



# IPRC CONNECTIONS

*Intellectual Property Rights Coordination Center*

JUNE 2018

## ICE, CBP seize counterfeit items in Texas with a street value of \$16 million



Special agents with Immigration and Customs Enforcement's (ICE) Homeland Security Investigations (HSI) seized nearly 79,000 counterfeit items that included apparel and consumer electronics from luxury and sporting trademark designers such as Hermes, Louis Vuitton, Adidas, Nike, Apple, Samsung and Sony.

ICE HSI estimates the value of the seized items at more than \$16 million, making it HSI's second-largest counterfeit seizure in Laredo.

The seizure is being investigated by HSI with assistance from Customs and Border Protection (CBP), Mexican Customs and representatives from the trademark industry. Read more about this story here: [Texas Counterfeits](#)

## Woman pleads guilty to trafficking over \$3 million in counterfeit goods

In a case investigated jointly by ICE HSI and CBP, a Flushing, New York woman admitted her plan to distribute counterfeit Nike sneakers, Louis Vuitton handbags, and other phony merchandise shipped into the Port of Newark. Xiao Xia Zhao, 41, pleaded guilty to an information charging her with one count of trafficking in counterfeit goods. Zhao was originally arrested and charged by complaint on June 23, 2017. For more information, please visit: [Counterfeit Goods](#)

## Partnership for Safe Medicines releases report on counterfeit drugs

Counterfeit medicine is estimated to be a \$200 billion a year industry that has left no country untouched. Although the secure drug supply chain in the United States has kept the vast majority of Americans safe, counterfeit drugs have and continue to be found around the country. The increasing frequency with which counterfeit pain and anxiety pills made with fentanyl are being reported shows that the opioid crisis is not just a threat to the individual. The Internet makes it easy to purchase all the necessary supplies online to start manufacturing counterfeit pills, including pill presses and a wide variety of die molds used to disguise fentanyl-laced pills as legitimate OxyContin, Xanax, or other drugs. A full report on the counterfeit fentanyl pill crisis in America is available here: [Counterfeit Drugs](#)

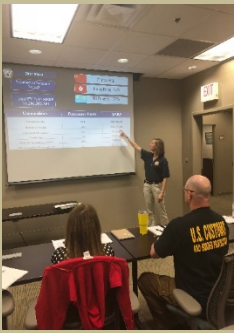
## International Anti-Counterfeiting Coalition convenes annual spring conference

IPR Center Deputy Director William Ross gathered with enforcement experts and others at the International Anti-Counterfeiting Coalition annual spring conference where he moderated a panel discussion entitled *Government Perspectives on Trends in and Evolution of Anticounterfeiting Enforcement*. Ross was joined by Christopher Merriam, deputy chief for intellectual property, Computer Crime & Intellectual Property Section, Department of Justice; Peter Ratcliffe, detective superintendent, City of London Police; Peter Fowler, senior counsel for enforcement, United States Patent and Trade Office, Office of Policy and International Affairs; and, Steven Shapiro, supervisory special agent, Intellectual Property Crime/Cyber Integration Unit, FBI. They discussed the evolution of the counterfeiting problem from the government perspective and how they have adapted their strategies. They covered a range of topics such as innovative enforcement programs at the national level to international, intergovernmental cooperation.

## Springtime chirps identify with timely IPR Center "Tweets"

The IPR Center is expanding its anti-counterfeiting outreach efforts to Twitter, with timely messaging aimed at heightening public awareness about the dangers of counterfeit goods. In case you missed it, here's one from the recent Memorial Day holiday weekend: "*The IPR Center, the Automotive Anti-Counterfeiting Council and the Automotive Aftermarket Suppliers Association Intellectual Property Council encourage holiday travelers to make sure your vehicle is serviced with only genuine, not counterfeit automotive replacement parts.*" Stay informed, look us up, like us, and add us to your favorites on Twitter by searching "IPR Center."

## ICE HSI teams with CBP to train port personnel on trade enforcement issues



ICE HSI Special Agent Lisa Wainwright (HSI Memphis) was among the presenters at a CBP-sponsored instructor-led Intellectual Property training course focused on providing a holistic beginner's view for their personnel to identify and process IPR cases for administrative or civil remedy. The course also provided CBP with tools to engage with ICE HSI, as they pursue more egregious criminal IPR violations. The course includes instruction on trademark infringement and applicable legal statutes that guide CBP directly or collaboratively with ICE HSI on the recordation process and other information designed to help CBP field personnel along with ICE HSI agents to advance investigations. The course further explains targeting tools and components considered beneficial for CBP and ICE HSI personnel. Additionally, an overview of the Trade Facilitation and Trade Enforcement Act is discussed as it explains the driving force behind the agency's collaborative efforts to enforce U.S. trade laws.

## Couple sentenced for trafficking counterfeit goods, including misbranded pet medicine

A South Carolina couple has been sentenced after being found guilty in October 2017 of conspiracy, as well as six counts of violating the Federal Insecticide, Fungicide, and Rodenticide Act, five counts of distributing misbranded animal drugs, and two counts of trafficking in counterfeit goods. David Haisten, 51, and Judy Haisten, 51, both of Irmo, South Carolina, were sentenced 78 and 60 months, respectively. According to court records, for about six years, and despite repeated warnings from numerous companies and government agencies, the Haistens sold counterfeit DVDs, unregistered and misbranded pesticides, and misbranded animal drugs to customers online across the United States. The products, including pesticides that are extremely toxic in the wrong dose, posed a serious risk to animals and humans.

The case was investigated by ICE HSI, the Environmental Protection Agency, Criminal Investigative Division; and the Food and Drug Administration Office of Criminal Investigations. You can read more on the story here: [Pet Meds](#)

## Steel industry supports training efforts to protect against illegal activity



IPR Center Commercial Fraud Unit Chief Sarah Baerwald, along with ICE HSI (Chicago), attended a Customs steel seminar conducted jointly between the U.S. steel industry and CBP to educate CBP, ICE-HSI, customs brokers, importers and other U.S. government trade agencies on the steel production process, classification, and antidumping and countervailing duty orders on steel mill products. Steel seminars address customs fraud, circumvention and other forms of evasion of duties on steel mill products and include information on steel mill certificates and marking of steel mill products. This seminar – which was held in Chicago, Illinois – also featured a tour of Gary Works, U. S. Steel's largest manufacturing plant located in Gary, Indiana. Looking ahead, seminars are expected in Long Beach, Calif., in August 2018, and in Portland, Oregon in mid-September 2018.

## HSI Nogales establishes Trade Enforcement Coordination Center

ICE HSI (Phoenix) Special Agent in Charge Scott Brown and CBP (Tucson) Director of Field Operations Guadalupe Ramirez signed a memorandum of agreement to implement the Nogales Trade Enforcement Coordination Center (TECC), making it the 13th center nationwide. The agreement unifies the efforts of ICE HSI and CBP to combat trade fraud and intellectual property crimes. The Nogales TECC will facilitate joint HSI and CBP oversight of the enforcement and interdiction of illegally shipped merchandise, in addition to supporting HSI's goals of disrupting and dismantling the criminal organizations involved in trade violations.



### *Did you know...*

According to the tobacco industry, approximately as many as 660 billion cigarettes a year are illicit, smuggled, counterfeit, gray market or otherwise tax evaded, and that large, untaxed proceeds from this type of crime may further criminal activities and even support international terrorism. ICE HSI investigates tobacco smuggling-related crimes with coordination from the IPR Center's Commercial Fraud Unit which manages the tobacco smuggling program.



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](mailto:charles.e.jackson@ice.dhs.gov), or (703) 603-3941.