



# IPRC CONNECTIONS

*National Intellectual Property Rights Coordination Center*

JUNE 2019

## *From the desk of IPR Center Director Steve Francis*



As I settle into my new role as director of the National Intellectual Property Rights Coordination Center (IPR Center), I would like to take a moment to share a few observations since my arrival earlier this month from my prior assignment as the special agent in charge of Homeland Security Investigations (HSI) in Michigan and Ohio.

First, and foremost, I would like to thank everyone for the outreach and expressions of support not only for me personally, but for the Center and its 25 domestic and international partners. The moment I set foot in the place, I immediately felt welcome, and excited to be part of a team that prides itself on a solid record of achievement and success that began more than 10 years ago. I am especially impressed with the broad perspective among the agents and support staff when tips are received, cases opened, and investigations begin, whether they involve intellectual property, commercial fraud, or trade law violations.

A proud past is important for building a promising future, and here at the IPR Center, I am very anxious to move forward on a variety of initiatives intended to help us work not only harder, but smarter, especially in the way we communicate with our colleagues in law enforcement, business and industry, stakeholders, and, more importantly, the general public. What can we do with business and industry to open our lines of communication to strengthen our enforcement efforts? How can we fine-tune our focus on intellectual property and digital brand protection strategies? Can we work more closely with third party platforms and others to address counterfeit issues on the internet? Are we doing enough to enlarge HSI's global footprint by emphasizing HSI's role in the protection of global innovation?

These are but a few of many questions we must ask ourselves with an eye toward seeking solutions that will help us ensure national security by protecting the public's health and safety, the U.S. economy, and our warfighters. We must also remain focused on stopping predatory and illegal trade practices that threaten the global economy. It's a tall order, but I feel confident that by working together, we will continue to stand united in the fight against counterfeits.

I look forward to working with all of you.

## **HSI warns consumers about counterfeit sports merchandise, tickets during NBA Finals**

With the NBA Finals in full swing, the IPR Center and HSI San Francisco are warning the public to beware of purchasing counterfeit sports apparel and tickets to games and other events.

"The enthusiasm around these high-profile sports events is meant to be a time for fans to celebrate," said IPR Center Director Steve Francis. "Instead, organized criminals are preying on that excitement, ripping consumers off with counterfeit merchandise and stealing from the American brand holders who play by the rules."

Fake jerseys, ball caps, t-shirts, jackets and other souvenirs are among the counterfeit merchandise and clothing typically sold during these events.

Additionally, authorities have seen an increase in the sale of counterfeit tickets being sold to these events. Large sporting events such as the NBA Finals are prime targets for counterfeiters, many of whom travel the country or set up phony websites with the sole intention of scamming sports fans.



"Counterfeiting hurts legitimate, local businesses and has a negative impact on the overall fan experience for those who deserve to celebrate and commemorate their team's run in the NBA Finals," said Ayala Deutsch, executive vice president and deputy general counsel for the NBA. "We strive to protect fans by supplying them with the right information so they can reduce the risk of purchasing fraudulent and inferior products."

HSI and partner agencies regularly team up with other federal agencies and state and local law enforcement during significant sporting events as part of *Operation Team Player*, which targets the sale and trafficking of counterfeit sports merchandise, apparel and tickets.

“HSI-San Francisco is committed to conducting intellectual property theft investigations that not only protect the companies that have copyrighted licensed products, but also the consumers who believe they are buying authentic products,” said Ryan Spradlin, special agent in charge of HSI operations in San Francisco and northern California. “When fans spend their hard-earned money on tickets and merchandise, they deserve the real deal.”

The International Trade Administration – in its most recent study – estimates counterfeiting and piracy cost the U.S. economy as much as \$250 billion and 750,000 jobs annually.

### **Louisville CBP seizes nearly \$2.6 million in counterfeit merchandise**

Customs and Border Protection (CBP) officers recently seized a large shipment of counterfeit luxury watches, handbags, and sunglasses at the Louisville Port of Entry. The fake goods would have generated nearly \$2.6 million in sales if they had been determined to be genuine. The shipment contained 57 Rolex watches, 19 Oakley sunglasses, four Michael Kors handbags, and five Hublot watches, all determined to be counterfeit by CBP’s trade experts at the Centers of Excellence and Expertise. Here’s more: [Fakes in Louisville](#)

### **Mississippi man sentenced for trafficking counterfeit prescription drugs**

A 23-year old man from Long Beach, Mississippi, has been sentenced by U.S. District Judge Sul Ozerden to 46 months in federal prison, followed by 3 years of supervised release, for possession with intent to distribute fentanyl and fentanyl analogues. Here’s more: [Fake Drugs](#)

### **Counterfeit airbag supplier sentenced to prison**

A 69-year old man from Marysville, Ohio, convicted of conspiracy to traffic in counterfeit airbags, has been sentenced to serve one year in prison and ordered to pay \$75,846 in restitution.

According to court documents, from August 2015 through March 2016, David Nichols and co-defendant Raymond Whelan imported and sold counterfeit automobile air bags from China. Since Nichols lived in China at the time, he was responsible for locating manufacturers that would produce the counterfeit air bags at the lowest cost.

The case was investigated jointly with HSI and CBP. You can read the full story on: [Fake Airbags](#)

### **IPR Center program manager recognized for her work in procurement fraud**



The Naval Criminal Investigative Service (NCIS) presented a letter of commendation and a commemorative plaque to Diana Clemmons, the national program manager of the IPR Center’s Operation Chain Reaction (OCR). The recognition was presented at the recent Counterfeit Microelectronics Working Group meeting where Clemmons was cited for her leadership and unwavering support of the NCIS major procurement fraud mission. The NCIS acknowledged Clemmons for her exceptional dedication to the advancement of the agencies’ mutual goal of significantly reducing the threat of counterfeit materials entering the Department of Defense and U.S. government supply chain, while promoting collaboration and partnership between NCIS, HSI, and OCR task force members. As a direct result of Diana’s efforts, NCIS is better positioned to identify and neutralize threats posed by counterfeit material.

### ***Did you know...***

why we investigate counterfeit t-shirts? “We investigate counterfeit t-shirts because – among other things – the trafficking of IPR goods coming across the U.S. border is part of a global, multibillion dollar enterprise linked to organized criminal groups,” said Angel M. Melendez, special agent in charge of HSI New York at a recent IPR summit. “There are more criminals engaged in IP theft than ever before. Law enforcement, public education and global collaboration with our private industry partners are all critical to successfully combat these crimes.”



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. In the meantime, please follow us on Twitter: [@IPRCenter](#).**