THE INDEPENDENT VOICE OF TRUST

Exploring Online Fraud and the Sale of Counterfeit Goods

Counterfeits and Online Fraud, Scoping the Problem

Date: 22 September 2020
Hanane Taidi
Director General
TIC Council
Michael Hanson
Senior Executive Vice President, Public Affairs
RILA
REPRESENTING THE LEADING BRANDS IN RETAIL

PREMIER MEMBERS

BEST BUY  DOLLAR GENERAL  Gap Inc.  THE HOME DEPOT

LOWE'S  Target  Walgreens

Abenham & Fitch Co.  Academy  Ace Hardware  American Eagle Outfitters  Apple  AutoZone

Bed Bath & Beyond  Big Lots  Bling  Burlington  DISC

Columbia  COSTCO  Crate & Barrel  CVS Health  Delhaize America  Dillard's

Dollar Tree  Goodwill  DSW Inc.  Express  Finish Line  Five Below  GameStop

HIBBETT Sports  Hylvee  IKEA  J.Crew  JCPenney

Joy Ann  Kohl's  Kroger  LEVI STRAUSS & CO.  LL Bean

Meijer  The Michaels Companies  NEX  Nordstrom  Office Depot OfficeMax

Pandora  Penske  Publix  Qurate  Rite Aid

Ross Dress for Less  Signet  Tailored Brands

Ulta  Walmart  Wegmans  Williams-Sonoma
Buy Safe America Coalition
Combating Food Fraud

Palmer A. Orlandi, Ph.D.
Deputy Executive Director & Chief Science Officer
AOAC INTERNATIONAL

TIC Council Webinar Series on Fraud and Sale of Counterfeit Goods
September 22, 2020
Food Authenticity

- Assurance that raw ingredients purchased by the food manufacturer are accurately documented;
- Assurance that products purchased by consumers are safe and reflect the stated quality.

Economically Motivated Adulteration

- A wide range of deliberate acts designed to misrepresent the authenticity and value of a food product without the purchaser’s knowledge for the economic gain of the seller;
- Alteration of a commodity through:
  - Addition of nonauthentic substances, or,
  - Removal or replacement of authentic substances
The Well-Traveled Salad: Do You Know Where Your Food Has Been?

As consumers, many of us fail to recognize that even our domestic and local food supplies are part of a global network. The daily activity of consuming food directly links our health as humans to the health of crops and produce, food animals, and the environments in which they are produced.

A “One Health” approach to food safety—bringing together expertise and resources from the clinical, veterinary, wildlife health, and ecology communities—has the potential to reveal the sources, pathways, and factors driving the outbreaks of foodborne illness and possibly prevent them from occurring in the first place.

NOTE: Countries are listed in alphabetical order and not by volume of export.
Complex Supply Chains...
The Challenge:
How do you know what to look for? How Deep Must you look?

†To learn more about AOAC’s Food Authenticity Methods Program go to www.aoac.org/scientific-solutions/food-authenticity-fraud/
Breadth of Food Adulteration

Number of Adulterants
Decernis Food Fraud Database

Cow’s Milk: 163
Extra Virgin Olive Oil: 52
Orange Juice: 63
Chili Powder: 72
Beef: 78

Infographic: Carmen.Diaz.Amigo@Focos-Food.com
Data queried: 04-2020

†To learn more about AOAC’s Food Authenticity Methods Program go to www.aoac.org/scientific-solutions/food-authenticity-fraud/
A Snapshot of the Analytical Landscape

PubMed

Number of Publications in PubMed
"non-targeted" OR "nontargeted" OR "untargeted"
2020-05-08

Σ = 10249

=2200

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Analytical Challenges For Food Producers, Regulators and Analysts

- What method to choice,
- Breadth of applicability,
- Technology,
- Disparate performance requirements,
- Disparate regulatory requirements,
- Changing environment, rapidly expanding scope.

The Importance of Standardization

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Consensus Analytical Standard

- Documents the need for an analytical method,
- Provides a detailed description of how that method must perform,
- Includes method acceptance criteria,
- Agreement among stakeholders and subject matter experts.

Consensus

1a: General agreement

b: The judgment arrived at by most of those

2: Group solidarity in sentiment and belief

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Food Authenticity Methods Program

OBJECTIVES

- To address the analytical needs for combatting intentional and economically motivated food adulteration;
- SMPRTM development for Targeted Testing (TT) and Non-targeted Testing (NTT);
- Develop rapid response guidance for method development in the event of an emergency.

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Distinct but Complementary Approaches for Food Authenticity

TARGETED ANALYSIS

NON-TARGETED ANALYSIS

“Precedence”

“Surveillance”

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Learn more about the AOAC INTERNATIONAL Food Authenticity Methods Program at...


- Or contact us:

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Thank You

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Rick Rosati
Vice President, Government Affairs and Industry Standards
Bureau Veritas Consumer Products Services (BVCPS)
Impact of COVID-19 Pandemic

WDVM (Hagerstown, MD): Dulles International CBP seizes an estimated $3 million of counterfeit goods
Customs and Border Protection at Dulles International announced they seized an estimated $3 million in counterfeit goods this week. The shipment originally entered the country on August 22, but CBP tells WDVM there is a lengthy process when it comes to handling counterfeit items. “This is a significant seizure of counterfeit consumer goods.....

NPR/WNYC: Lego Fans Tricked By Counterfeit Kits
Discontinued Lego sets can be worth a lot of money. Counterfeit Lego kits, made illegally in China, are scamming collectors.

The Wall Street Journal: Brokers Peddle Fake Medical Gloves Amid Coronavirus Shortages
Brokers are peddling counterfeit medical gloves as a shortage of this critical commodity has tripled prices during the pandemic and pinched front-line and other workers as schools and businesses reopen. In recent weeks, companies employing front-line workers have bought fake versions of “nitrile,” or synthetic rubber gloves, sold in boxes labeled “examination grade,” posing potential health risks, according to glove distributors and manufacturers.

The New York Daily News: Customs seizes 500,000 faulty N95 masks in Chicago en route from China to New Jersey
U.S. Customs and Border Protection officers seized 500,000 faulty N95 masks headed to New Jersey from Schenzhen, China, after they were found to be less than 95% effective. The seizure, worth an estimated $3 million, was made in Chicago last week when Homeland Security asked the CBP's Anti-Terrorism Contraband Enforcement Team in the Windy City to apprehend and inspect the shipment, CBP said in a statement.
Anti-Counterfeiting Committee

Certification industry members committed to stopping the worldwide proliferation of products bearing counterfeit certification marks that may endanger public health and safety by:

• Partnering and cooperation between key stakeholder – certification bodies, brand owners, law enforcement, trade associations;
• Educating key stakeholders, including law enforcement (customs authorities), legislators, manufacturers and consumer organisations; and,
• Aligning and adhering to consistent principles as TIC industry in fighting counterfeiting.

DEKRA  
SGS  
eurofins  
Intertek  
TÜVRheinland®  
TÜVSUD  
UL
Certification Bodies and Product Certification

- TIC Council Members are Testing, Inspection and Certification Bodies which provide essential services related to testing, inspecting and certifying products.
  - ISO/IEC 17065, The international standard for ensuring competence in organizations performing certification activities
  - ISO/IEC 17025, The international standard for General requirements for the competence of testing and calibration laboratories
- Product Certification is the evaluation and confirmation by an independent third party that a representative product sample meets the requirements of applicable, published standard(s).
- Requirements may be related to safety, performance or quality assurance
- Product Certification may be voluntary or mandatory, depending on jurisdiction.
Certification Marks and Self-Declaration Marks

• A Certification Mark issued by a Certification Body indicates that a representative product sample was tested and met the requirements of a published standard. Additionally, the product is in a Certification Program which will have additional requirements such as an initial factory audit, and periodic inspection or testing activities which may include lot inspections.
• Certification Marks are owned by the Certification Body. The Certification Body grants authorization to use their Certification Mark to third parties. Certification Marks may not be used without authorization.
• CE Mark with a four (4) digit number indicates assessment by an independent third party. Without the 4 digit number is a self declaration.
• Trade organizations certification programs and marks
Counterfeit Certificates: Red Flags

- Miss Spellings, font or language changes
- Product description does not exactly match the product
- Models and model numbers vary
- Design and content of the certificate, formatting
- Claim of certification to the wrong standard
- Dates and date coding
- Location and location coding
- Name and location in the signature block
- Certificate not available on CB’s website
- Distorted or wrong Logos, wrong colors

- Most test labs and certification bodies will have very specific formats and identifying features within their reports, labels and certificates.
- If you cannot identify or contact the Certification Body contact the TIC Council Secretariat (secretariat@tic-council.org).
# Certification Body Quick Reference

<table>
<thead>
<tr>
<th>TIC Council Member</th>
<th>Verification Database</th>
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<td><strong>Bureau Veritas Consumer Products Services</strong>&lt;br&gt;www.cps.bureauveritas.com</td>
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<td><strong>Eurofins</strong>&lt;br&gt;www.eurofins.com</td>
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<td><strong>Intertek</strong>&lt;br&gt;www.Intertek.com</td>
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<td><a href="ul.com/database">ul.com/database</a></td>
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Other Efforts to Fight Counterfeiting

Education

Public Awareness
Now available...

White Paper: Identification and Impact of Counterfeit Test Reports and Certificates in the Global Marketplace


If you are interested in more information, please contact: secretariat@tic-council.org
Questions?

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RILA

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Rick Rosati  
Bureau Veritas