularly noticed that collectors informed that they had a fake would later quietly sell it as genuine. “And then we’d find somebody else would send the same work to us six months later” asking for it to be authenticated, he said.

In France, Switzerland and other countries that recognize the “moral rights” of an artist, heirs or foundations like Lichtenstein’s can ask the courts for permission to destroy a fake. But Ronald D. Spencer, a Manhattan lawyer and editor of the art-law handbook “The Expert Versus the Object: Judging Fakes and False Attributions in the Visual Arts,” said he was glad that is not done in the United States. The notion is “an anathema,” he said, noting how frequently opinions about authenticity can change. Just two months ago, for example, three J. M. W. Turner paintings that had been dismissed as fakes were reclassified as genuine.

“Stamp it, by all means, so that any subsequent owner knows that it was considered a fake, but don’t destroy works,” Mr. Spencer said, echoing the view of many art dealers. If destruction becomes routine, he added, a genuine work will mistakenly be consigned to the shredder at some point.

Marking a work was the course taken in 2011 by the Dedalus Foundation, a nonprofit created by the artist Robert Motherwell, after it identified a putative Motherwell painting as forged.

As part of a civil settlement, Dedalus demanded that the work be permanently marked as a fake. Now on the back of the work, “Spanish Elegy,” an indelible stamp states that “this painting is not an authentic work by Robert Motherwell but a forgery.”

The effort to keep fakes off the market may be most hampered by the reluctance of those in the know to speak out. Art experts and institutions, most prominently the Andy Warhol Foundation and the Lichtenstein Foundation, have stopped authenticating artwork, or pointing out suspected fakes, for fear of being dragged into a lawsuit by the owner of a work they rejected.

Major auction houses that discover an advertised work is fake usually cancel the sale and return the art to the seller. For example, when Christie's learned that a Marc Chagall it had sold in 1997 for \$450,000 was fake, it canceled the deal and sent the work back to the seller. What happens afterward to these sorts of returned works is anyone's guess.

Once law enforcement becomes involved, the picture changes. Government agencies like the F.B.I., the United States attorney's office or the Postal Service (which has a role in forgery cases involving mail fraud) may stamp forgeries after a conviction or plea agreement, federal prosecutors in Manhattan said. Sometimes the work bears an F.B.I. evidence sticker.

While convicted swindlers generally forfeit their fakes to the government, duped buyers can usually get their property back with a letter identifying the work as a fake after a case is closed, F.B.I. officials said.

Sometimes the F.B.I. may end up with the goods. As part of a 2004 plea agreement, for example, Ely Sakhai, who orchestrated an ingenious forgery operation, put up \$12.5 million to reimburse his victims. Since they were being paid, the owners were happy to give their paintings to the F.B.I., which added them to its extensive collection of fakes.

These works, along with ones confiscated by the government, are stored in warehouses and occasionally brought out for lectures and seminars, F.B.I. officials said. In 2007 the agency lent some to the Bruce Museum in Greenwich, Conn., for its exhibition "Fakes and Forgeries: The Art of Deception."

The government has the power to destroy uncontested fakes or to ask a judge for permission to do so if the defendants insist they are real, but that rarely happens, law enforcement officials said.

Judges, however, can be unpredictable.

In 1995, when a gallery in Hawaii could not pay a \$2 million fine levied for selling phony prints by Salvador Dalí and others, a federal court ordered the government to auction off more than 12,000 of them to the public.

The proceeds went toward repaying the debt, but federal investigators and art dealers protested the large-scale sell-off of fakes. Most of the prints were marked as counterfeit with only a tiny stamp, easily hidden by a frame. Others had a removable sticker or no marking at all to identify them as discredited.

“This makes the federal government an accessory to future art fraud,” Bernard Ewell, a Dalí art appraiser, said at the time. Then he added, “But I’m delighted because it gives me guaranteed job security.”

As for the phony Diebenkorn drawings that Mr. Grant saw in that Upper East Side living room, their whereabouts today are a mystery. The owner told him that he had returned the forgeries to the dealer and been given his money back. “We called the guy repeatedly,” Mr. Grant said of the dealer, “but we never heard back.”

A version of this article appears in print on November 6, 2012, on page C1 of the New York edition with the headline: Fake Art May Keep Popping Up for Sale.

Trending



1. **Zaha Hadid, Groundbreaking Architect, Dies at 65**

International New York Times

<http://nyti.ms/1UZt9Wy>

N.Y. / REGION

Theatergoers, Desperate to See ‘Hamilton,’ Fall Prey to Ticket Forgers

Crime Scene

By MICHAEL WILSON JAN. 17, 2016

Permalink

<http://nyti.ms/1Ru4V>

Jason arranged to meet the seller on a Manhattan street corner on Dec. 31. He bought two tickets for \$600 as an anniversary gift for his wife. You’re going to love the show, the seller told him. It’s as good as everyone says.

Jason and his wife arrived at the Richard Rodgers Theater lobby on Jan. 2. There they remained after all the other ticket holders were seated and the show began. A woman and her date stood nearby, also locked out. The woman was crying.

They all thought they had gotten their hands on the hottest tickets in town — to “Hamilton” — but their tickets weren’t hot. They were fake.

Counterfeit tickets to events of all kinds abound. Fake tickets promising entry to everything from the Super Bowl to a humble Times Square comedy club have been described in this column. Representatives of other theaters and the Broadway League suggested that while counterfeit tickets were rare on Broadway, they had turned up at popular shows such as “The Book of Mormon” and “The Producers.”

But the juggernaut that is “Hamilton,” the acclaimed hip-hop musical, has created a demand for tickets so high that busy counterfeiters seem to have found a fresh opportunity to trick not only unsuspecting tourists but even New Yorkers like the ones above. Fake tickets show up at the door almost daily.

Fred Santore Jr., the box office treasurer at the Richard Rodgers Theater, where “Hamilton”

opened in August, said that in his 34 years there this was the first time he had seen “any counterfeit tickets to a show.” Since August, about five times a week, the theater has had to turn away people bearing fake tickets, he said on Friday. (A few hours later, a photographer for The New York Times witnessed two people in line for the evening’s performance — strangers to each other — learn that their tickets were fake.)

Jason, 42, said in an interview last week that he had a healthy skepticism of Craigslist, but he had used the website to buy tickets to other New York City events. An ad there for “Hamilton” tickets appeared genuine, and the asking price — not too high, not too low — seemed appropriate.

He wrote a seller who later said his name was Dan, who agreed to sell him two tickets to the Jan. 2 performance. They met outside the Urban Outfitters store on Avenue of the Americas near 14th Street. Dan, who appeared to be in his 30s, arrived and chatted about how he had already seen “Hamilton” with his fiancée, so when they received tickets as a Christmas gift, he decided to sell them. He handed over a Ticketmaster envelope containing two tickets and a receipt, counted out the \$600, said goodbye and strolled north.

A short while later, Jason noticed the date on the tickets: Jan. 2, 2015. That was a year ago, and months before the show opened. Jason hoped it was a misprint, but when he arrived with his wife that night, his fears were confirmed.

He said a ticket taker told him, “Somebody must have printed a ton of these things.”

The woman crying nearby was Christina, 28, a marketing associate who had bought her two tickets from a woman on an Upper East Side corner that day. The woman had arrived late, saying, “I was babysitting.”

The show was to be an impromptu treat for Christina and her boyfriend. The ticket taker had tried to scan the bar code, but nothing happened. “My heart sank,” she said last week. “I was so excited.”

She said she complained to Craigslist, to no avail, and swore out a complaint at her neighborhood police precinct station. (On a page about fraud, Craigslist recommends doing just that.)

A spokesman for the police said the department did not track reports of counterfeit “Hamilton” tickets.

The department has at least two reports now, from Christina and Jason, who asked that their full names not be used because they have pressed charges and the ticket forgers remain at large. Jason followed up later, calling a detective who told him the police had a similar case involving a man with the same cellphone number as the one Dan had given him.

Thinking back about Dan, Jason said he was struck by how relaxed he seemed when he accepted the cash. "No offense," he told Jason, "but I just want to count it."

The show's creator and star, Lin-Manuel Miranda, issued a warning in a Twitter post in October that would seem to bear repeating.

"I have friends who have been scammed on Craig and his so-called List," he wrote. "Don't buy Hamilton tickets off there please."

Email: crimescene@nytimes.com Twitter: @mwilsonnyt

A version of this article appears in print on January 18, 2016, on page A1 of the New York edition with the headline: A Broadway Hit That's So Hot the Tickets May Not Be Real.

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Department of Justice

U.S. Attorney's Office

Southern District of New York

FOR IMMEDIATE RELEASE

Thursday, August 7, 2014

**Prominent Wine Dealer Rudy Kurniawan Sentenced In
Manhattan Federal Court To 10 Years In Prison For Selling
Millions Of Dollars Of Counterfeit Wine**

Preet Bharara, the United States Attorney for the Southern District of New York, announced that prominent wine dealer RUDY KURNIAWAN was sentenced today to 10 years in prison for carrying out an elaborate scheme in which he manufactured and sold counterfeit bottles of purportedly rare and expensive wine for millions of dollars, and for fraudulently obtaining a \$3 million loan from a financing company. KURNIAWAN was found guilty in December 2013 following a one-week jury trial before U.S. District Judge Richard Berman, who also imposed today's sentence.

Manhattan U.S. Attorney Preet Bharara said: "Rudy Kurniawan planned and executed an intricate counterfeit wine scheme, mixing cheaper, more common wines, bottling the mixture into old bottles with fake labels, and then fraudulently selling those bottles for millions of dollars. Now, Kurniawan will trade his life of luxury for time behind bars."

According to the evidence presented at trial, documents filed in Manhattan federal court, and statements made at today's sentencing proceeding:

The Counterfeit Wine Scheme

KURNIAWAN had been a collector of fine and rare wines, and rose to become one of the most prominent and prolific dealers in the United States of purportedly rare and expensive wine. From 2004 through 2012, he engaged in a systematic scheme to defraud wine collectors and others by selling and attempting to sell numerous counterfeit bottles of purportedly rare and expensive wine. KURNIAWAN manufactured counterfeit bottles of rare and vintage wine at his home in Arcadia, California, operating what was, in effect, a counterfeit wine laboratory.

KURNIAWAN mixed and blended lower-priced wines so that they would mimic the taste and character of rare and far more expensive wines. He then poured his creations into empty bottles of rare and expensive wines that he obtained from various sources and created a finished product by

sealing the bottles with corks and outfitting the bottles with counterfeit wine labels he created. KURNIAWAN then sold and attempted to sell these counterfeit bottles of wine at auctions and in direct sales to wealthy wine collectors. KURNIAWAN earned millions of dollars through the sale of these counterfeit bottles of wine.

The Scheme to Defraud a Lender

KURNIAWAN also devised and carried out a scheme to fraudulently obtain a \$3 million loan from a financing company located in New York City that specialized in extending loans that are secured by valuable collectibles, such as art and wine. KURNIAWAN obtained the loan by providing false information to, and concealing material information from, the financing company, including falsely omitting approximately \$7.4 million in outstanding loans, falsely representing his annual expenses, and falsely representing that he was a permanent resident of the United States when he had no legal immigration status in the United States and had, in fact, been ordered by an immigration court to leave the country years earlier.

In addition to the prison sentence, KURNIAWAN, 37, of Arcadia, California, was ordered to forfeit \$20 million and to pay restitution to his victims of \$28,405,502.5.

Mr. Bharara praised the outstanding work of the FBI's Art Crime Team and its New York and Los Angeles field offices.

This case is being handled by the Office's Complex Frauds and Cybercrime Unit. Assistant U.S. Attorney Stanley J. Okula, Jr. is in charge of the prosecution. Assistant U.S. Attorney Andrew Adams is handling the forfeiture aspects of the prosecution.

U.S. v. Rudy Kurniawan indictment

14-226

USAO - New York, Southern

Updated May 18, 2015

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Department of Justice

U.S. Attorney's Office

Southern District of New York

FOR IMMEDIATE RELEASE

Thursday, October 15, 2015

Husband And Wife Charged In Manhattan Federal Court With Conspiring To Traffic Millions Of Dollars' Worth Of Counterfeit Goods

Preet Bharara, the United States Attorney for the Southern District of New York, Glenn Sorge, the Acting Special Agent in Charge for U.S. Immigration and Customs Enforcement's ("ICE"), Homeland Security Investigations ("HSI"), and Robert E. Perez, the Director of New York Field Operations for U. S. Customs and Border Protection ("CBP"), announced charges today against two individuals for conspiring to traffic in millions of dollars' worth of counterfeit goods. Defendants LE FU CHEN, a/k/a "Tom Chen," a/k/a "Danny Chen," and HAI FAN HUANG, a/k/a "Cindy Huang," are charged with importing counterfeit goods from China into the United States with the intent to distribute and sell the counterfeit products to retailers in Manhattan and elsewhere. The defendants were arrested and presented before U.S. Magistrate Judge Kevin Nathaniel Fox today.

Manhattan U.S. Attorney Preet Bharara said: "I would like to thank our partners, Homeland Security Investigations, U.S. Customs and Border Protection, and the New York City Police Department, for their outstanding investigative efforts and assistance in uncovering this alleged counterfeiting conspiracy."

ICE HSI Acting Special Agent-in-Charge Glenn Sorge said: "This couple allegedly conspired to profit from the sale of knock offs. Fake products that infringe on business owners' intellectual property rights cost jobs and hurts the U.S. economy. Today's arrests and seizures embody HSI and its law enforcement partners' commitment to disrupt the importation and sale of counterfeit goods."

CBP Director of New York Field Operations Robert E. Perez said: "This is the second example in recent weeks where an air cargo seizure by U.S. Customs and Border Protection led to a full investigation resulting in the takedown of an elaborate criminal enterprise. It is through our interagency partnerships, and collaborative approaches like the one leading to today's arrests, that law enforcement successfully combats modern criminal organizations."

According to the allegations in the Complaint^[1]:

From at least in or about November 2014 up to and including in or about October 2015, CHEN and HUANG, who are husband and wife, imported counterfeit luxury and designer brand goods into the United States from China. CHEN and HUANG stored the imported counterfeit goods in multiple storage units and business suites across New York with the intent to transfer the goods to retailers in Manhattan and elsewhere.

On October 15, 2015, pursuant to court-authorized search warrants, federal law enforcement agents conducted searches of CHEN and HUANG's storage units, business suites, and residence, and found over 130,000 pieces of luxury and designer brand counterfeit goods, including watches and jewelry. The estimated loss attributable to the defendants' efforts amounts to millions of dollars.

CHEN, 40, and HUANG, 36, of Roslyn Heights, New York, are each charged with one count of conspiring to traffic in counterfeit goods, and one count of trafficking in counterfeit goods. Each defendant faces a maximum potential sentence of 20 years in prison.

The maximum potential sentences in this case are prescribed by Congress and are provided here for informational purposes only, as any sentencing of the defendants will be determined by the judge.

Mr. Bharara praised the outstanding investigative work of the U.S. Department of Homeland Security, Homeland Security Investigations, and U.S. Customs and Border Protection. He also thanked the New York Police Department for its assistance.

This case is being handled by the Office's General Crimes Unit. Assistant United States Attorney Jane Kim is in charge of the prosecution.

The charges contained in the Complaint are merely accusations, and the defendants are presumed innocent unless and until proven guilty.

^[1] As the introductory phrase signifies, the entirety of the text of the Complaint, and the description of the Complaint set forth herein, constitute only allegations, and every fact described should be treated as an allegation.

15-267

USAO - New York, Southern

[Download 2015.10.15_filed_chen_huang_complaint.pdf](#)

Updated October 15, 2015



New York Field Office

Home • New York • Press Releases • 2013 • Art Dealer Pleads Guilty in Manhattan Federal Court to \$80 Million Fake Art Scam, Money Laundering, and Tax Charges...

Art Dealer Pleads Guilty in Manhattan Federal Court to \$80 Million Fake Art Scam, Money Laundering, and Tax Charges

U.S. Attorney's Office
September 16, 2013

Eastern District of New York
(718) 254-7000
FBI New York Press Office
(212) 384-2100

Preet Bharara, the United States Attorney for the Southern District of New York, announced that art dealer Glafira Rosales pled guilty today in Manhattan federal court to participating in a scheme to sell more than 60 fake works of modern art to two New York art galleries. Her victims paid more than \$80 million for the fake works. Rosales also pled guilty to conspiracy to sell the fake works, conspiracy to commit money laundering, money laundering, and several tax crimes related to the fake art scheme. Rosales pled guilty before U.S. District Court Judge Katherine P. Failla.

Manhattan U.S. Attorney Preet Bharara said, "With her guilty plea today, Glafira Rosales acknowledges her role in a sprawling fraud that involved the commission of phony artworks she represented as real and her efforts to hide the proceeds of this massive scam in foreign bank accounts. Rosales's plea shows that no matter how wide-ranging the deception, this office will continue to bring the perpetrators of fraud to justice."

According to the allegations contained in the complaint, indictment, superseding indictment, and statements made in court:

Rosales was an art dealer who, starting in 1994 and continuing through 2009, sold more than 60 never-before-exhibited and previously unknown works of art (the "works") that she claimed were by the hand of some of the most famous artists of the 20th century, such as Jackson Pollock, Mark Rothko, and Robert Motherwell. She sold the works to two prominent Manhattan art galleries for approximately \$33.2 million. The galleries, in turn, sold the works to victims of Rosales' crime for more than \$80 million.

The works were fakes created by a painter (the "painter") who resided in Queens, New York. Rosales conspired with her long-time companion, identified as a co-conspirator ("CC-1") in the superseding Indictment, to procure and sell the Works and to launder the proceeds of the fraud. CC-1 first met and befriended the painter in Manhattan in the 1980s while the painter was painting on the street. The painter, who received formal art training at an art school in New York, created the works for Rosales and CC-1 at the painter's home in Queens. In some instances, the painter signed the purported artist's name to the works, such as Jackson Pollock, but in other cases, CC-1 applied the false signatures. After Rosales and CC-1 retrieved the works from the painter, CC-1 gave the works the false patina of age by subjecting the works to a number of different treatments.

The provenance that Rosales supplied for the works was also false. In selling some of the works, she purported to represent a particular client who was associated with Switzerland, had inherited the paintings and wanted to sell them, but also wished to remain anonymous (the "purported Swiss client"). For the remainder of the paintings, Rosales purported to represent a Spanish collector (the "purported Spanish collector"). She further claimed that a portion of the price paid by the Manhattan galleries would be a commission to her for selling the paintings and that the remainder would be passed along to her clients. In truth and fact, the purported Swiss client never existed and the purported Spanish collector never actually owned any of the works.

Rosales also filed tax returns that falsely and fraudulently tended to show that she had not kept all or substantially all of the proceeds from the sale of the works, when, in fact, Rosales kept several million dollars of the proceeds.

Rosales received most of the proceeds from the sale of the works in a foreign bank account that she hid from and failed to report to the IRS. United States taxpayers are required to report to the IRS the existence of any foreign bank account that holds more than \$10,000 at any time during a given year by the filing of a Report of Foreign Bank and Financial Accounts, Form TD F 90-22.1.

Rosales, 57, of Sands Point, New York, pled guilty to nine counts, including: one count of conspiracy to commit wire fraud, one count of wire fraud, one count of conspiracy to commit money laundering, and one count of money laundering, each of which carries a maximum sentence of 20 years in prison; three counts of filing false federal income tax returns, each of which carries a maximum sentence of three years in prison; and two counts of willful failure to file Report of Foreign Bank and Financial Accounts, Form TD F 90-22.1, each of which carries a maximum sentence of five years in prison.

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...each of which carries a maximum sentence of 15 years in prison.
Rosales' total maximum term of imprisonment is 99 years. She also agreed to forfeit \$33,200,000, including her home in Sands Point, New York, and to pay restitution in an amount not to exceed \$81 million. Rosales will be sentenced by Judge Failla on March 18, 2014, at 2:30 p.m.

Mr. Bharara praised the outstanding efforts of the Federal Bureau of Investigation and the Internal Revenue Service-Criminal Investigation in the investigation, which he noted is ongoing.

This case is being handled by the Office's Complex Frauds Unit. Assistant U.S. Attorney Jason P. Hernandez is in charge of the prosecution.

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Department of Justice

U.S. Attorney's Office

Southern District of New York

FOR IMMEDIATE RELEASE

Tuesday, February 19, 2013

Three Automotive Parts Suppliers Charged In Manhattan Federal Court With Selling Counterfeit Replacement Parts

Background

Preet Bharara, the United States Attorney for the Southern District of New York, and George Venizelos, the Assistant Director-in-Charge of the New York Office of the Federal Bureau of Investigation ("FBI"), announced today the unsealing of Indictments charging three automotive parts suppliers with selling counterfeit replacement parts. The three men – SHASHI MALHOTRA, FADI KILANI, and RICHARD DININNI – were arrested at their homes earlier this morning. MALHOTRA and KILANI will be presented in Manhattan federal court before U.S. Magistrate Judge Gabriel W. Gorenstein this afternoon. DININNI will be presented in federal court in Allentown, Pennsylvania.

Manhattan U.S. Attorney Preet Bharara said: "As alleged, these defendants sold the automobile replacement parts equivalent of designer knock-offs, but represented to their unsuspecting customers that they were buying the 'name brand.' And while their replacement parts may have been no different from many other generic parts sold every day in the aftermarket, they were able to command the same higher prices charged by the automobile manufacturers' whose names they stole. We encourage those who think they may have purchased counterfeit parts from these defendants or from anyone else to call the numbers listed at the end of this release."

FBI Assistant Director-in-Charge George Venizelos said: "While it is not generally against the law to sell replicas or imitations, it is illegal to try to pass them off as authentic or original. Likewise, there is a legitimate market for aftermarket auto parts, but these defendants allegedly packaged parts to appear to be original manufacturer equipment and sold them as such. That isn't legitimate; it's fraud."

According to the allegations in the Indictments unsealed in Manhattan federal court earlier today:

New automobiles sold to consumers are equipped with automotive parts that are manufactured or provided by the automobile's manufacturer ("Original Equipment Manufacturer" or "OEM"). When a consumer needs to replace a part in an automobile, he or she can purchase either: parts made by OEMs which are sold under the OEMs' brand names; or generic parts made by other manufacturers that are commonly referred to as "aftermarket" parts. Generic parts are regularly bought and sold lawfully as aftermarket parts, typically at lower prices than OEM parts. Many types of aftermarket parts – including those sold and falsely packaged as OEM parts by MALHOTRA, KILANI, and DININNI – do not have to meet independent federal safety standards.

MALHOTRA and KILANI

From October 2011 through February 2013, MALHOTRA, who operated Worldwide Auto Parts and S&S International Products and Manufacturing in Paterson, New Jersey, and KILANI, who operated Cypros Trading and Shipping in Paterson, New Jersey, conspired to sell counterfeit OEM parts. Specifically, the defendants and their co-conspirators deceptively packaged and caused to be packaged certain aftermarket automotive parts – including brakes, brake pads, brake shoes, ignition coils, water pumps, window regulators, suspension sway bar links, wheel hubs, anti-lock braking sensors, control arm bushings, transmission filters, pitman arms, tie rod ends, and suspension air springs – to falsely make it appear as though these parts had been manufactured by OEMs such as Ford Motor Company, General Motors, and Federal Mogul (the "Manufacturers"). They sold these parts to individuals and entities that they understood would re-sell them to the general public and to certain automotive repair shops, including repair shops that service New York City's taxis and limousines, which are subject to separate and regularly scheduled safety testing by the New York City Taxi and Limousine Commission. MALHOTRA obtained some of these counterfeit parts from China, and KILANI exported some of these counterfeit parts to Saudi Arabia.

DININNI

Similarly, from November 2011 through June 2012, DININNI, who operated Professional Parts USA in Easton, Pennsylvania, also conspired to sell counterfeit OEM parts. Along with his co-conspirators, DININNI also deceptively packaged and caused to be packaged certain aftermarket automotive parts, including brake pads and water pumps to falsely make it appear as though these parts had been manufactured by OEMs. DININNI and his co-conspirators then sold these parts to individuals and entities that they understood would re-sell them to the general public and to certain automotive repair shops, including repair shops that service New York City's taxis and limousines.

MALHOTRA, 67, of Norwood, New Jersey, KILANI, 28, of Englewood, New Jersey, and DININNI, 57, of Easton, Pennsylvania, are each charged with one count of conspiracy to traffic in counterfeit goods, which carries a maximum sentence of five years in prison, and one count of trafficking in counterfeit goods, which carries a maximum sentence of 10 years in prison.

As the U.S. Attorney's Office and the FBI identify individuals and entities that may have purchased counterfeit automotive parts from these defendants, both will make appropriate notifications. If you believe you may have purchased any counterfeit automotive parts from these defendants or anyone else, you may wish to have your car inspected at an authorized and qualified vehicle inspection facility to determine whether the parts in question are counterfeit.

Mr. Bharara praised the outstanding investigative work of the FBI. He also thanked U.S. Customs and Border Protection, Immigration and Customs Enforcement's Homeland Security Investigations,

and the U.S. Department of Commerce for their assistance with this investigation.

This case is being handled by the Office's Complex Frauds Unit. Assistant U.S. Attorneys Joseph Facciponti and Christopher D. Frey are in charge of the prosecution. Assistant U.S. Attorney Paul Monteleoni is in charge of the asset forfeiture aspects of the case.

If you have questions, you may call the victim witness hotline for the U.S. Attorney's Office at (866) 874-8900 or the FBI at (212) 384-2135. Several original equipment manufacturers have also established numbers which you may call with questions. You may call Ford Motor Company at (313) 337-3663, Federal Mogul at (877) 489-6659, and Chrysler at (855) 818-7612.

The charges contained in the Indictments are merely accusations, and the defendants are presumed innocent unless and until proven guilty.

U.S. v. Shashi Malhotra and Fadi Kilani Indictment

U.S v. Richard Dininni Indictment

13-055

USAO - New York, Southern

Updated May 15, 2015

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Department of Justice

U.S. Attorney's Office

Southern District of New York

FOR IMMEDIATE RELEASE

Wednesday, February 5, 2014

Manhattan U.S. Attorney Announces Arrests Of Five Defendants For Conspiring To Defraud Consumers Through The Sale Of Counterfeit Luxury Goods

Preet Bharara, the United States Attorney for the Southern District of New York, and Philip R. Bartlett, the Inspector-in-Charge of the New York Office of the U.S. Postal Inspection Service ("USPIS"), today announced the unsealing of an Indictment in Manhattan federal court charging JOSEPH MOSSERI, ALBERT MOSSERI, ODED HAKIM, a/k/a "Eddie Hakim," ELLIOT SHASHO, and ANDREW LI, for their alleged participation in a scheme that victimized hundreds of consumers and numerous credit card processors through the marketing and sale of counterfeit luxury handbags over the Internet. JOSEPH MOSSERI, HAKIM, SHASHO, and LI were arrested today. ALBERT MOSSERI also surrendered today to USPIS. JOSEPH MOSSERI will be presented in Manhattan federal court this afternoon before United States Magistrate Judge Gabriel W. Gorenstein, and the remaining defendants will be presented tomorrow.

U.S. Attorney Preet Bharara said: "I would like to thank our partners, the U.S. Postal Inspection Service, Immigration and Customs Enforcement's Homeland Security Investigations, U.S. Customs and Border Protection, and the New York State Department of Taxation and Finance, for their outstanding investigative efforts and assistance in bringing this alleged counterfeiting scheme to light."

USPIS Inspector-in-Charge Philip R. Bartlett said: "When criminals counterfeit goods they harm the economy and legitimate businesses that pay their fair share in taxes and employ American citizens. It's the same as identity theft, but only from a brand. Postal Inspectors have little tolerance for this type of theft and will aggressively investigate and bring to justice anyone who defrauds American consumers."

According to the allegations in the Indictment unsealed today in Manhattan federal court:

The defendants and others controlled a series of websites that advertised and sold luxury fashion and other name-brand items – primarily handbags – at prices of up to \$3,000. The websites

advertised that the goods offered for sale were authentic and that they were offered at a discount because of manufacturing defects that were, according to one of the websites, “infrequently noticeable to the consumer.” In fact, however, the defendants either never shipped goods to consumers who ordered them or shipped goods that were verifiably counterfeit.

In order to prevent the proceeds of their scheme from being eroded by credit card chargebacks initiated by deceived customers, the defendants also defrauded the credit card processors for the websites by misrepresenting the reasons for disputed charges and obstructing efforts by credit card processors to recover disputed funds. The losses attributable to such efforts exceeded, in some cases, hundreds of thousands of dollars.

JOSEPH MOSSERI, ALBERT MOSSERI, HAKIM, and SHASHO directed the scheme and managed its finances. LI supplied the counterfeit luxury goods that were sold on the websites.

JOSEPH MOSSERI, 43; ALBERT MOSSERI, 34; HAKIM, 46; SHASHO, 41; and LI, 34, all of Brooklyn, New York, are each charged with one count of conspiracy to commit wire fraud, one count of substantive wire fraud, and one count of trademark counterfeiting. Each of the fraud counts carries a maximum sentence of 20 years in prison. The trademark counterfeiting count carries a maximum sentence of 10 years in prison. U.S. District Judge Alvin K. Hellerstein has been assigned to the case.

Mr. Bharara praised the outstanding investigative work of the Postal Inspection Service. He also thanked U.S. Immigration and Customs Enforcement’s Homeland Security Investigations, U.S. Customs and Border Protection, and the New York State Department of Taxation and Finance for their assistance.

The prosecution is being handled by the Office’s General Crimes Unit. Assistant U.S. Attorney Scott A. Hartman is in charge of the prosecution.

The charges contained in the Indictments are merely accusations, and the defendants are presumed innocent unless and until proven guilty.

U.S. v. Joseph Mosseri, et al. Indictment

14-036

USAO - New York, Southern

Updated May 18, 2015

2008 WL 4222204 (BIA)

** THIS IS AN UNPUBLISHED DECISION - NOT INTENDED FOR CITATION AS PRECEDENT **

U.S. Department of Justice
Executive Office for Immigration Review
Board of Immigration Appeals

IN RE: SERIGNE MBACKE SYLLA

File: A092 005 327 - New York, NY
August 29, 2008

IN REMOVAL PROCEEDINGS

APPEAL

ON BEHALF OF RESPONDENT:

Shirley Lazare, Esquire

APPLICATION: Cancellation of removal

ORDER:

*1 PER CURIAM. The respondent has appealed the October 29, 2007, decision of the Immigration Judge finding the respondent subject to removal as charged and denying his application for cancellation of removal. The appeal will be dismissed.

The respondent argues that the Immigration Judge erred in concluding that his convictions for Trademark Counterfeiting precluded a finding that he was inadmissible because his convictions were crimes involving moral turpitude that occurred prior to his accumulating seven years in any status. *See* section 240A(a)(2) of the Immigration and Nationality Act; 8 U.S.C. § 1229b(a)(2).

The record indicates that the respondent has been convicted in 1995, 1997, and 1998, for Trademark Counterfeiting in the third degree in violation of Section 165.71 of the New York State Penal Law. This Board has held that a criminal offense involves "moral turpitude" if the relevant statute defines the offense in such a manner that it necessarily entails conduct on the part of the offender that is inherently base, vile, or depraved, and contrary to accepted rules of morality and the duties owed between persons or to society in general. *Matter of Torres-Varela*, 23 I&N Dec. 78, 83 (BIA 2001). Crimes that have a specific intent to defraud as an element have always been found to involve moral turpitude, but we have also found that certain crimes are inherently fraudulent and involve moral turpitude even though they can be committed without proof of a specific intent to defraud. For instance, in *Matter of Flores*, 17 I&N Dec. 225 (BIA 1980), this Board concluded that moral turpitude inhered in the crime of uttering or selling false or counterfeit paper relating to the registry of aliens in violation of 18 U.S.C. § 1426(b), even though the statute did not require proof of a specific intent to defraud. In reaching this conclusion, we noted that 18 U.S.C. § 1426(b) requires *knowledge* on the part of the offender that the documents he or she was selling were counterfeit, and we found that the act of selling counterfeit documents, like the act of counterfeiting currency, involved deliberate deception and interfered

with the government's ability to function. *Id.* at 228-30. *See also Carty v. Ashcroft*, 395 F.3d 1081 (9th Cir. 2005) (willful failure to file state income taxes was crime involving moral turpitude, even though an intent to deceive was not an element of the offense, because tax evasion is inherently deceptive and impairs the government's ability to function); *Winestock v. INS*, 576 F.2d 234 (9th Cir. 1978) (knowingly selling, transferring and delivering counterfeit United States securities intending to pass them as genuine is a crime involving moral turpitude); *Lozana-Giron v. INS*, 506 F.2d 1073, 1076 (7th Cir. 1974) (knowing possession of counterfeit money with intent to distribute is a crime involving moral turpitude).

*2 While it appears that one may be convicted under N.Y. PENAL LAW § 165.71 without specifically intending to deceive the immediate purchaser (or potential purchaser) of goods bearing a counterfeit trademark, this fact does not suggest that trademark counterfeiting is sometimes a victimless crime or that it may be committed by morally neutral means. One who deliberately traffics in goods knowing that such goods bear a spurious trademark (or, alternatively, has knowingly possessed goods bearing a counterfeit trademark with the intent to traffic in them) has engaged in inherently dishonest conduct. The very purpose of trademark counterfeiting is to confuse the buying public (even if some purchasers buy goods knowing that they bear a counterfeit trademark) and also to exploit the reputations, development costs, and advertising efforts of honest mark holders, who must bear the costs associated with any dilution of the mark's value in the public's estimation. In essence, trademark counterfeiting is a form of commercial forgery that involves the theft of someone else's property in the form of a trademark, even if it does not involve deceiving the direct purchasers of the counterfeit goods and services. *See David J. Goldstone & Peter J. Toren, The Criminalization of Trademark Counterfeiting*, 31 CONN. L. REV. 1, 4 (Fall 1998). Indeed, trademark counterfeiting is inherently immoral activity because it entails dishonest dealing and deliberate exploitation of the public and the mark owner. *Id.* at 22 (noting that "using the good name of another without authorization to bolster the value of one's own work is a moral wrong that violates social norms").

Accordingly, we find no error in the Immigration Judge's conclusion that the nature of the respondent's conviction, which involves the intent to deceive or defraud some other person or with the intent to evade a lawful restriction on the sale, resale, offering for sale, or distribution of goods, is a crime involving moral turpitude. As the respondent is unable to establish that he was been admitted in any status for the requisite period of seven years, he is unable to demonstrate statutory eligibility for cancellation of removal. The appeal is dismissed.

Roger A. Pauley
FOR THE BOARD

2008 WL 4222204 (BIA)

In removal proceedings under section 240 of the Immigration and Nationality Act:

Subject ID : [REDACTED]

File No: A [REDACTED]

DOB: [REDACTED]

Event No: [REDACTED]

In the Matter of:

Respondent: [REDACTED]

currently residing at:

[REDACTED]

(Number, street, city and ZIP code)

(Area code and phone number)

- ☐ 1. You are an arriving alien.
- ☐ 2. You are an alien present in the United States who has not been admitted or paroled.
- ☒ 3. You have been admitted to the United States, but are removable for the reasons stated below.

The Department of Homeland Security alleges that you:

1. You are not a citizen or national of the United States;
2. You are a native of Senegal and a citizen of Senegal;
3. You were admitted to the United States at New York, NY, on or about [REDACTED], as a Lawful Permanent Resident;
4. You were convicted of the crime of Trademark Counterfeiting, in the third degree, in violation of Section 165.71 of the New York State Penal Law, pursuant to a judgment entered on [REDACTED] in the Criminal Court of the City of New York, County of New York, under docket number [REDACTED];
5. For that offense, a sentence of one year or longer may be imposed.

On the basis of the foregoing, it is charged that you are subject to removal from the United States pursuant to the following provision(s) of law:

Section 237(a)(2)(A)(i) of the Immigration and Nationality Act, as amended, in that you have been convicted of a crime involving moral turpitude committed within five years after admission for which a sentence of one year or longer may be imposed.

- ☐ This notice is being issued after an asylum officer has found that the respondent has demonstrated a credible fear of persecution or torture.
- ☐ Section 235(b)(1) order was vacated pursuant to: ☐ 8CFR 208.30(f)(2) ☐ 8CFR 235.3(b)(5)(iv)

YOU ARE ORDERED to appear before an immigration judge of the United States Department of Justice at:
TO BE CALENDARED AND NOTICE PROVIDED BY THE OFFICE OF THE IMMIGRATION COURT

(Complete Address of Immigration Court, including Room Number, if any)

on a date to be set at a time to be set to show why you should not be removed from the United States based on the
(Date) (Time)

charge(s) set forth above.

SUPERVISORY DEPORTATION OFFICER

(Signature and Title of Issuing Officer)

Date:

NEW YORK, NY

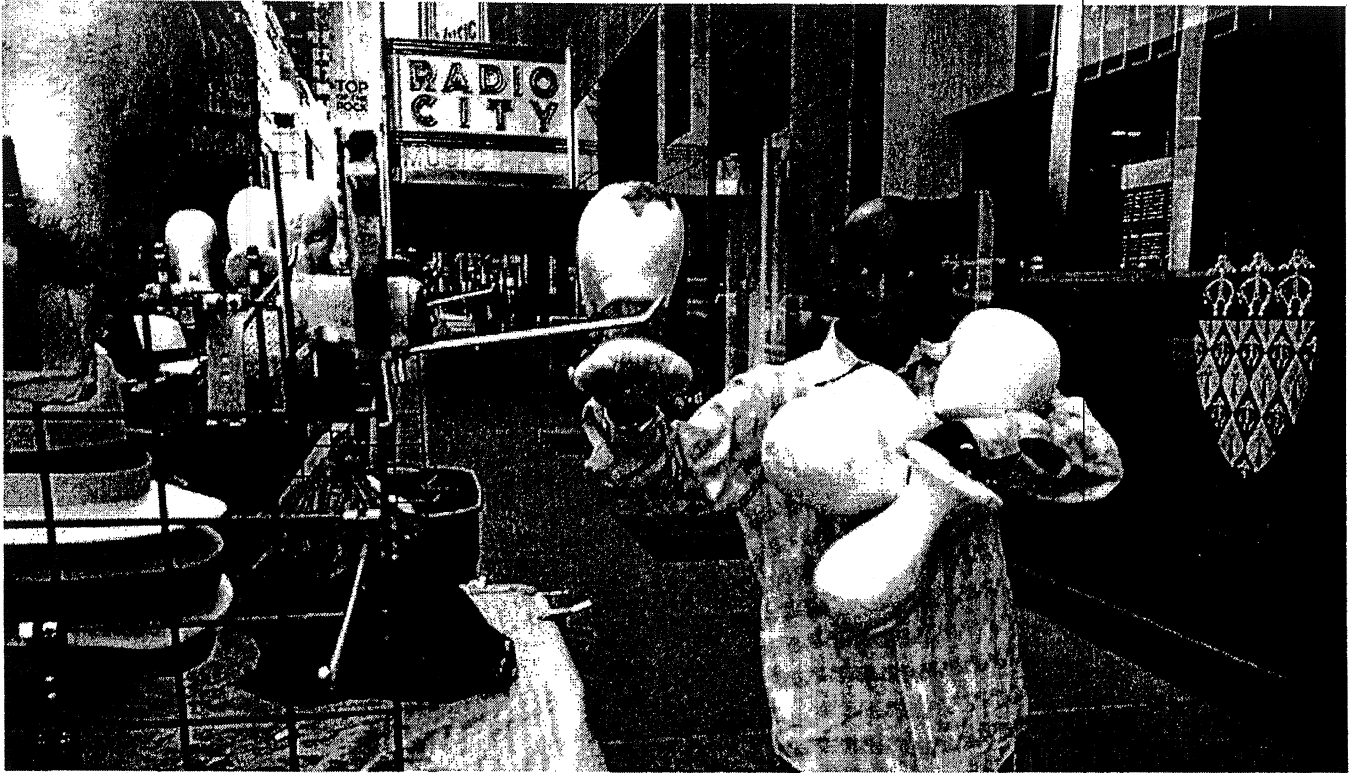
(City and State)

See reverse for important information

With Hats And Umbrellas, Senegalese Fill A City Niche

Updated September 18, 2012 7:09 PM ET Published September 18, 2012 9:15 AM ET

NPR Staff



Senegalese vendor Cheikh Fall prepares his stall in front of Brooks Brothers on 51st Street, just off the Avenue of the Americas in New York City. Fall runs an association of Senegalese vendors that deals with the city over licensing and regulations.

Art Silverman/NPR

Careful planning can transform the shape and life of a city. But sometimes, a city's features develop spontaneously — like the immigrant enclaves that grow around certain jobs and trades in urban centers like New York.

Occupational clichés have been a fact of life in the Big Apple for generations. Historically, New Yorkers thought of Jewish tailors, Italian greengrocers or Irish policemen, says Philip Kasinitz, a sociologist with the City University of New York.

In more recent times, Kasinitz tells NPR's Robert Siegel, a New Yorker might point to "Korean vegetable stand owners, Pakistani cab drivers — before that, it was Russian cab drivers — West Indian nurses and West Indian child care workers."

Kasinitz says social capital — family connections and contacts — created those occupational

associations, and still does, even as the immigrant groups change.

In today's New York, one particular group — the Senegalese — occupy a very visible commercial niche, selling umbrellas, handbags, hats and scarves from tables or carts on sidewalks all across the city.



Cheikh Fall sets up his stall. He lives by the motto, "Work like you're never gonna die, and worship like you will die tomorrow."

Art Silverman/NPR **Making A Living On The Weather**

Senegalese vendors have become so visible in the past two decades that the group has achieved cliché status among New Yorkers — especially when it rains.

"The joke used to be that you got very depressed when you saw the Senegalese umbrella vendors setting up," Kasinitz says. "Because no matter how nice a day it was, that meant rain was coming soon. They *knew*."

"We know ahead at least five days," says Cheikh Fall, who set up his table near Radio City Music Hall on a recent afternoon.

Since the sidewalk vendors depend on the elements, he says, they follow the weather forecasts religiously. "We start following the rain from Florida to here, from Chicago to here."

Fall says the vendors know which forecasters to believe and which to discount. And, he says, if you could bet against the weather forecasts, the Senegalese community would be full of rich people.

Fall, 45, is a father of four with a thin mustache and a clean-shaven head. He runs an association of Senegalese vendors that deals with the city over licensing and regulations. His table boasts fedoras, ladies' hats, scarves and sunglasses, but all those items take second place to umbrellas on a rainy day.

Fall says he's the son of an airline executive, but most of his fellow vendors grew up less well-off. When they reached the United States, he says, they gravitated toward a business that feels somewhat familiar.

"Most of them was traders or farmers [back in Senegal]," Fall says. "And if you're a farmer, you have to trade your crops. So coming to a city like New York, where there's no factories, there's no farming ... trading was the only thing that was available and that they can relate to, because they was doing it also back home."

Location, Location, Location

Many Senegalese immigrants also came to New York without papers and were ineligible to work in other jobs.

In Fall's case, he came to attend college 20 years ago. He dropped out, worked as a court interpreter, became a citizen and then enlisted in the Navy.

With \$450 and a tip from another vendor about how to connect with wholesalers (go to trade shows, he said), Fall went into business in 2003.

Making a living this way relies on many things, but one is the old adage: location, location, location. When it's raining, Fall says he usually sets up near hotels on 5th Avenue or on Broadway.

And when Apple unveiled its new iPhone, Fall selected Radio City Music Hall, rather than the Broadway Apple Store, based strictly on personal experience.

"People are not focusing on what's next to the Apple Store; they're only focusing on the new product they're going to get," Fall says. "They don't care about the hat, they don't care about sunglasses ... After you go to Apple store, and you bought something you like, or something that's expensive, then [you think], OK, I spent enough money today, I'm not going to buy me a hat."

Fall says Senegalese immigrants bring a strong work ethic that accounts for their success as sidewalk vendors in cities all around the world.

Nearly all of the Senegalese vendors in New York are adherents of a Senegalese branch of Sufi Islam, a very spiritual form of the faith. Fall points to the teaching of a Senegalese sage that guides him and many of his countrymen: "Work like you never gonna die, and worship like you will die tomorrow."

And the work *is* hard. It takes Fall about 40 minutes to unpack his van and get set up early enough to catch New Yorkers on their lunch break. It takes just as long, he says, to tear down and pack up after the evening rush hour. A bathroom break requires another vendor to watch the table, and friends in nearby restaurants or hotels who will let him use their restroom.



Intellectual Property Rights Seizure Statistics Fiscal Year 2014

Disclaimer: The information contained in this report does not constitute the official trade statistics of the United States. The statistics, and the projections based upon those statistics, are not intended to be used for economic analysis, and are provided for the purpose of establishing U.S. Department of Homeland Security workload.



**Homeland
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Executive Summary

Products that infringe on U.S. trademarks, copyrights, and patents threaten the health and safety of American consumers, our economy, and our national security. U.S. Customs and Border Protection (CBP) and U.S. Immigration and Customs Enforcement's (ICE) Homeland Security Investigations (HSI) continued Intellectual Property Rights (IPR) enforcement against these illicit imports mitigates the financial and welfare risk.

In Fiscal Year (FY) 2014 the number of IPR seizures decreased nearly 5% to 23,140 from 24,361 in FY 2013. The manufacturer's suggested retail price (MSRP) of the goods had they been genuine decreased 30% to \$1,226,347,540.

Tactical interagency collaboration with the HSI-led National Intellectual Property Rights Coordination Center (IPR Center) resulted in 683 arrests, with 454 indictments and 461 convictions.

Each year, more than 11 million maritime containers arrive at our seaports. At land borders, another 10 million arrive by truck and 3 million by rail. Through air travel arrives an additional quarter billion more cargo, postal, and express consignment packages. The agencies within the Department of Homeland Security remain vigilant in targeting shipments posing a risk to the American people.



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Year in Review

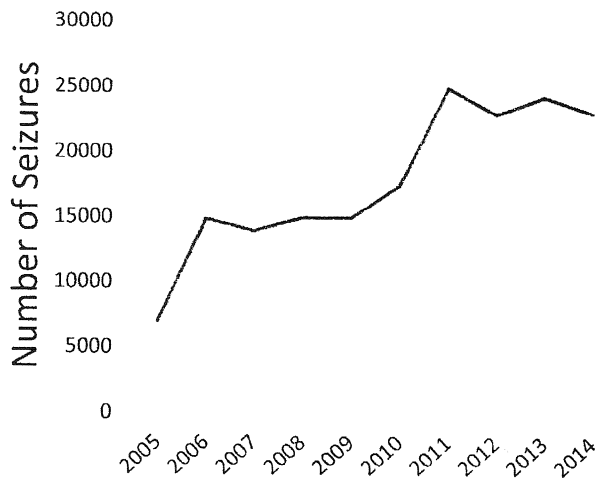
- Ensuring the protection of the health and safety of consumers, U.S. Customs and Border Protection and U.S. Immigration and Customs Enforcement – Homeland Security Investigations (HSI), identified and acted upon the significant development of counterfeit water filtration parts being sold to unknowing American users. FY 2014 efforts resulted in more than 32,000 water filtration articles being intercepted.
- There was an increase in both the number and MSRP of auto parts seizures. The number of seizures increased by more than 83% from 118 seizures in FY 2013 to 216 in FY 2014 and the MSRP increased 66% from \$4.1 million in FY 2013 to \$6.8 million in FY 2014. These additional seizures included a greater diversity of auto parts seized as compared to previous fiscal years, e.g., fuel injectors, rearview mirrors, gauges, valves, motor oil, and tachometers.
- Continuing on the success of Operation Home Plate I and II conducted in FY 2013 focusing on major sports league apparel, Operation Home Plate III resulted in 436 seizures totaling \$2.6 million MSRP.
- Operation BeatsBody, focusing on consumer electronics as well as integrated circuits resulted in 234 seizures totaling \$1.5 million MSRP.
- In addition, 144 shipments of circumvention devices were seized for violation of the Digital Millennium Copyright Act (DMCA) .



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Year in Review

10 Year Seizure Totals



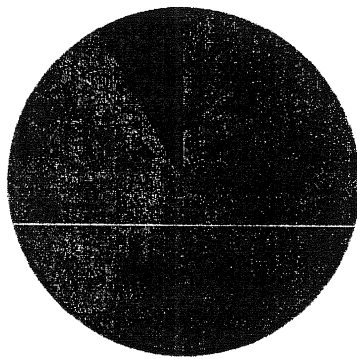
- An increased enforcement focus on semiconductors and the safety and security risks they present, resulted in a 5% increase in seizures from FY 2013 to FY 2014.
- Watches and jewelry overtook first place as the largest commodity classification by value. Due to increased outreach and education, battery seizures increased 64% from 221 in FY 2013 to 362 in FY 2014.
- Wearing apparel and accessories, as a category, continues to be the number one commodity classification based on number of seizures.
- Among trading partners, Canada moved into the Top 3 in seized MSRP value and Top 5 in total number of seizures.



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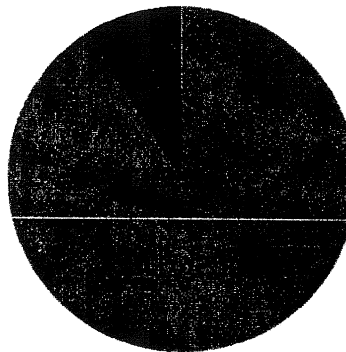
Manufacturer's Suggested Retail Price

Fiscal Year 2014



- Watches/Jewelry
- Handbags/Wallets
- Consumer Electronics/Parts
- Wearing Apparel/Accessories
- Pharmaceuticals/Personal Care
- Footwear
- Computer Accessories
- Labels/Tags
- Optical Media
- Toys
- All Other Commodities

Fiscal Year 2013



- Handbags/Wallets
- Watches/Jewelry
- Consumer Electronics/Parts
- Wearing Apparel/Accessories
- Pharmaceuticals/Personal Care
- Footwear
- Computers/Accessories
- Labels/Tags
- Optical Media
- Toys
- All Other Commodities



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Manufacturer's Suggested Retail Price

FY 2014 Commodity	MSRP	Percent of Total*
Watches/Jewelry	\$ 375,397,333	31%
Handbags/Wallets	\$ 342,031,595	28%
Consumer Electronics/Parts	\$ 162,209,441	13%
Wearing Apparel/Accessories	\$ 113,686,295	9%
Pharmaceuticals/Personal Care	\$ 72,939,399	6%
Footwear	\$ 49,522,859	4%
Computers/Accessories	\$ 26,652,422	2%
Optical Media	\$ 18,780,989	2%
Labels/Tags	\$ 17,675,452	1%
Toys	\$ 8,178,351	Less than 1%
All Other Commodities	\$ 39,273,404	3%

Total FY 2014 MSRP **\$ 1,226,347,540**
Number of Seizures **23,140**

FY 2013 Commodity	MSRP	Percent of Total*
Handbags/Wallets	\$ 700,177,456	40%
Watches/Jewelry	\$ 502,836,275	29%
Consumer Electronics/Parts	\$ 145,866,526	8%
Wearing Apparel/Accessories	\$ 116,150,041	7%
Pharmaceuticals/Personal Care	\$ 79,636,801	5%
Footwear	\$ 54,886,032	3%
Computers/Accessories	\$ 47,731,513	3%
Labels/Tags	\$ 41,768,528	2%
Optical Media	\$ 26,830,902	2%
Toys	\$ 8,794,285	Less than 1%
All Other Commodities	\$ 18,837,223	1%

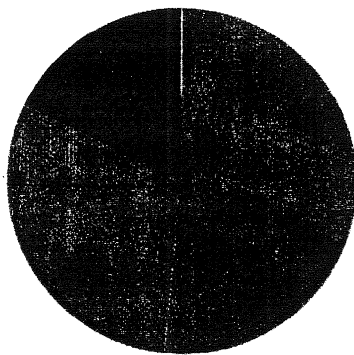
Total FY 2013 MSRP **\$ 1,743,515,581**
Number of Seizures **24,361**



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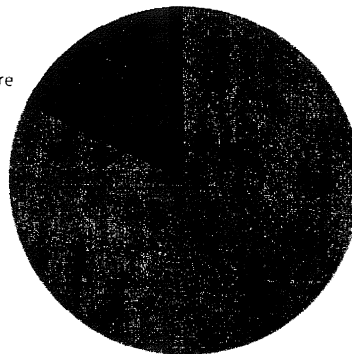
Number of Seizures

Fiscal Year 2014



- Wearing Apparel/Accessories
- Consumer Electronics
- Pharmaceuticals/Personal Care
- Handbags/Wallets
- Footwear
- Watches/Jewelry
- Optical Media
- Computers/Accessories
- Labels/Tags
- Toys
- All Other Commodities

Fiscal Year 2013



- Wearing Apparel/Accessories
- Consumer Electronics
- Handbags/Wallets
- Pharmaceuticals/Personal Care
- Watches/Jewelry
- Footwear
- Optical Media
- Computers/Accessories
- Labels/Tags
- Sporting Goods
- All Other Commodities



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Number of Seizures

FY 2014 Commodity	Number of Seizures	Percent of Total*
Wearing Apparel/Accessories	7,922	28%
Consumer Electronics	6,610	24%
Pharmaceuticals/Personal Care	2,417	9%
Handbags/Wallets	2,221	8%
Footwear	1,961	7%
Watches/Jewelry	1,937	7%
Optical Media	1,552	6%
Computers/Accessories	906	3%
Labels/Tags	540	2%
Toys	303	1%
All Other Commodities	1,723	6%

Number of Seizures **28,092***

FY 2013 Commodity	Number of Seizures	Percent of Total*
Wearing Apparel/Accessories	9,894	35%
Consumer Electronics	5,656	20%
Handbags/Wallets	2,223	8%
Pharmaceuticals/Personal Care	2,215	8%
Watches/Jewelry	1,729	6%
Footwear	1,683	6%
Optical Media	1,409	5%
Computers/Accessories	1,062	4%
Labels/Tags	788	3%
Sporting Goods	266	Less than 1%
All Other Commodities	1,287	5%

Number of Seizures **28,212***

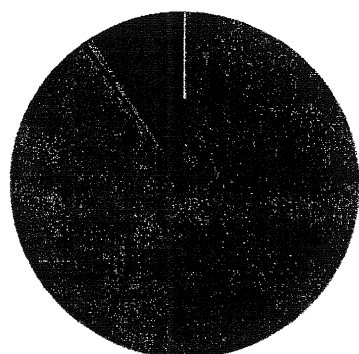
* Seizures can contain multiple commodities



**Homeland
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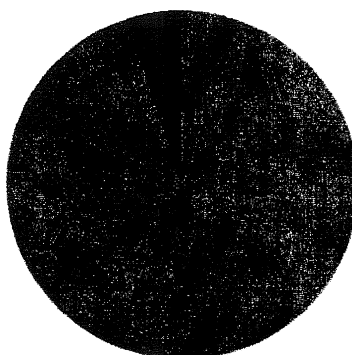
Source Economies by Manufacturer's Suggested Retail Price

Fiscal Year 2014



- China
- Hong Kong
- Canada
- India
- United Arab Emirates
- Taiwan
- Singapore
- Korea
- Vietnam
- Kenya
- All Other Economies

Fiscal Year 2013



- China
- Hong Kong
- India
- Korea
- Singapore
- Vietnam
- Taiwan
- Great Britain
- Bangladesh
- Pakistan
- All Other Economies



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Source Economies by Manufacturer's Suggested Retail Price

FY 2014 Trading Partner	MSRP	Percent of Total
China	\$ 772,629,008	63%
Hong Kong	\$ 310,437,365	25%
Canada	\$ 12,460,242	1%
India	\$ 5,540,652	Less than 1%
United Arab Emirates	\$ 3,791,268	Less than 1%
Taiwan	\$ 3,081,838	Less than 1%
Singapore	\$ 2,538,079	Less than 1%
Korea	\$ 2,514,596	Less than 1%
Vietnam	\$ 2,422,050	Less than 1%
Kenya	\$ 2,292,982	Less than 1%
All Others	\$ 108,639,461	9%

Total FY 2014 MSRP \$ **1,226,347,540**

Number of Seizures **23,140**

FY 2013 Trading Partner	MSRP	Percent of Total
China	\$ 1,180,919,064	68%
Hong Kong	\$ 437,538,041	25%
India	\$ 20,683,669	1%
Korea	\$ 6,308,434	Less than 1%
Singapore	\$ 5,065,398	Less than 1%
Vietnam	\$ 4,406,367	Less than 1%
Taiwan	\$ 3,975,422	Less than 1%
Great Britain	\$ 2,421,034	Less than 1%
Bangladesh	\$ 1,914,318	Less than 1%
Pakistan	\$ 1,335,728	Less than 1%
All Others	\$ 78,948,105	5%

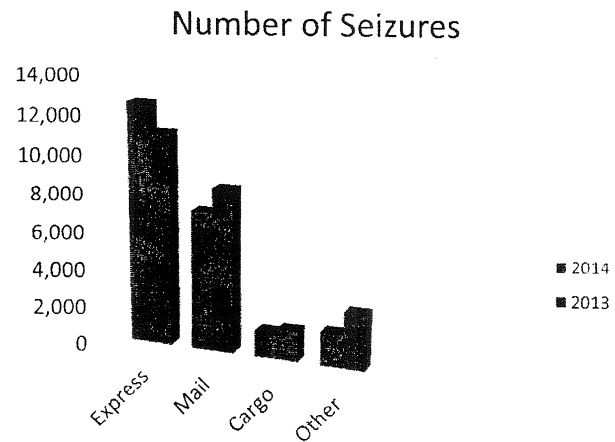
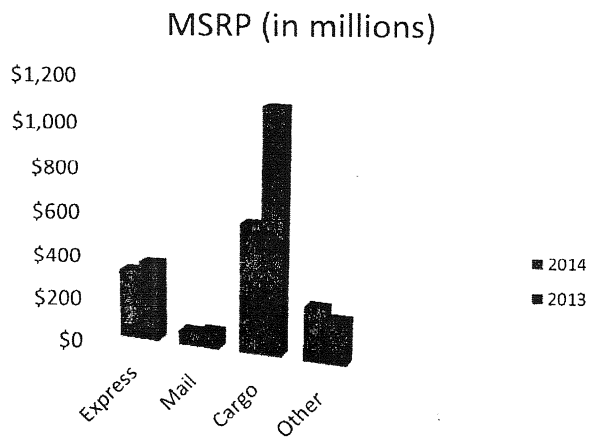
Total FY 2013 MSRP \$ **1,743,515,581**

Number of Seizures **24,361**



**Homeland
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Shipping Environments



In any given year, approximately ten percent of all seizures cannot be categorized as express, mail or cargo. The other seizures represent investigations by Homeland Security Investigations, exports, passenger baggage, or other enforcement situations.



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Shipping Environments

Manufacturer's Suggested Retail Price (in millions)

FY	Express	Mail	Cargo	Other	Total
2013	\$364.60	\$76.50	\$1,100.00	\$202.40	\$1,743.50
2014	\$319.90	\$64.10	\$592.50	\$249.70	\$1,226.20

Number of Seizures

FY	Express	Mail	Cargo	Other	Total
2013	11,196	8,558	1,654	2,953	24,361
2014	12,623	7,300	1,423	1,794	23,140



Homeland
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GIPC
Global Intellectual Property Center
U.S. CHAMBER OF COMMERCE

IP Creates Jobs *for America*

Executive Summary

Dr. Nam D. Pham - ndp|consulting

Research by the U.S. Department of Commerce has shown that innovation and creativity are key drivers for economic growth and prosperity, with intellectual property (IP)-intensive industries driving America's jobs and economic growth. But how important is IP to each state of the United States? Tasked with filling in the gaps and understanding the "spillover" benefits of IP and the broad impact on other sectors of the economy in the states, **ndp|consulting** completed an analysis of the total contributions of IP on the U.S. economy and 50 states plus the District of Columbia. These state-by-state fact sheets further demonstrate the economic benefits of IP-intensive industries to state economies, including employment, exports, output, and wages impacts.

"IP Creates Jobs for America" builds on the report by the U.S. Department of Commerce, "Intellectual Property and the U.S. Economy: Industries in Focus." The Commerce report provided an analysis of the contributions of IP-intensive industries, defined as industries that protect their innovations and creativity through patents, trademarks, and copyrights. However, the Commerce report only estimated direct and indirect contributions of IP along the supply chain, without taking into account the economic contributions of IP outside the supply chain and its broad impact on the U.S. economy. This report expands the "indirect" benefits to include another subset, the "spillover" benefits, on the broader economy.

Overall, each dollar spent in direct expenditure creates a chain reaction of indirect spending, with subsequent rounds of additional spending and "spillover" benefits to other sectors in the economy. For example, a consumer products company spends money on "direct" inputs such as R&D, personnel, operational costs, as well as goods and services to produce their products. The company "directly" purchases equipment and materials from suppliers and pays salaries to employees. These suppliers then buy materials from other vendors and hire workers to produce equipment to sell to the IP-intensive company. The company "indirectly" creates incomes for those other vendors and workers along the supply chain. Vendors and workers use additional incomes to purchase goods and services outside of that supply chain in the local economy. The jobs and income that result from the consumer purchases are considered employment and personal income impacts. The consumer products company essentially accounts for this "spillover" spending.

In this report, we measure IP-intensive companies by tangible inputs such as research and development (R&D) expenditures, the number of scientist and engineer (S&E) personnel, and by tangible outputs such as patents, trademarks, and copyrights across all 50 states and the District of Columbia. In this report, we define IP-intensive companies as those who reported positive R&D expenditures in manufacturing and non-manufacturing sectors, companies that apply registered trademarks to products such as consumer goods, and those in six copyright-concentrated industries (motion pictures, newspapers, performing arts, broadcasting, independent artists, and software). Here are the findings on key indicators from our analysis:

Employment

IP-intensive companies created more than 55.7 million direct and indirect jobs in 2008-09, including 19.1 million direct jobs and 36.6 million indirect jobs and account for nearly 16 % and over 30 % of private sector jobs, respectively. IP-intensive companies contribute to state employment in different channels from direct employment to indirect employment along the supply chain, as well as in “spillover” benefits to other sectors in the economy. The positive benefits of IP help support a broad range of other sectors outside the supply chain in the local economy.

Output

IP-intensive companies added more than \$2.8 trillion direct output, accounting for more than 23 % of total output in the private sector in 2008-09. In addition to direct output, IP-intensive companies create more than \$3 trillion indirect output along the supply chain. Altogether, IP-intensive companies created more than \$5.8 trillion direct and indirect output, accounting for 48.4 % of total private sector output in the United States. The high output per worker reflects high labor productivity in IP-intensive companies. Output per worker in IP-intensive companies averages \$136,556 per worker, nearly 72.5 % higher than the \$79,163 national-average.

Exports

IP-intensive companies exported more than \$1 trillion and approximately 74 % of total U.S. exports in 2011. Moreover, exports from IP-intensive companies support the jobs of 8.1 million workers and 70 % of total employment in tradable industries.

Wages

Our study found a consistent pattern across 50 states and the District of Columbia that IP-intensive companies pay higher wages than their counterparts in the private sector. On average, IP-intensive companies pay \$50,576 per worker compared to \$38,768 per worker in the private sector in 2008-09. Thus, the wage differential (IP wage minus average wage) averages \$11,808 per worker and a 30.5 % difference. In addition to wages paid to direct IP workers, IP-intensive companies also indirectly pay wages to indirect IP workers in the local economy. IP-intensive companies indirectly create an additional \$57,753 in wages to support every IP worker.

Conclusion

State by state, our data consistently show that innovative and creative companies perform better and contribute more to the local economy than their counterparts. The direct and indirect economic impacts of innovation are overwhelming, accounting for more than 40 % of U.S. economic growth and employment. IP-intensive companies play a critical role in driving state and regional economies. These companies serve as our engines of growth, vehicles for innovation, and drivers of economic prosperity. The long-term vitality of these industries will rely on the support from Congress and the Administration to foster and protect the creativity and ingenuity of American IP-intensive companies.



Methodology

The research methodology of this study is built upon our previous two research projects -- The Impact of Innovation and the Role of Intellectual Property Rights on U.S. Productivity, Competitiveness, Jobs, Wages, and Exports (2010) and Employment and Gross Output of Intellectual Property Companies in the United States (2011).

Our previous reports found IP supports more than 19.1 million direct American jobs in IP-intensive companies across all industries. As described in our previous reports, the three common tangible IP products are patents, trademarks, and copyrights. Evidence from economic literature suggests research and development (R&D) expenditures are positively correlated with the number of patents and the number of trademarks in both large and small firms. Therefore, we use the R&D expenditure indicator to identify the IP-intensive companies that have IP products in the form of patents and trademarks. Since R&D expenditures are not correlated with copyright ownership, we use copyright claims to identify IP-intensive companies that have IP products in the form of copyrighted works.

Direct IP jobs are people who work in the IP-intensive companies that have patents, trademarks, or copyrights. For patents and trademarks, we identified IP-intensive companies as those companies who reported positive R&D spending in any sector. For this group of companies, we obtained R&D spending, employment, and sales data from the National Science Foundation and U.S. Census Bureau. For copyrights, we identified IP-intensive companies as those companies in six copyright-concentrated industries (motion pictures, newspapers, performing arts, broadcasting, independent artists, and software). For this group, we obtained copyrights, occupational, and employment data from the U.S. Bureau of Labor Statistics and Copyright Office.

Three main contributions of this report are: (1) To allocate 19.1 million direct IP jobs, output, and wages by industry across 50 states and the District of Columbia; (2) To estimate the indirect effects of IP on jobs, output, and wages; and, (3) To estimate IP-products and related jobs associated with U.S. exports.

First, we obtain the latest 2009 data of private sector employment, output, and wages by state and by industry published by government agencies.² We then apply our previous estimated shares of direct IP job by company to estimate the number of direct IP jobs by state and by industry. Our estimated direct IP jobs represent the number of workers employed by companies that are spending resources on R&D (i.e., IP-intensive companies). Next, we calculate a weighted-average of output produced by a worker in IP-intensive companies in each state (i.e., total output of IP-intensive companies divided by the total number of workers in IP-intensive companies in all industries within a state). Similarly, we calculate a weighted-average of wage paid to a worker in IP-intensive companies in each state (i.e., total wages paid to workers in IP-intensive companies divided by the number of workers in IP-intensive companies in all industries within a state).

¹ National Science Foundation; U.S. Bureau of Economic Analysis; U.S. Bureau of Labor Statistics.

Next, we use industry economic multipliers by state, produced by the U.S. Bureau Economic Analysis (BEA's RIMS II), to estimate the indirect jobs associated with the direct IP jobs, output, and wages. Our estimated indirect IP jobs, wages, and output represent additional jobs, output, and wages that are created to support those direct IP jobs along the supply chain. The BEA's RIMS II multipliers estimate the direct and indirect effects of an initial economic activity on the affected region. As defined by the BEA, direct effects are the dollar amount of inputs required by an industry to produce a dollar of the industry's output, while indirect effects are the dollar amount of inputs required by all other industries in the supply chain to meet the industry's initial demand for the dollar of its output.

Mary Streitwieser of the Industry Benchmark Division at the BEA, illustrates this concept by using the example of motor vehicles to demonstrate the direct and indirect effects associated with the final outputs. The direct effects are the input production requirements such as the paint, steel, and plastic for the motor vehicles industry to provide additional motor vehicle outputs. The indirect effects are those "trickle down" production requirements for all other industries necessary in the supply chain to support the additional demand for intermediate inputs from the motor vehicles industry, such as the additional requirement for tire cord and synthetic rubber by the plastics and rubber industry to provide the additional tires required by the motor vehicles industry. A subset of indirect effects, called the "induced effects," are the impacts of household expenditures on goods and services from the income earned by all direct and indirect employees.²

Lastly, we use the latest 2011 export receipts by state and by industry published by the U.S. Census Bureau and the U.S. International Trade Commission. We then divide exports by our estimated output shares of IP-intensive companies and output per capita by state and by industry to estimate exports and associated employment of IP-intensive companies.

Selection of industries

Our dataset covers all manufacturing and non-manufacturing industries in the private sector in the U.S. economy. Manufacturing industries and their corresponding North American Industry Classification System (NAICS) code (inside the parentheses) include food, beverage and tobacco products (311, 312), textiles, apparel, and leather (313-316), wood products (321), paper and printing (322, 323), petroleum and coal products (324), chemicals (325), plastics and rubber products (326), nonmetallic mineral products (327), primary metals (331), fabricated metal products (332), machinery (333), computer and electronic products (334), electrical equipment and appliances (335), transportation equipment (336), furniture (337), and miscellaneous manufacturing (339). Non-manufacturing industries and their corresponding NAICS codes (inside the parentheses) include mining (21), utilities (22), construction (23), wholesales (42), retails (44, 45), transportation and warehousing (48, 49), publishing (511), telecommunications (517, 518), motion picture and sound recording (512), broadcasting (515), finance, insurance, and real estate (52, 53), and professional, scientific, and technical services (54).

² Streitwieser, Mary L. 2010, "Measuring the Nation's Economy: An Industry Perspective – A Primer on BEA's Industry Accounts," Bureau of Economic Analysis.



We identified IP-intensive companies are those companies that have patents, trademarks, and copyrights in manufacturing and non-manufacturing industries in the private sector. For patents and trademarks, IP-intensive companies are those who reported positive R&D spending in any manufacturing and non-manufacturing industry in the private sector. For this group of companies, we obtain R&D spending, employment, and sales data from the National Science Foundation and U.S. Census Bureau. The National Science Foundation and the U.S. Census Bureau aggregate R&D data by state and by industry. However, they do not release information of individual reporting companies to avoid disclosure of confidential information. For copyrights, IP-intensive companies are those companies in six copyright-concentrated industries (motion pictures, newspapers, performing arts, broadcasting, independent artists, and software). For this group, we obtain copyrights, occupational, and employment data from the U.S. Bureau of Labor Statistics and Copyright Office.

We identified IP-intensive industries are those industries that have R&D spending per capita above the national average R&D spending per capita and those industries that copyright claims are concentrated. These industries and their corresponding NAICS are petroleum and coal products (324), chemicals (325), computer and electronic products (334), transportation equipment (336), miscellaneous medical equipment (3391), print publishing (5111), software (5112), telecommunications (517, 518), motion picture and sound recording (512), and broadcasting (515). Note that IP-intensive companies are those companies in both IP-intensive industries and non-IP-intensive industries.

Our research captures the broad impact of IP-intensive companies on the overall U.S. economy and the success of these companies on the state level. Using U.S. government data, our research illustrates the crucial role that IP-intensive companies play in driving national and state economies. These companies serve as our engines of growth, vehicles for innovation, and drivers of economic prosperity.

MAGNITUDE OF COUNTERFEITING AND PIRACY OF TANGIBLE PRODUCTS: AN UPDATE

November 2009

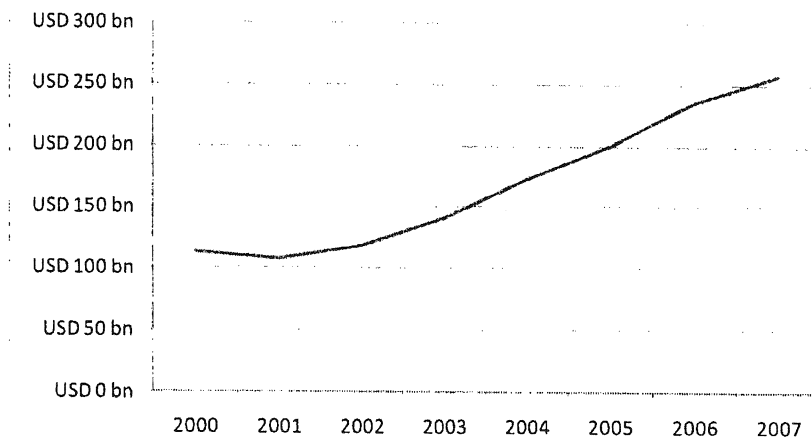


The growing importance of intellectual property (IP) in knowledge-based economies has generated concerns about the potential adverse effects of counterfeiting and piracy on governments, rights holders and consumers. A recent OECD study on counterfeiting and piracy (OECD, 2008)¹ attempted to quantify the scale of the effects due to these illicit activities. This study focused on the infringement, through counterfeiting and piracy, of trademarks, copyrights, patents and design rights, to the extent that they involved physical products.

Based on the framework developed in OECD (2008) this short report updates the quantitative results of that study by utilising more recent international trade statistics for the calendar years 2000 to 2007. This report does not, however, update the customs interception data on which the original framework was constructed and relies on the same, aggregated customs interception data (*i.e.* for 1999-2005). A methodological note describing the updating process in more detail is attached below.

The OECD (2008) study concluded that international trade in counterfeit and pirated goods could have accounted for up to USD 200 billion in 2005. The updated estimates, based on the growth and changing composition of trade between 2005 and 2007, suggest that counterfeit and pirated goods in international trade grew steadily over the period 2000 – 2007 and could amount to up to USD 250 billion in 2007 (Figure 1). The share of counterfeit and pirated goods in world trade is also estimated to have increased from 1.85% in 2000 to 1.95% in 2007. As in the original study, these figures do not include domestically produced and consumed products, or non-tangible pirated digital products.

Figure 1: Evolution of trade in counterfeit and pirated products (upper limit)



¹ OECD (2008), *The Economic Impact of Counterfeiting and Piracy*. OECD, Paris. see www.oecd.org/sti/counterfeiting

Methodological Note

This report updates the quantitative results of OECD (2008), based on the framework developed in that study. The update involves applying detailed indices of counterfeiting (called GTRIC, presented below) to international trade statistics for the calendar years 2000 – 2007.

To build the foundation on which the magnitude of counterfeiting and piracy in world trade could be analysed for the 2008 study, the OECD conducted a survey in co-operation with the World Customs Organization (WCO). Seventy responses were received from national customs authorities, providing information on interceptions of infringements, recorded at any time during the period 1999 to 2005. Based on these responses two general trade-related indices of counterfeiting and piracy (GTRIC) were constructed:

- A general trade-related index of counterfeiting and piracy of economies (GTRIC-*e*), and
- A general trade-related index of counterfeiting and piracy of products (GTRIC-*p*).

The General Trade-Related Index of Counterfeiting for economies (see Table A1 in the Annex) presents the relative intensity with which a given economy exports counterfeit and pirated products. The term "relative" means that for a given economy GTRIC-*e* indicates the average intensity of its counterfeit exports, taking the economy with the highest share of exports of counterfeit and pirated products as a benchmark. GTRIC-*e* was constructed in three steps. First, for each reporting economy seizures of counterfeit and pirated products are compared to general trade volumes and the respective seizure percentages are calculated. Second, based on these percentages, each exporting economy is assigned a counterfeiting factor. Third, based on these factors the GTRIC-*e* is formed.

A similar exercise was performed for detailed categories of tradable goods, and the results are summarized in Table A2 in the Annex that presents the GTRIC-*p* index. GTRIC-*p* is based on the 2-digit categories of the Harmonized System (HS) ² and establishes the relative likelihood for products in one category to be counterfeit relative to another. This exercise was performed for all 96 HS categories of reporting economies by dividing the seizure percentages of source economies by the economies' respective import share of the reporting economy's total imports (across the 145 known source economies). As with GTRIC-*e*, GTRIC-*p* is a point estimate of the relative counterfeiting propensity for products, which also refers to the baseline.

To generate the final result both indices, GTRIC-*p* and GTRIC-*e* are multiplied and the outcome is the GTRIC matrix of 96 (products) times 134 (economies). Each entry in this matrix corresponds to the relative propensity of a given product category exported from a given economy to contain counterfeited and pirated products.

To measure the magnitude of counterfeiting and piracy in world trade, the GTRIC matrix can be applied to statistics on international trade. The trade statistics used in this report cover the period between 2000 and 2007 and are derived from the UN Comtrade Database. The data is categorized according to the HS and corresponds to the 96 categories used in the GTRIC-*p* index.

As noted in OECD (2008) the estimation of magnitude of counterfeiting and piracy in international trade is not free from certain biases, most of which were discussed in the main report.

² The Harmonized System is a commodity classification system in which articles are grouped largely according to the nature of the materials of which they are made, as has been traditional in customs nomenclatures.

Moreover, even though some smoothing techniques have been applied to both GTRIC-*p* and GTRIC-*e* in order to control for static (*i.e.* time invariant) distortions, these techniques do not address the bias related to the potential time-variance of the GTRIC. The GTRIC relies on aggregated customs data over a seven year period and consequently, the update presented in this report relies on an implicit assumption that the GTRIC does not vary significantly between the period represented in the data collection (1999-2005), and the period analysed in the review (2006-07). While the validity of this assumption is considered to be acceptable for the relatively short period covered in this update, it would rapidly decline the further the trade data used diverge from the GTRIC customs data. It may therefore not be appropriate to update the estimates beyond 2007, especially given the current economic crisis and the considerable structural changes resulting in international trade flows. Further assessments of the share of counterfeiting and piracy in international trade would therefore require a new detailed assessment of customs data on seizures.

To obtain an index of the evolution of trade in counterfeit and pirated products, the GTRIC matrix is multiplied with the corresponding matrix of world exports for each year in the period 2000–2007. This exercise leads to an index of the evolution of trade in counterfeit and pirated products in absolute values. A comparison of this index with an index of the evolution of total world trade permits analysis of the share of trade in counterfeit and pirated goods in total trade volumes. Both are presented in Table 1.

Table 1: The evolution of trade in counterfeit and pirated products

Year	2000	2001	2002	2003	2004	2005	2006	2007
Evolution of trade in counterfeit and pirated products (in absolute values; 2005 = 100)	56.5	53.9	59.1	70.5	86.0	100.0	117.6	128.5
Evolution of trade in counterfeit and pirated products (as a share of total trade; 2005 = 100)	91.9	91.2	95.1	96.7	97.4	100.0	101.0	98.9

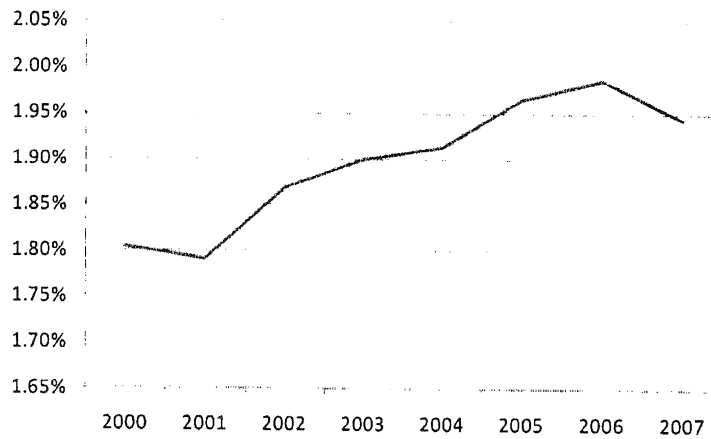
Unsurprisingly, given the growth in international trade in 2000-07 these updated results suggest that trade in counterfeit and pirated products grew steadily over the period 2000 – 2007, and in particular, between 2005 and 2007 it grew by more than 25%.

The OECD (2008) study concluded that in 2005 international trade in counterfeit and pirated goods could have accounted for up to USD 200 billion. This result can now be updated to reflect 2006 and 2007 data by using the index of evolution of trade in counterfeit and pirated products in absolute values (Table 1 and Figure 1) to derive an updated figure. The update suggests that counterfeit and pirated goods in international trade could have amounted for up to USD 250 billion in 2007.

Apart from the growing total value of trade in counterfeit and pirated products, the share of counterfeit and pirated goods in world trade also seems to have grown (see Table 1). Between 2000 and 2007, counterfeited and pirated products appear to have increased their share in total world trade from 1.85% in 2000 to 1.95% in 2007. While numerically small this increase is significant, given that world trade more than doubled over that period.

The dip in 2007 (Figure 2) could be explained by overall trade growing at a faster rate than the expected growth of counterfeited and pirated goods. This could be attributed to the rapid growth of trade in commodities (such as raw materials) that are less prone, or not prone at all, to counterfeiting. A detailed analysis of this question goes beyond the scope of this update, but further detail on the composition of trade and the relative likelihood of product categories to be counterfeit can be found in the 2008 report.

Figure 2: Evolution of trade in counterfeit and pirated products
(as a percentage of total trade)



Policies and measures

Counterfeiting and piracy compel strong and sustained action from governments, business and consumers. Measures to address counterfeiting and piracy include developing more effective enforcement and building public support to combat the counterfeiting and piracy. Increased co-operation between governments, and with industry, would be beneficial, as would better data collection. This update, which includes estimates that suggest that the problem of counterfeiting and piracy has continued to grow, serves to reiterate the call on governments to consider improving legal and regulatory frameworks, enhance enforcement and deepen the evaluation of policies, programmes and practices.

At the national governmental level, two of the principal challenges in combating counterfeiting and piracy are: 1) to find ways to enhance enforcement; and 2) to raise awareness of counterfeiting and piracy issues. Domestically, governments may consider improving legal and regulatory frameworks, enhancing enforcement and deepening the evaluation of policies, programmes and practices. Ways to strengthen the existing framework and practices could be explored multilaterally.

While the 2008 OECD study and this update have been able to provide insights into the situation, we also repeat the conclusions drawn in the 2008 report that the information base needs to be further strengthened. Governments, business and other interested stakeholders should continue to collect and analyse information that is essential for designing and implementing effective strategies for combating counterfeiting and piracy. Improved information would enable more far-reaching analyses to be carried out on the magnitude and effects of counterfeiting and piracy on economies. In turn, this would provide governments and other stakeholders with a firmer basis for developing more informed and effective policies and programmes to address these practices.

ANNEX

Table A1: General trade-related index of counterfeiting and piracy of economies (GTRIC_e)

<i>Economy</i>	<i>GTRIC_e</i>	<i>Economy</i>	<i>GTRIC_e</i>	<i>Economy</i>	<i>GTRIC_e</i>
Afghanistan	2.351017	Germany	0.039872	Pakistan	1.657459
Albania	1.221637	Ghana	0.445089	Panama	1.02897
Algeria	0.23113	Greece	0.190079	Papua New Guinea	0.000372
Angola	0.048601	Guatemala	0.253155	Paraguay	1.54626
Argentina	0.103271	Haiti	0.396415	People's Rep. of Korea	1.939676
Armenia	0.772296	Honduras	0.347135	Peru	0.677267
Australia	0.094092	Hungary	0.117529	Philippines	1.116753
Austria	0.024619	India	0.641394	Poland	0.109972
Azerbaijan	0.001417	Indonesia	0.50952	Portugal	0.152092
Bahamas	0.360889	Iran	0.897601	Qatar	0.001902
Bahrain	0.498182	Iraq	0.486533	Rep. of Korea	0.635958
Bangladesh	0.494885	Israel	0.116429	Rep. of Moldova	1.120815
Belarus	0.071216	Italy	0.384653	Romania	0.36342
Belgium	0.064524	Jamaica	0.663663	Russian Federation	0.258173
Bolivia	0.69111	Japan	0.046304	Saudi Arabia	0.139165
Bosnia Herzegovina	0.007447	Jordan	0.65896	Senegal	0.464653
Botswana	0.846791	Kazakhstan	0.39835	Serbia and Montenegro	0.206386
Brazil	0.127407	Kenya	0.94533	Singapore	0.467796
Brunei	0.540795	Kuwait	0.228373	Slovakia	0.003566
Bulgaria	0.37755	Kyrgyzstan	1.770402	Slovenia	0.20471
Cambodia	0.781277	Laos	2.849408	South Africa	0.181244
Cameroon	0.27964	Latvia	0.136714	Spain	0.212384
Canada	0.057086	Lebanon	1.733032	Sri Lanka	1.035163
Chile	0.010157	Libya	0.000801	Suriname	0.082067
China	1.437774	Lithuania	0.784599	Switzerland	0.22732
China, Hong Kong SAR	2.856343	Luxembourg	0.549484	Syria	0.955119
China, Macao SAR	0.960184	Madagascar	0.300687	Tajikistan	0.609951
Chinese Taipei	0.995363	Malaysia	1.296085	TFYR of Macedonia	0.920952
Colombia	0.244002	Maldives	0.598105	Thailand	2.176103
Costa Rica	0.039002	Mali	0.052417	Togo	1.915335
Cote d'Ivoire	0.150357	Malta	0.8876	Tokelau	1.761901
Croatia	0.299896	Mauritius	0.594848	Trinidad and Tobago	0.067655
Cyprus	1.540444	Mexico	0.077074	Tunisia	0.026303
Czech Rep.	0.249195	Mongolia	0.840518	Turkey	1.081725
Dem. Rep. of the Congo	0.155363	Morocco	0.749408	Turkmenistan	0.801172
Denmark	0.094505	Mozambique	0.01625	Ukraine	1.025599
Djibouti	0.728013	Myanmar	0.752559	United Arab Emirates	2.058198
Dominican Rep.	0.286636	Nepal	0.001413	United Kingdom	0.127595
Ecuador	0.382447	Neth. Antilles	0.990316	United States	0.137188
Egypt	0.528218	Netherlands	0.063505	Uruguay	0.004343
Estonia	0.316013	New Zealand	0.042885	Uzbekistan	1.520067
Fiji	0.001902	Nicaragua	0.223638	Venezuela	0.069918
Finland	0.053468	Nigeria	0.21385	Viet Nam	1.366506
France	0.086579	Norway	0.00762	Yemen	1.045195
Georgia	1.024696	Oman	0.532247		

Source: OECD (2008)

Table A2: General trade-related index of counterfeiting and piracy of products (GTRIC-p)

HS Category	GTRICp	HS Category	GTRICp
HS-01	0.27631	HS-51	0.27631
HS-02	0.27631	HS-52	0.29623
HS-03	0.27631	HS-53	0.27631
HS-04	0.27631	HS-54	0.30758
HS-05	0.29092	HS-55	0.29055
HS-06	0.28975	HS-56	0.34057
HS-07	0.27631	HS-57	0.32939
HS-08	0.27631	HS-58	0.9097
HS-09	0.27631	HS-59	0.30343
HS-10	0.27631	HS-60	0.3019
HS-11	0.27631	HS-61	0.96895
HS-12	0.27631	HS-62	0.27631
HS-13	0.35636	HS-63	0.5455
HS-14	0.27631	HS-64	0.93326
HS-15	0.27631	HS-65	0.99493
HS-16	0.27744	HS-66	0.9892
HS-17	0.53122	HS-67	0.31971
HS-18	0.27631	HS-68	0.3214
HS-19	0.28227	HS-69	0.2872
HS-20	0.45625	HS-70	0.33226
HS-21	0.28847	HS-71	0.45294
HS-22	0.42519	HS-72	0.27631
HS-23	0.27631	HS-73	0.2959
HS-24	0.99312	HS-74	0.28463
HS-25	0.27631	HS-75	0.27631
HS-26	0.27631	HS-76	0.28383
HS-27	0.27631	HS-77	0.27631
HS-28	0.27631	HS-78	0.27631
HS-29	0.2766	HS-79	0.27631
HS-30	0.3	HS-80	0.29719
HS-31	0.27631	HS-81	0.32127
HS-32	0.28171	HS-82	0.44914
HS-33	0.62998	HS-83	0.53166
HS-34	0.29698	HS-84	0.29958
HS-35	0.38717	HS-85	0.64831
HS-36	0.27631	HS-86	0.27631
HS-37	0.61787	HS-87	0.27937
HS-38	0.27678	HS-88	0.27631
HS-39	0.3278	HS-89	0.27631
HS-40	0.34486	HS-90	0.41986
HS-41	0.29973	HS-91	0.98614
HS-42	0.99358	HS-92	0.27631
HS-43	0.27631	HS-93	0.47165
HS-44	0.29599	HS-94	0.52992
HS-45	0.27631	HS-95	0.86045
HS-46	0.31604	HS-96	0.90066
HS-47	0.27631	HS-97	0.29858
HS-48	0.52389	HS-98	0.27631
HS-49	0.42442	HS-99	0.27631
HS-50	0.30672		

Source: OECD (2008)