



THE DANGERS OF FAKES

A “2019” joint report by the OECD and the EU’s Intellectual Property Office has confirmed that, despite “sluggishness in legal commerce”, the trade in counterfeit and pirated goods has risen in the last few years and now counts for over 3% of international trade. The report puts the global value of imported fakes at USD \$509 billion, up from \$461 billion. In the UK alone this illicit trade costs the economy over £9 billion in lost revenue, almost 60,000 jobs and £4 billion in unpaid tax. As a result the country is being deprived of much needed revenue for crucial public services

Traditionally luxury goods, fashion, sportswear, watches, shoes, sunglasses and other apparel have always been prime targets for counterfeiters. But nowadays criminals are increasingly turning their attention to even more deadly fakes and we are witnessing a growing array of products and merchandise, which endanger consumers. These include medicines, medical equipment, car parts, toys, food, cosmetics and household electrical goods. The most recent EU Customs report, published in 2018; reveals that of all border seizures of counterfeit goods, 34% now have the potential to harm consumers. This is up from 25% in the previous year. As a result, society is becoming much less safe.

Unfortunately, this sinister trade has even wider implications, as huge profits are being handed over to transnational crime gangs and terrorist organisations.

National and international enforcement agencies such as Interpol, Europol and the World Customs Organisation, regularly warn about the emergence of massive shipments of dangerous counterfeits, which threaten consumers across the world. Despite these warnings shoppers and businesses are still being drawn into buying these products.

The result is that, every day, people are putting themselves at risk. Electrical Safety First (ESF) is just one UK association with extreme concerns about the growth of counterfeit products. ESF is dedicated to reducing deaths, injuries and damage caused by electricity – which cause over 70 fatalities and 350,000 serious injuries every year. Unfortunately, the organisation is reporting that 30% of consumers are now buying electrical fakes from third-party online marketplaces, and that 6% of buyers were unable to differentiate between a fake and an original. ESF cites, electric hair dryers and straighteners as risks and even counterfeit phone chargers of which, 98% of are extremely dangerous.

Moreover, the Medicines and Healthcare Products Regulatory Agency (MHRA) is also reporting increasing dangers. Recent operations to uncover fake medicines and medical devices have resulted in seizures of more than 1 million items, worth over £2 million. These seizures were all part of a global operation, involving 116 countries, and as part of this MHRA and other UK partners’ unearthed falsified, unlicensed medicines and medical devices in the UK including Diazepam, Modafinil and dermal fillers. In total, the operation, entitled, ‘Pangea’, has now led to 859 arrests and seizures of items worth £10.9 million.

Clearly, counterfeiters have little morals and conscience when money is to be made. Recent studies report that the trade in counterfeit foodstuffs and beverages is now worth \$49 billion, every year. Of course these products hold a particular threat for consumers, as unlike luxury counterfeit products it is extremely doubtful that legitimate businesses or consumers would take the risk of buying fake food and drink. In this respect, they are unsuspecting and in much greater danger if they do.

Alongside food, and electrical household goods, there has also been an increasing rise in the seizure of fake fast moving goods that are used in our homes every day. These include make-up, shampoos, razors and razor blades, deodorants, domestic cleaning products, toothbrushes, mobile phones and accessories, batteries, audio visual equipment and technical parts, computer apparatus and household appliances. In addition, counterfeit power tools and automotive parts are also on the increase.

The joint OECD – EUIPO report on the global trade of counterfeit products upheld the fact that the severe risks to consumers from counterfeiting and piracy keep growing. The boom in online ordering and the dramatic increase in international trade and digital technologies have meant that counterfeiters are able to get products directly to consumers and businesses alike and at much lower costs. This and the increase in volume of parcels crossing borders



mean that it is easier for very dangerous products to evade detection by enforcers. Consequently, the problem and inherent risks are growing, not just at holiday times but throughout the year.

In short, regardless of the after effect, counterfeiters aim to deceive consumers into believing they are buying safe, high quality products made by well-known, reputable companies. However, the end result for the consumer can be fatal.

ACG campaigns tirelessly to raise awareness of the risks involved. We realise that everyone loves a bargain, but the truth is that counterfeiters will go to great lengths to move their menacing products, particularly through physical markets and online, as well as from auction sites on the Internet. So the bottom line is to buy with care. Supermarkets, well-known retailers, legal website shops and platforms are much less likely to sell fakes.

AT A GLANCE – PRODUCTS LIKELY TO SUFFER FROM COUNTERFEITING

ALCOHOL Fake alcohol can contain high levels of toxins that can cause blindness, coma, and even death. No brand or type of alcoholic drink is immune from counterfeiting; gin, whiskey, vodka, wine and beer are all produced. For example, fake alcohol containing methanol can lead to a wide range of health issues and in some cases death. Safeproof.org has confirmed that “Over the last five years hospitals around the world have seen a sharp rise in patients affected by counterfeit alcohol, including cases of blindness, nerve damage and death”.

Moreover, Drinkaware’s Chief Medical Advisor has explained that fake alcohol has: “Commonly used substitutes for ethanol including chemicals used in cleaning fluids, nail polish remover and automobile screen wash, as well as methanol and isopropanol, which are used in antifreeze”. These are all extremely dangerous.

FRAGRANCE ACG members are constantly uncovering large volumes of counterfeit perfume and the Chartered Trading Standards Institute has confirmed that in many cases the products have contained harmful levels of methanol, which can cause skin irritation, harm to eyes and the nervous system. Other tests have revealed urine as a stabiliser.

SUNGLASSES As consumers we are attracted by the promise of 'designer' versions at 'bargain' prices. However, fake sunglasses may not provide any protection at all against ultra-violet rays, leaving the wearer at risk to eye damage.

The most recent EU Customs report records over 2,200 cases of fake sunglasses in one year, worth over £4.5 million. Associated data also reveals that consumers are not just buying for holiday times or from traditional street sellers. The sales market for counterfeits has clearly moved online and a report by the Organisation for Cooperation and Economic Development and the European IP Office (OECD and EUIPO) confirms this. Almost 70% of seized goods are small shipments of internet ordered products and 77% of these include fake optical products, most of which were counterfeit sunglasses. In reality these are nothing but shoddy replicas with dangerously low levels of UV protection.

CIGARETTES In China alone, around 100 billion counterfeit cigarettes are produced each year, many of which end up in the UK. As fake cigarettes are not subject to any regulations, they often contain excessive levels of tar and nicotine, presenting an increased risk to smokers. A 2017 report by KPMG covering the illicit tobacco market in the EU, Norway and Switzerland estimated that, counterfeit and contraband (C&C) cigarette consumption was almost 9% per cent of the total market. In real terms this equates to 45 billion cigarettes. It’s also been reported that these can often contain arsenic, pesticides and rat poison. Moreover, according to HMRC, cigarette smuggling costs the UK taxpayer about £2.5bn a year.

Fake cigarettes also pose a greater fire risk as they do not include the composition to ensure that a lit cigarette will self-extinguish if not actively smoked. This normally reduces the chances of fire if they are left burning in an ashtray. Counterfeiters have no concern for any of this. The only interest is cheap profit.

TOYS The scope and scale of counterfeit toys and games is growing more than ever. The recent OECD-EUIPO report estimates that the international market value of fake toys and games is now at a record level of \$12 billion (USD). In the past counterfeiters targeted Christmas time to flood the market with cheap products, but nowadays they have

identified other key times, such as the introduction of promotional toys to coincide with the launch of major films and events. As a result, there are far more fakes hitting the market over much longer timescales.

It is well to remember that counterfeit toys not only harm business. They also present increasing dangers to children. Fake toys are often made of shoddy, substandard materials and despite sometimes having CE marks, unlike original products; they are not subjected to rigorous quality checks to make sure that they are totally safe. So while fake toys and games may look like the originals they will often have sharp edges, faulty and loose parts, and even dangerous circuits and chargers. In many cases the paint and material used will also contain lead and other toxins.

PHARMACEUTICALS One of the most concerning trends in the world of counterfeiting is the emergence and growth of fake medicines. This has become such a problem that the World Health Organization (WHO) has been working with Interpol for over 10 years to combat this menacing and insidious global trade.

In the past, developing countries have been at greatest risk from counterfeit pharmaceuticals including fake anti malaria and AIDS drugs. However, nowadays, more developed countries are being threatened by an even wider range of fake lifestyle drugs and pharmaceuticals, which instead of treating serious conditions, actually increase the risk of illness and death.

WHO reports that the worldwide sale of counterfeit medicines was worth around US\$ 75 billion in 2018. This has been a 90% rise in five years. Moreover, Interpol reports that the range of counterfeit products reaching markets has also expanded.

The fact that consumers can now buy medicines online has attracted the criminals, who have once again identified a profit opportunity and have set up sophisticated, illegal, websites to attract buyers. This has led the European Alliance for Access to Safe Medicines to confirm the shocking development, that counterfeit versions of lifesaving prescription medicines for cancer and serious cardiovascular diseases are now being sold to consumers online. These very often lead to sickness and even death. As an example, in Singapore, 150 people were admitted to hospital having severe hypoglycaemia – a sharp drop in blood-sugar levels. They had reportedly taken counterfeit copies of drugs purporting to treat erectile dysfunction, which contained a hefty dose of glyburide, used for treating diabetes. Four of them died and seven suffered severe brain damage.

Today, more people than ever are putting themselves at risk by buying counterfeit medicines. Unfortunately, most people are unaware until things go wrong.

FOODSTUFFS AND EVERYDAY HOUSEHOLD PRODUCTS Counterfeiters worldwide now make every conceivable household product, without safety tests or quality controls, including sweets, baby food, instant coffee, chewing gum and - incredibly - even olive oil!

Several large hauls of fake antiseptic liquids have been seized in the UK, and there have also been incidents of fake **toothpaste** from China, containing diethylene glycol, which is also found in anti-freeze. This chemical is dangerous and could be extremely toxic to young children, or anyone with impaired liver or kidney function.

Furthermore, fake **disposable razors** have been found with blades so blunt and damaged that they have caused serious facial abrasions when used, once removed from the apparently genuine packaging, which carries a famous brand name.

Many fake **power tools** are also being imported from the Far East with faulty wiring, no operating instructions, plastic internal parts instead of metal, no warranty and no spares when the tools' primary drive gears soon fail. Again, there are well-documented cases of fake tools offered for sale around the country, and trading standards made seizures in Worcester, Suffolk, Dorset, Essex and Pembrokeshire.

Well-known brands of **batteries** are also at risk. The versions being made by the fakers, use similar packaging, but the batteries themselves can be either dead or, more worryingly, manufactured with no safety testing and incorrect chemical ingredients which make them volatile and prone to explosion.

Soap is another target for counterfeiters and over 50,000 tons have been seized in Dover. The fake soap had not been safety-tested and some ingredients used in such products could affect eyesight, or harm the skin thus creating allergies. The conditions could also prevent future use of genuine versions of the product.

HM Customs actually estimate that the trade in fake toiletries costs the UK £735million a year.

MOBILE PHONES & ACCESSORIES There have been actual cases where fake mobile phone batteries have exploded when a phone has been dropped. In the UK, Camden Trading Standards destroyed £25,000 -worth of fake in-car phone chargers, after reports that they melted during use. Poor quality accessories such as ear-phones have also been found, which can damage hearing in long-term use.

OTHER EXAMPLES IN BRIEF

Peanut butter: A high risk of aflatoxin can exist in poorly processed peanuts.

Crane parts: A US manufacturer reported companies in Asia using fake parts in unlicensed sections of their cranes, and created a task force to tackle the problem and raise awareness amongst its customers.

Health drinks: Contained ten times the recommended safe level of ephedrine.

Bus brake diaphragms: When tested these burst after as few as eight applications. This would have rendered the brakes inoperative. Genuine performance standards specify over one million applications.

Nuts and bolts for construction: Caused parts of a building to collapse during an earthquake.

Helicopter parts: Resulted in several accidents and the legitimate manufacturer faced a number of court actions as a result.

Industrial hoists: Counterfeits failed to include a vital safety brake and could have caused death or injury.

Hand Tools: Made of such brittle steel they broke into razor sharp fragments.

Washing powder: Highly caustic ingredients caused skin burns.

HOW TO SPOT A FAKE

According to the Chartered Trading Standards Institute, before buying from an unofficial seller or website, people should always remember 'the 4 Ps':

Place: Always buy from a reputable stockist (inc. Internet sites & platforms) or duty-free outlet.

Price: If a deal looks too good to be true, it most probably is.

Packaging: Look out for poor quality labelling, including spelling mistakes and poor grammar.

Product: Look out for fake versions of well-known brands and be wary of unusual brand names you haven't seen before.

"If you want to avoid disappointment always buy from a reputable dealer or stockist." Also:

- Ensure any leaflets or instructions are free from errors and match the product.
- Look for specific words, which might suggest that the product is only a copy, such as "similar to"
- When buying online check the website to make sure it is a licensed seller and that the product description actually states that it is an original.
- Don't provide your bank details until you've checked the seller has procedures to protect your information and has a secure online payment system.
- If you have an app on your mobile that scans bar codes, scan it and see if it's listed as the correct product.
- See further information from [Get Safe Online](#) and [Citizens Advice](#)

Alcohol Examine the quality and cleanliness of gift cartons, bottles and labels. Look closely for spelling and artwork mistakes, especially brand logos and designs. Pay particular attention to the bottle closure and its anti-tamper evident device. Look carefully for any sign that the bottle may have been opened previously. Be wary of brands you do not recognise. The product shouldn't have any particles or sediment in the bottle. If you see this, the product could have been diluted. Moreover, if any alcohol tastes or smells bad, don't drink it and particularly look out for a smell similar to nail varnish.



Fragrance The biggest warning sign is the vendor. Genuine fragrances are high-end products and are mostly sold in large, reputable retail outlets – distrust the man on the street promising a bargain, or the auction site selling many different brands. Never buy sight unseen; always buy from a trustworthy source.

Sunglasses Original eyewear will have sturdy frames and have the logo printed on the arms. In addition, the nose pads of fake sunglasses are usually rough and not smooth. The box should be made from quality card and have a glossy information leaflet and certificate inside. Moreover, the details on the box and leaflet should have the same country of origin as on one of the arms of the glasses, together with the letters CE.

Cigarettes Usually have packaging that resembles the brands they imitate, but the cigarettes themselves often taste very different. Other clues are foreign or mis-spelt safety warnings – or no safety warnings at all. Many sources of fakes use intensive labour to make the boxes by hand so their construction and the quality of the paper and glue are often noticeably inferior.

Toys Buyers need to be very careful when buying toys, particularly online. When ordering, check the website to make sure it is a licensed seller and that the product description actually states that it is an original. If you later find that you have bought a fake from one of the large online market places you can get your money back. When you are buying from a street retailer or seller or when the product is delivered, inspect the box as well as the actual product.

Pharmaceuticals Check if the words and script on the packaging is blurred and/or printed flat (rather than raised) and the expiry date is clearly included. Also, check that the medicine is the usual size, shape, texture, colour and taste; and the tablets are stable and even, i.e. not flaky or crumbly

THE BOTTOM LINE IS THAT FAKE PRODUCTS HAVE KILLED THOUSANDS OF PEOPLE ACROSS THE WORLD, EVEN A SINGLE DEATH IS ONE TOO MANY.

Postal address: PO Box 578 High Wycombe HP11 1YD

T: +44 (0)1494 449165 F: +44 (0)1494 465052 E: admin@a-cg.com

www.a-cg.org Twitter: @The_ACG

Registered Office: 3 Manor Courtyard, Hughenden Avenue, High Wycombe, Bucks HP13 5RE

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