Getting More Than You Bargained For

Entrenched in the black market industry, counterfeiting is no longer limited to the knockoffs of high-end designer handbags sold on city street corners. The creation and trafficking of counterfeit and pirated goods have become a lucrative business that hurts the American economy and destroys lives. Counterfeit goods are not safe, and they fail to live up to the quality of the brands they are knocking off. These goods are created by criminals who are looking to make a profit while harming consumers in the process. Performance of the product and the safety of the individual using it are of no concern to them— but it should be a concern for everyone else.

Last year, U.S. Customs and Border Protection seized more than $260 million worth of counterfeit goods at U.S. ports of entry. Pharmaceuticals were the top product in this category, and reports of counterfeit infant formula, automobile parts, batteries, and electronic products are common. Not only do these products not work, but they can be deadly. Below are a few examples of the damaging effects of counterfeiting on consumers.

**Protecting Our Men and Women in Uniform.** Just when you think our military has enough to worry about, add counterfeiting to the list. In January 2010, a study released by the U.S. Department of Commerce of contractors, subcontractors and Defense Department agencies tracked the rise in counterfeit electronics entering the procurement system. From 2005 to 2008, fake products increased from 3,868 to 9,356. It only takes one faulty item to cause a disaster, and one industry official said that the problem isn’t limited to electronics. Foreign suppliers using substandard materials could be producing rivets, bolts, and screws that hold together everything from missile casings to ship ladders. This is an unacceptable risk for our war fighters.

**China’s Trojan Horse.** One of China’s knockoff scandals—faulty contraceptives—poses serious health risks while providing a false sense of security. Health officials note that these fakes provide little protection and may, in fact, spread infectious diseases, tarnishing the axiom that condoms mean safe sex. In 2008, officials in the New York area confiscated knockoff Chinese-made goods, including millions of phony Trojan-brand condoms that were sold in small discount stores in New York, Texas, and Virginia. Authorities estimate that up to a third of the contraceptives used in some parts of China are counterfeits, despite improvements in state oversight.

**H1N1 Virus—A Criminal Moneymaker.** As the H1N1 virus spread across the globe in 2009, crime rings dealing in counterfeit goods capitalized on global fears. Counterfeit Tamiflu topped counterfeit Viagra as the most
spammed fake online. Sophos, a British security software firm, said that one network called Glavmed, operating out of Russia, touted the possibility of earning an average of $16,000 a day promoting counterfeit pharmaceutical Web sites. These cases prompted the U.S. Food and Drug Administration to release numerous public service announcements warning of counterfeit Tamiflu on the market and available on the Internet. As people across America and the world became ill due to the H1N1 virus, these criminals were selling a fake version of something that could have saved lives.

**I Love the Smell of Anti-Freeze in the Morning.** Everyone wants to smell good, but what would you think if you found out that your scent was hazardous to your health? In January 2010, ABC’s Good Morning America and Harpers Bazaar partnered to run a segment on counterfeit perfumes and colognes. Seized counterfeit fragrances were found to contain antifreeze, chemicals, harmful bacteria, and urine. Smelling good has never been so dangerous.

**Not What the Doctor Prescribed.** The market in counterfeit medicines in Europe is worth an estimated €10.5 billion a year, and according to surveys, one in five people buy prescription-only medicines without a prescription. This leaves individuals vulnerable to the dangers of counterfeiting. The most popular kinds of medicines to buy are those related to weight loss (45%), flu (35%), and erectile dysfunction (25%), the research found. In December 2009, European industry commissioner Gunter Verheugen said that the EU had seized 34 million fake tablets in just two months, a figure that “exceeded our worst fears”.

**These Aren’t Your Father’s San Diego Super Chargers.** The continuing growth of handheld electronic devices has spawned an explosion of aftermarket battery pack suppliers. But beware of counterfeit battery replacements. Counterfeit lithium-ion rechargeable batteries have overheated and exploded, in some cases causing harm to the consumer. Major telecommunications providers have launched investigations into exploding personal mobile devices and have seized millions of counterfeit batteries over the last five years. In the world of counterfeiting, some calls just don’t go well.

**Not the Shock and Awe You Were Looking For.** Counterfeit electrical products are finding their way into our homes, businesses, and public institutions. In a survey conducted by Gallup, 64% of counterfeit electrical goods are purchased at legitimate shops and retailers. In FY 2009, more than $4 million in counterfeit electrical products entering U.S. ports were seized – yet this hasn’t stopped them from being sold in local hardware stores. Folks all across the country have reported cases where extension cords, fake fans, coffee pots, and lamps have malfunctioned, causing harm. This includes a Washington, D.C. area man who reported an extension cord he bought burst into flames leaving burn marks on his wall and carpet.

(Endnotes)