

## Tips To Counter Act Counterfeiting

Most people know that counterfeit products hurt legitimate businesses and the overall economy. In fact, recent estimates are that counterfeiting costs U.S. businesses as much as \$250 billion every year and results in the loss of 750,000 jobs. The Better Business Bureau wants consumers and businesses to also recognize that counterfeit products are a growing danger to public health and safety. Look-alike and knock off products, such as cosmetics, baby formula, batteries, cigarettes, auto parts and pharmaceuticals, can jeopardize people's health and safety. Furthermore, the U.S. Chamber of Commerce states that there is strong evidence to suggest that organized criminal groups and terrorist organizations are involved in and benefit financially from counterfeiting and piracy schemes.

The BBB encourages consumers and businesses to combat product counterfeiting and intellectual property theft. It is the desire for look-alike products (knock offs) at extremely low prices that keeps the counterfeit market alive. Some consumers may unwittingly purchase counterfeit products, but others may intentionally purchase them without recognizing the consequences.

The consequences can be serious and even fatal. Knock off perfumes, for instance, have been found to contain urine and counterfeit children's clothing typically lacks flame retardant. Other counterfeit products can cause direct physical harm to consumers. Counterfeit auto parts, notably brake pads, have led to serious injuries. Counterfeit pharmaceuticals can cause illness or even death. Extremely prevalent, such drugs account for approximately ten percent (10%) of all pharmaceuticals, according to the World Health Organization. Examples include fake pain killers and toxic children's medications, made of sugar pills or refrigerant coolant, disguised as medicine.

Businesses that purchase counterfeit products, such as printer ink or pirated software, should also be aware of the risks. "Too good to be true" prices can indicate a look-alike product. Another form of counterfeiting occurs when legitimate products are sold by unauthorized sources. When a business purchases a product, like computer software or hardware, in such an unauthorized way, the legitimate manufacturer of that product is under no obligation to provide a warranty or refund. The business owner is left without recourse if product quality or service problems arise.

To help stop these crimes, the BBB offers the following tips to businesses and consumers alike:

- Deal with reputable companies. Make sure the item you are purchasing is the real thing. If in doubt, contact the manufacturer of the name brand product you are interested in purchasing and verify which vendors are authorized to sell that brand.
- Bear in mind that virtually any product can be counterfeited. According to the International Anti-Counterfeiting Coalition, the following may signify a fake product: blurred or torn labels; misspelled or altered product names; unannounced changes in product content, color, smell or packaging; missing codes, 800 consumer numbers or trademarks; or, products lacking the usual guarantees and/or licensing agreements.
- Be skeptical of unrealistic prices. Carefully research any seller or business offering name brand products at extremely low prices. Check them out with the BBB at [www.bbb.org](http://www.bbb.org) before you make a purchasing decision.
- Avoid purchasing look-alike products from street vendors, at flea markets, home parties or online auction houses. Knock-off products are typically of low quality because product counterfeiters cut corners to save costs.
- Beware of counterfeit insurers. Their offers boast of extremely low premiums and few coverage limitations.

Trust your instincts. If it looks like a counterfeit product, do not purchase the item! And, if you are a business owner, share these tips with your employees, purchasing agents and accounting department, so that they are aware of the significant personal, economic and social consequences of counterfeiting activities.