

Jan. 30, 2020

More counterfeit products shipped to the U.S.

A Jan. 24 report by the U.S. Department of Homeland Security submitted to President Donald Trump recommends that e-commerce platforms and third-party marketplaces take more active roles in monitoring, detecting and preventing the trafficking of counterfeit products in the U.S. The report comes after Trump signed a memorandum in April that aimed to enlist the private sector in cracking down on counterfeit goods sold through online platforms like Amazon, eBay and Alibaba.

Between July and September 2019, U.S. Customs and Border Protection conducted Operation Mega Flex to inspect shipments from China and Hong Kong and look for counterfeit products that could be sold via e-commerce.

Sources: U.S. Department of Homeland Security Jan. 24, 2020 report “Combating Trafficking in Counterfeit and Pirated Goods,” POLITICO staff reports

Results of Operation Mega Flex, by inspection date

Of 20,861 inspections, about 3,000 revealed “discrepancies” in the safety of items for American consumers. Discrepancies found could be agricultural violations such as bad meat, fruit and produce, but about a third of the 3,000 inspections uncovered fake branding of clothing, jewelry, electronics and pharmaceuticals. Inspections were conducted during three periods of time and included visits to seven CBP international mail facilities and four facilities that examine and release shipments of goods imported into the U.S.

Inspections on July 16, 2019 and July 17, 2019

Total shipment inspections
9,705

Shipments found
to have discrepancies

1,145

212

Shipments found to have counterfeit items

Inspections on Aug. 21, 2019

5,757

1,010

467

Inspections on Sept. 18, 2019

5,399

735

382



Top consumer items counterfeited, by category

Counterfeit brand name products collected by CBP in fiscal 2018 showed that clothing was the top product confiscated followed by shoes, jewelry and handbags. Fake consumer electronics — including iPhones, hoverboards, earbuds and microchips — were also commonly seized by CBP. Counterfeit pharmaceuticals and personal care items such as cosmetics accounted for 7 percent of total seizures.

| | Clothing | Footwear | Watches/jewelry | Handbags/wallets | Electronics | Drugs/cosmetics |
|------------------------------|----------|----------|-----------------|------------------|-------------|-----------------|
| FY2018 SEIZURES | 6,098 | 4,728 | 4,291 | 3,593 | 3,388 | 2,293 |
| PERCENT OF TOTAL SEIZURES | 18% | 14% | 13% | 11% | 10% | 7% |