



IPRC CONNECTIONS

Intellectual Property Rights Coordination Center

AUGUST 2020

IPR Center participates in national audience for Operation Stolen Promise



The National Intellectual Property Rights Coordination Center (IPR Center) displayed its efforts to combat COVID-19 for a coast-to-coast broadcast audience as part of Homeland Security Investigations' (HSI) Operation Stolen Promise.

Appearing on the ABC news program, *Good Morning America*, IPR Center Special Agent Julie Hilario participated a segment on counterfeit 3M N95 masks, offering tips on how to recognize genuine personal protective equipment (PPE) to avoid the fakes. Click [here](#) to see the full story.



NBC's Today Show also featured Acting Deputy Special Agent in Charge Erik Rosenblatt at the John F. Kennedy International Airport mail facility in New York City, discussing how Immigration and Customs Enforcement (ICE) and Customs and Border Protection (CBP) are working together to prevent COVID-19 fraud and stop unauthorized and counterfeit products from reaching U.S. consumers.

HSI launched Operation Stolen Promise in April to protect U.S. consumers from the increasing and evolving threat posed by the pandemic. The operation involves several federal agencies –many of them IPR Center partners – including CBP, Department of Justice, United States Postal Inspection Service, Food and Drug Administration and the Internal Revenue Service. Several private sector partners are also providing support, including Pfizer, 3M, Amazon and others.

As of mid-July, HSI special agents have seized more than \$7 million dollars in illicit proceeds; made 53 arrests; executed 75 search warrants; and analyzed nearly 51,000 COVID-19 domain names. Working with CBP, more than 900 shipments of mislabeled, fraudulent, unauthorized or prohibited COVID-19 test kits and other related items have been seized.

HSI investigation of COVID fraud forces shutdown of multiple websites

Multiple websites claiming to offer preorders for COVID19 vaccine have been shut down – according to the U.S. Attorney's Office for the Western District of Kentucky – for allegedly attempting to lure consumers to “pre-register” for a non-existent COVID19 vaccine in exchange for \$100 worth of Bitcoin. Here's the [story](#).

One lead helps investigators seize counterfeits worth more than \$1 million

IPR Center intelligence experts, working cooperatively with HSI-Dallas special agents and their colleagues at the National Cyber-Forensics and Training Alliance (NCFTA), show how one simple lead led to the discovery of counterfeit dog and cat flea collars and eventually to more than \$1.3 million worth of counterfeit goods. The NCFTA has details on the story [here](#).

Ukrainian nationals plead guilty to smuggling counterfeit cancer, hepatitis drugs

Two Ukrainian nationals face up to 20 years each in federal prison and a possible \$5M fine after pleading guilty to smuggling counterfeit cancer and hepatitis drugs into the U.S. The guilty pleas follow an HSI investigation involving special agents in Houston, Texas, and the Food and Drug Administration's Office of Criminal Investigations. The full story is available [here](#).

China-based website seized for international arms-trafficking

HSI-Detroit and the U.S. Attorney's Office for the Eastern District of Michigan have announced the seizure of a China-based website for international arms-trafficking of weapon components and silencers from China into U.S. The case was investigated jointly with CBP and the Bureau of Alcohol, Tobacco, Firearms and Explosives. Here's more on the [story](#).

CBP makes significant seizures in Chicago, Louisville and Los Angeles



CBP officers at the International Mail Facility at Chicago's O'Hare International Airport seized 193 counterfeit watches worth more than \$3.1 million.

"This is a significant seizure for CBP, but unfortunately, CBP officers see counterfeit shipments like this every day," said Shane Campbell, area port director in Chicago. "Counterfeit goods like this come in by the truck-load on a nightly basis all across the nation, threatening businesses and conning the consumer." Read more about this seizure [here](#).

Counterfeit products continue to arrive at the Express Consignment Operations mailing facility in Louisville, where alert CBP officers are prepared to seize them. CBP officers intercepted two packages that contained nearly 650 counterfeit belts. A shipper in Hong Kong sent two packages to a residence in New York. [Here](#) is where you will find more details.

Officers and import specialists assigned to the Los Angeles/Long Beach seaport seized more than 16,000 counterfeit sleep dresses displaying Gucci, Facebook and Instagram markings. Working with HSI special agents assigned to the Trade Enforcement Coordination Center, officers seized the counterfeit products in June in a shipment from China containing more than 300 bales of clothing. In nearly 200 of those bales, officers discovered the counterfeit products hidden between generic versions of the sleeping dresses in what was determined to be a clear smuggling attempt.



If genuine, the seized merchandise would have had an estimated Manufacturer's Suggested Retail Price (MSRP) of \$5.4 million. Counterfeit sleeping garments may not comply with U.S. Consumer Product Safety Commission (CPSC) sleepwear flammability standards. The CPSC is among the 25 IPR Center partner agencies.

FBI investigation into trade secrets theft leads to two guilty pleas

The FBI's Albany office spent the better part of seven years uncovering the duplicity of Jean Patrice Delia and his associate, Miguel Sernas. While employed at General Electric (GE), Delia downloaded thousands of proprietary files, stole a valuable tool, and collaborated with Sernas, a former GE employee, to launch a company that actively competed against GE. Both Delia and Sernas ultimately pleaded guilty to conspiring to steal trade secrets from GE.

FBI Special Agents Vin Manglavil and Chris Murphy carried out the investigation with support from HSI and CBP. Sernas was sentenced in December 2019 to time served and a restitution payment of \$1.4 million. Delia is awaiting sentencing. He faces a maximum sentence of 10 years in prison and a \$250,000 fine. You can read more about this fascinating case [here](#).

Did You Know... that in FY2019, CBP processed \$2.7 trillion in imports, equating 35.5 million entries on more than 28.7 million cargo containers, and processed more than 600 million express consignment and international mail shipments – nearly 2 million per day? It's just some of many findings listed in the U.S. Intellectual Property Enforcement Coordinator's Annual Intellectual Property Report to Congress. Read more about it on www.iprcenter.gov



The IPR Center encourages companies and private industry organizations to help fight (IP) theft and trade law violations by displaying the "Report IP Theft" button on websites that will link users with a form to detail their allegations. For more information on how to obtain this tool, please visit our website: <https://www.iprcenter.gov>.

For more information on these stories, or to submit information for stories in future editions of IPRC Connections, please contact Chuck Jackson, charles.e.jackson@ice.dhs.gov, or (703) 603-3941. In the meantime, you can follow us on Twitter: [@IPRCenter](https://twitter.com/IPRCenter)