

COUNTERFEIT PRODUCTS AND YOUR PURCHASE DECISIONS

The below facts were provided at a law enforcement training seminar by Investigative Consultants®:

- 10% of all U.S. consumer spending is for counterfeit goods
- Many drug dealers and gang members are focusing on selling counterfeit goods because it produces more \$\$ for their criminal activities and it's less dangerous than the drug trade
- \$312 billion in the drug trade VERSUS \$500 billion in selling bogus goods!
- The majority of this \$\$ funds criminal/ gangster and terrorist activity
- Counterfeiting has cost LA County \$460 million in lost taxes and 106,000 lost (legitimate) jobs
- Counterfeit goods are not isolated to CDs and DVDs. Dish soap, shaving razors, shampoo, clothing, computer components, Viagra, diapers, ball bearings etc. are among the many counterfeited goods. Pretty much anything! And yes, I mistakenly bought P90X via the internet and found that it was a knock-off.
- Major U.S. companies are now employing full-time employees to help protect their intellectual property and to prevent counterfeiting.
- Terrorists know that the U.S. economy is a soft-target and they will milk it for everything they can.
- Counterfeit Spiderman baby blankets netted Hezbollah \$100,000.
- LA and Mexican gangs (MS13, Crips, Mexican Mafia, Florencia13 etc.) have all had huge ties in "controlling the strings" behind the store front.
- China produces 80% of the counterfeit goods.
- I purchased a P90x workout video from a discount website, thinking that it was used or in a damaged package. It was \$75 versus the \$150 from the direct website. When it arrived it was packaged nicely, however I found that the print quality in the booklet was faint and I determined that it was counterfeit. I entered in the company website into a domain name search and found that the company domain holder was in China.
- An elderly store owner balked after receiving multiple warnings to cease selling counterfeit CDs at her small "mom and pop shop". After a search warrant was issued, it was determined that she had \$1,000,000 in liquid assets tied to the sales of her counterfeit goods. Some stores have had actual duplication and packaging machines in the store and/or at a family member's residence.
- The majority of products are sold via the internet. Mom and pop shops, flea markets and street vendors are also a big problem. Items sold as "replicas" such as police agency badges are counterfeits.

- Ebay, Craigslist and other websites that aren't controlled by the actual company can sell knock-offs (i.e. Tide detergent) for a huge discount to vendors or consumers that want a good deal.
- A police officer unknowingly bought a counterfeit lithium battery from a discount website. The battery did not have proper venting and it exploded. The officer's handgun and clothing were burned. Another man unknowingly bought counterfeit Gillette Fusion razors. The blade was tweaked at it cut his face open from his upper jaw to his chin. He sued Gillette but lost after the razor was found to be a knock-off. Do you think a terrorist organization would mind if a successful American company was shut-down overnight? (Think, "U.S. Economy = Soft Target").



- When we visit New York City, Cancun or other places and buy those \$5 Oakley Sunglasses or the \$20 Gucci purse, ask yourself, "What gang is profiting from this?" Remember, it's all black-market. That \$\$ can be funneled to a shady gangster or terrorist organization for drugs, weapons and the promotion of their cause.
- Oregon has successfully prosecuted suspects under ORS 164.865/ 858 (pertaining to unlawful sound and labeling recording) and ORS 647.135 (Trademark Counterfeiting).

Hopefully all of these facts will make you purchase wisely!

Deputy Joe Graziano

Multnomah County Sheriff's Office

Joseph.graziano@mcso.us