

BUSINESS CRIME WATCH

BAY CITY DEPARTMENT OF PUBLIC SAFETY June 2019 EDITION 4, VOLUME 6



BEWARE OF COUNTERFEITS!

One headline about the scourge of fake consumer goods read *The Fake and the Fatal*. Fake consumer goods do a lot of harm. While some offer purchasers lower prices than they might pay for an original, the counterfeit goods are usually of poor quality. They unfairly compete with the originals, too, causing losses in revenue; cost people their jobs when sales of the originals are diminished by unfair competition; undermine economic growth; tarnish the reputation of the original brand; and have the potential for causing sickness, injury, and even death.

The sale of fake consumer goods also breeds crime. Because knockoffs are produced so cheaply, the profit margin is high, attracting criminals and organized crime groups who provide consumer goods at the wholesale level to vendors, discount stores, and even higher-end merchants who then sell them to the public. These criminals, gangs in particular, then use the profits to fund other criminal activities, which in turn damage lives and destroy neighborhoods.

The taxpayer is hurt, too. Tax revenue that could go to schools, parks and municipal employees like firefighters and law enforcement officers is lost because the manufacturer—and the seller and the buyer—don't pay taxes. There is even the loss of income tax revenue from the people who lose their jobs at legitimate manufacturing plants.

Just about anything can be counterfeited and just about anything is. While everyone is familiar with the knockoffs of handbags, apparel, and CDs and DVDs that are available from street vendors in any major city, what many people don't know is that auto parts and even parts for airplanes and spacecraft have been counterfeited. Most are imported from countries where labor is cheap. Real danger occurs when products like baby formula and soap are counterfeited. Even birth control pills have been counterfeited.

The U.S. Chamber of Commerce estimates the value of pirated consumer goods and knockoffs at \$650 billion a year, a staggering sum. And more than 750,000 U.S. jobs are lost because of the trade in counterfeit consumer goods each year.

Even though government agencies such as the FBI and the U.S. Department of Justice are hot on the trail of many counterfeiters, they have trouble keeping up with the sheer volume of fake, imported consumer goods, most of which come from overseas, particularly from China and other Southeast Asian countries. China accounts for 79 percent of all knockoffs that are imported into the United States. In 2009, the Customs and Border Protection Agency of Immigration and Customs Enforcement, Department of Homeland Security, made 14,841 seizures of counterfeit goods, straining resources but putting a dent in the supply of illegal goods.

Some of the most prevalent fake products are auto parts. These fake products range from decorative items like grilles and hubcaps to critical safety components—including brakes. Not only do these fake goods compete unfairly with the originals they mimic, but they pose danger to drivers. According to one car manufacturing company executive, fake car parts cost the U.S. auto industry \$12 billion a year.

Fake electrical goods also pose a threat to U.S. consumers. They include inferior batteries, wires, sockets, circuit breakers, timers, fuses, and lights. These counterfeits are usually of inferior quality and pose the risk of fire and failure of the product—if not whole electrical systems.

Other fake goods include the obvious: Footwear valued at a stunning \$100 million in value was seized by border and customs officials in 2009. Ninety-eight percent of this footwear came from China. Consumer electronic products—cell phones, cameras, music players, even computers—valued at more than \$38 million were also seized that year. Handbags, wallets, and backpacks rounded out the Top Three list of fake imported goods with a value of more than \$21.5 million. And these are just the products that were caught. Other commonly faked consumer goods include clothes, watches, jewelry, and toys—whose shoddy construction and finishes may make them a danger to infants and children.

The owners of copyrights, trademarks, and patents can take legal action against counterfeiters—when they know who they are—but that is an expensive option. Individual owners need to protect their rights, though, and should always secure their legal rights by

- Copyrighting their creative products
- Applying for patents
- Registering their trademarks
- Putting proof of ownership on the product

Contractors should always

- Thoroughly inspect the goods they purchase and use
- Look for copyright, patent, and trademark information
- Look for a recognizable logo that is precisely rendered

A trained eye will frequently detect a fake. An inspection can go a long way toward eliminating a product from the counterfeit supply chain.

Individual consumers should also be savvy when purchasing goods, especially when the prices are steeply discounted. They will be protecting themselves from purchasing a shoddy product that may also be unsafe.

Crime prevention professionals can help mitigate the sale of fake consumer goods by providing education about the dangers of these products at schools and community group meetings.

The dangers posed by the sale of fake consumer goods are well documented. In the long run, the low price for a cheaply made good may end up costing more in the long run when it needs to be replaced. Not only do consumers risk being ripped off when they aren't sure of the quality or source of the goods they are purchasing, but they may unknowingly be encouraging the spread of gangs and organized crime.

BAY CITY BUSINESS CRIME UPDATES

05/07- An embezzlement complaint was reported from an east side convenient store. The owner was informed that an employee had several stolen items (Alcohol, cigarettes, etc.) in her purse. The police arrived on scene along with the store owner. The suspect then admitted that she stole the items. She was then taken into custody.

05/08- An east side business reported that someone damaged their business vehicle by throwing a brick through the window. There are no suspect at this time.

05/18- A retail fraud complaint was reported from an east side convenience store. Two males entered the store and are believed to have worked together. One male asked the clerk if he could see a t-shirt. As the clerk was attempting to get the t-shirt, the other male grabbed a ½ gallon of E&J (\$28.99) and ran out of the store. The male that asked for the t-shirt denied knowing the suspect and he left the store without buying the t-shirt.

05/29- A B&E was reported from an east side convenience store. An ashtray was located just inside of the store. It is believed that the suspect used this ashtray to shatter the front window of the business. There were four ½ pints of Seagram's Pineapple Gin and 4 ½ pint of Seagram's Red Berry Gin stolen. There are no suspect at this time.

05/29- A fraud complaint was reported from an east side convenience store. A store clerk received a phone call from someone pretending to work for the corporation. This person told the clerk that the credit card machine was broken and he needed her to put money on a prepaid card so he could test the system. The clerk then hung the phone up. Within an hour, the store received another call from someone claiming to be from corporate. This caller spoke to another clerk and was successful in tricking the clerk to put money (Total \$1,439.22) on three separate pre-paid cards to test their machine. The clerk then read the card numbers off to the scammer and the call was ended.

Boards and Committees

- [Zoning Board of Appeals](#)
June 11, 2019, 7:00 PM - 8:30 PM @ Commission Chambers
- [Historic District Commission](#)
June 12, 2019, 7:00 PM - 8:30 PM @ Commission Chambers
June 26, 2019, 7:00 PM - 8:30 PM @ Commission Chambers
- [Planning Commission](#)
June 19, 2019, 7:00 PM - 8:00 PM @ Commission Chambers

City Commission

- [Finance Policy Meeting](#)
June 03, 2019, 6:30 PM - 7:30 PM @ Commission Chambers
June 17, 2019, 6:30 PM - 7:30 PM @ Commission Chambers
- [Special Finance Policy Meeting](#)
No meeting this month
- [City Commission Meeting](#)
June 03, 2019, 7:30 PM - 8:30 PM @ Commission Chambers
June 03, 2019, 7:30 PM - 8:30 PM @ Commission Chambers

Community Development Block Grant/CDCs

- [Columbus Avenue Citizens District Council](#)
June 19, 2019, 6:00PM - 7:00PM@Conference Room 306
- [Northwest Citizens District Council](#)
June 19, 2019, 6:00PM – 7:00PM@Lindsay School
- [Midland/Salzburg Citizens District Council](#)
No meeting this month.
- [South End Citizens District Council](#)
June 20, 2019, 7:00PM – 8:00PM @ Bay County Child & Senior Center
- [Northeast Citizens District Council](#)
June 26, 2019, 6:00 PM - 7:00 PM @ Conference Room 317

Community Event

[Riverscene Music Festival](#)

- June 7, 2019 5:00 PM - 11:00 PM @ Linn St. between Midland St. and Vermont St.
- June 8, 2019 5:00 PM - 11:00 PM @ Linn St. between Midland St. and Vermont St.

[YWCA Riverside Art Festival](#)

- June 8, 2019 10:00 AM - 5:00 PM @ Downtown City Streets.
- June 9, 2019 11:00 AM - 4:00 PM @ Downtown City Streets.

[Flag Day Ceremony](#)

- June 14, 2019 6:00 PM - 8:00 PM @ Battery Park – Center Avenue.

[Father's Day Fly-In](#)

- June 16, 2019 8:00 AM - 12:00 PM @ James Clements Airport.

[Bay City Country Music Festival](#)

- June 21, 2019 3:00 PM - 10 PM @ Wenonah Park.

- June 22, 2019 3:00 PM - 10 PM @ Wenonah Park.

St. Stan's 5K Road Race

- June 27, 2019 6:00 PM - 8:00 PM @ Bay City Streets.

Great Lakes Bay Pride Festival

- June 29, 2019 12:00 PM - 5:00 PM @ Wenonah Park.

