



# IPRC CONNECTIONS

*Intellectual Property Rights Coordination Center*

JUNE 2020

HSI announces unprecedented partnership to protect consumers against COVID-19 fraud

Industry experts from Pfizer, 3M, Citi, Alibaba, Amazon and Merck have joined forces with Homeland Security Investigations (HSI) National Intellectual Property Rights Coordination Center (IPR Center) criminal investigators in an unprecedented public-private partnership to combat fraud and other illegal activity surrounding COVID-19.



**PARTNERSHIPS**

In April, HSI launched Operation Stolen Promise to prevent and investigate illegal criminal activity surrounding the pandemic, strengthen global supply-chain security and protect the American public. Operation Stolen Promise combines HSI's expertise in global trade, financial fraud, international operations and cyber-crime to investigate financial fraud schemes, the importation of prohibited pharmaceuticals and medical supplies, websites defrauding

consumers, and any other illicit criminal activities associated with the virus that compromise legitimate trade or financial systems, or endanger the public.

HSI, a component of Immigration and Customs Enforcement (ICE), and the largest investigative arm of the Department of Homeland Security, is working closely with private sector and U.S. government partners to facilitate a speedy, whole-of-government response to combat Coronavirus 2019 fraud and illicit criminal activity.

As of May 26, HSI special agents have seized more than \$3.5 million dollars in illicit proceeds; made 18 arrests; executed 37 search warrants; analyzed more than 33,000 COVID-19 domain names; and worked alongside Customs and Border Protection (CBP) to seize more than 600 shipments of mislabeled, fraudulent, unauthorized or prohibited COVID-19 test kits, treatment kits, homeopathic remedies, purported anti-viral products and personal protective equipment (PPE).

NYC pharmacist charged with hoarding and price gouging of N95 masks

A New York pharmacist has been charged with violating the Defense Production Act by hoarding and price gouging scarce N95 masks; making two false statements to law enforcement; committing healthcare fraud; and committing aggravated identity theft. The charges are part of an ongoing investigation by HSI New York's Dark Web & Cryptocurrency Task Force, with assistance from the U.S. Postal Inspection Service (USPIS) and the Drug Enforcement Administration (DEA). Richard Schirripa, a licensed New York City pharmacist also known as "the Mask Man," is also accused of the unauthorized use of his pharmacy patients' identifying information in connection with the health care fraud scheme. Here's the full [story](#).



Operation Stolen Promise investigation leads to face mask/test kit violations

HSI-Buffalo special agents in collaboration with the Department of Justice, CBP and other law enforcement partners, have seized more than 22,000 non-FDA approved KN-95 masks and 1,000 non-FDA approved COVID-19 test kits from a laboratory in Lockport, New York. The mislabeled test kits and face masks were seized for violations of the Federal Food, Drug, and Cosmetic Act.

"Criminal groups that would seek to profit off of a global pandemic have no regard for the health of their potential customers," said Kevin Kelly, special agent in charge of HSI Buffalo. "HSI and our law enforcement partners are working around the clock to warn the public of the health and safety risks involved in buying and using these fraudulent and tampered products and to ensure these unsafe products are pulled from the marketplace."

## Federal News Network features IPR Center director

IPR Center Director Steve Francis appeared on the Federal News Network, where he talked about – among other things – what the IPR Center is doing to combat COVID-19 fraud and other related criminal activity. Hear the full interview [here](#).

## South Texas man pleads guilty of attempting to export millions of cigarettes

A Texas man faces up to 10 years in federal prison and a possible \$250,000 fine after pleading guilty to charges of attempting to export contraband cigarettes in a case being jointly investigated by HSI-McAllen and the Texas Department of Public Safety. Jose Francisco Guerra, 80, from Mission, Texas owned and operated Victor M. Guerra Inc., a custom brokering company in Hidalgo, Texas where he operated a warehouse and facilitated the storage and sale of the cigarettes. Guerra was also found to be in control of another warehouse in McAllen containing a combined total of nearly 423 million contraband cigarettes destined for Mexico. The total value of the cigarettes and equipment authorities seized is estimated at approximately \$88 million. Guerra is awaiting sentencing. Here's [more](#).

## Brothers plead guilty in contraband tobacco scheme

An HSI Border Enforcement Security Team, under the direction of Special Agent-in-Charge Kevin Kelly, participated in a joint investigation of a scheme to acquire “cut rag tobacco” allegedly used to manufacture contraband cigarettes. According to federal prosecutors, the brothers, both of the Akwesasne Mohawk Indian Reservation, pleaded guilty to wire fraud in connection with a scheme to distribute the unlicensed cigarettes to Indian reservations in the U.S. It is estimated the scheme resulted in a loss of approximately \$1.4 million in federal taxes. If convicted, the brothers face up to 20 years in federal prison and a fine of up to \$250,000.

The Internal Revenue Service, Criminal Investigation Division; Customs and Border Protection Air and Marine Unit; Tobacco Tax and Trade Bureau (Office of Field Operations); and Bureau of Alcohol, Tobacco, Firearms, and Explosives participated in the investigation. Here's more on [the story](#).

## Nearly \$400,000 in counterfeit goods seized in Detroit



CBP officers intercepted nearly \$400,000 in counterfeit textiles and electronic merchandise at the Fort Street Cargo Facility in Detroit, Michigan. The seizure included multiple purported Bluetooth products such as headphones, smart bands, various speakers, and Star Wars hats. The merchandise was discovered when officers and import specialists selected the shipment for an enhanced inspection. Once officers took a closer look at the imported goods which originated from China, they discovered the branding and overall quality of the articles were not consistent with genuine products. Additionally, the electronic goods were not registered with Bluetooth. (Story/photo, courtesy of [CBP](#).)

## IPR Center posts 2019 Intellectual Property Rights Seizure Statistics

The 2019 fiscal year was another successful year for the enforcement of intellectual property rights. Although the total number of seizures decreased from 33,810 in fiscal year 2018 to 27,599, the total estimated manufacturer's suggested retail price (MSRP) of the seized goods – had they been genuine – was more than \$1.5 billion, up from \$1.4 billion the year before.

Watches/jewelry, wearing apparel/accessories, and handbags/wallets were the three leading categories of counterfeit merchandise seized in fiscal year 2019. You can visit the IPR Center website and read the full report [here](#).



## CBP officers seize fake perfume

Growing up, children learn very quickly where the term “mom knows best” originated. It was no surprise that she appeared to know everything, and whatever she didn't know, she eventually found out. The same can be said for CBP-Miami, where officers eventually found out that 60,000 bottles of imported perfume they seized bearing counterfeit trademarks worth \$1.7 million were fake, just in time for Mother's Day. The full story can be found [here](#).

*Did You Know...* that in FY2019, HSI and CBP seized 169 shipments of computer networking equipment affixed with counterfeit trademarks with a total MSRP value of nearly \$7.3 million across 21 ports of entry. There's more [here](#).



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, you can follow us on Twitter: [@IPRCenter](#)**