

# COUNTERFEIT!

It's not just watches and blue jeans.

BY IVAN PRASHKER

In the brilliant movie *The Third Man*, Orson Welles plays the unforgettable Harry Lime, an evil, witty, stylish monster, who dilutes vials of then-hard-to-get penicillin with colored water. As a result, children suffering from meningitis who'd been treated with the counterfeit drug have either died or gone off their head.

When, after learning of Lime's corruption, an old friend confronts Harry in the ascending car of a Ferris wheel high above the cynical postwar city of Vienna, Lime points out the window to the people, as small as black flies, scudding below them, saying, "Would you really feel any pity if any of those dots stopped moving—forever? If I said you can have twenty thousand pounds for every dot that stopped, would you really, old man, tell me to keep my money—without hesitation? Or would you calculate how many dots you could afford to spare?"

Probably your first, instinctive reaction is: phony drugs, counterfeit penicillin—pretty melodramatic, farfetched stuff which could only happen in a movie. Yet, scarcely months ago, the *Washington Post* broke a story with the following lead: "More than a million counterfeit and possibly ineffective birth-control pills, packaged under the Searle Pharmaceuticals brand name, Ovulen, have been distributed nationwide, the Food and Drug Administration and Searle announced yesterday."

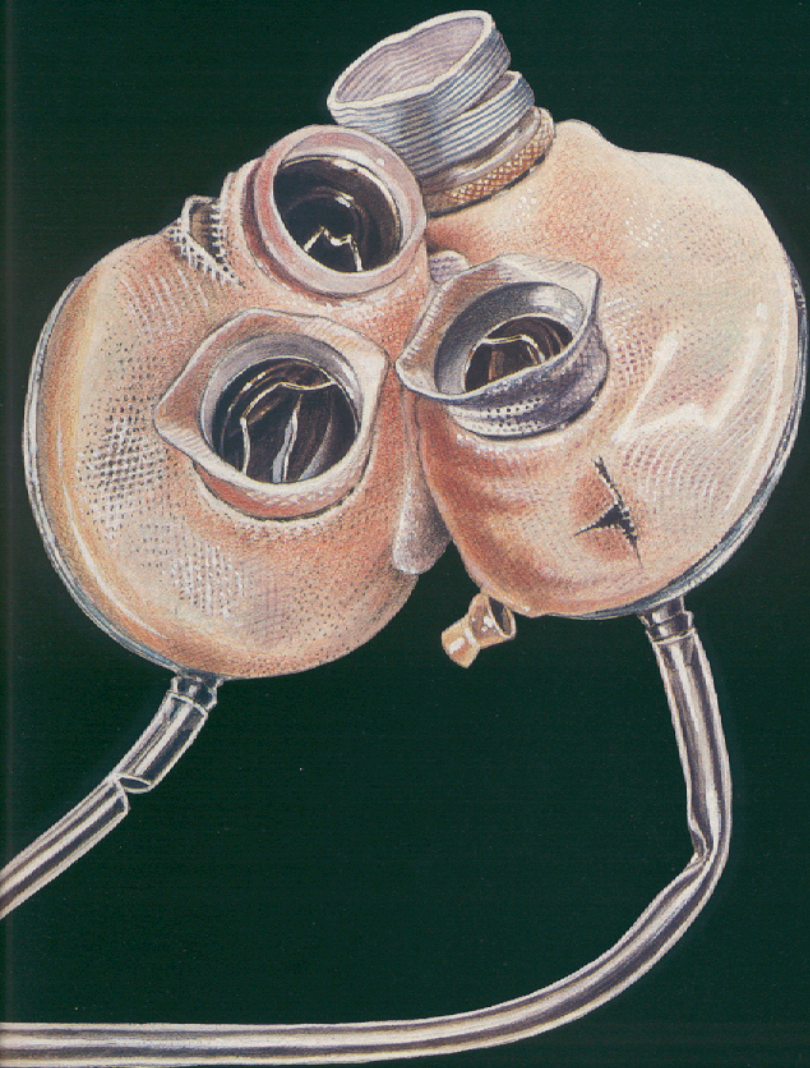
Fake pills had turned up in cities as distant as Denver and Detroit, Dallas and Philadelphia. An estimated 75,000 American women use Ovulen, and several who'd taken the phony pills had reported irregular bleeding. Authentic Searle pills have "401" stamped on one side, and the name "Searle" stamped on the other. But one lot of counterfeit pills had "441" stamped on both sides; another lot had "401" stamped on one side, and the company's name misspelled as "Seable" on the other.

Sure, bogus contraceptive pills might not have quite the dramatic impact of phony penicillin serum, although don't try telling that to the unsuspecting woman who later becomes pregnant with an unwanted fetus. But what about a phony heart pump? Does that qualify as having the same impact as counterfeit penicillin shots?

According to the congressional testimony of James L. Bikoff, president of the International Anticounterfeiting Coalition, "There is a growing problem of look-alike narcotics, so called because they imitate the size, shape, and color of amphetamines and tranquilizers, and often feature counterfeit trade markings."

Most look-alikes contain a combination of caffeine, a stimulant; ephedrine, a vascular constrictor; and phenylpropanolamine, a chemical cousin of amphetamines. In heavy doses, look-alikes can cause heart or respiratory failure.

ILLUSTRATION BY SHARON ELLIS





High school kids, thinking they're ingesting speed, will swallow a fistful of look-alikes and find themselves in deep trouble as their blood pressure and heart rate sharply rise. How much trouble? Twelve deaths have been attributed to look-alikes and numerous other victims have suffered paralysis.

While most look-alikes imitate stimulants like Biphentamine and Dexamyl, there are also counterfeit tranquilizers around said to closely resemble Dilaudid and Quaalude.

A typical dealer buys look-alikes for about a nickel a pill. Soon after, he's found near school yards and other hangouts frequented by high-school and college students, selling his wares at the escalated price of about two dollars a pill.

Certainly the amphetamines and tranquilizers for which you need a prescription are harder to come by than look-alikes which, because they don't involve controlled substances, can be bought over the counter. Obviously, then, it's the availability and deception surrounding look-alikes that have made them so insidious.

And if bogus contraceptives, phony heart pumps, and look-alikes aren't enough to concern America's consuming public, the problem figures to grow worse when the flood of health kits, which people will soon be using in their homes to detect the early symptoms of various diseases, make their mark.

Such products, says Robert Paul of Marshall Electronics, maker of blood pressure units, "are going to be as common as the toothbrush in the home." This is because people are not only paying much more attention to their physical well-being, but are taking greater responsibility for their own health. Not only has a better-educated consuming public learned how their bodies work, but they're aware of the importance of regularly monitoring their functions.

One company, Personal Diagnostics, is currently developing home kits designed to pinpoint early signs of diabetes, urinary tract infections, and strep throat. Another, Warner-Lambert, is working on a kit indicating hidden blood in the stool, which might be an early symptom of bowel cancer.

What happens when counterfeit health kits start appearing and unsuspecting consumers possess early indications that aren't showing up but should?

It would be bad enough if counterfeiting were limited to drugs, medical devices, and some health kits. But the counterfeiting taking place within the health field doesn't even scratch the surface of the problem as it affects the public's safety, health, and physical well-being. Commercial counterfeiting is plaguing this country.

It is frightening to consider the possible inroads counterfeiting has made

into the airline industry. There exists strong evidence that airlines, aircraft manufacturers, and even the U.S. military have been provided with parts that are counterfeit, substandard, and non-conforming.

When you reflect that many parts go for about \$25 a piece new, and junk aircraft fittings might cost a buck a piece, and aircraft manufacturers buy such fittings practically by the ton, you quickly realize that profit margins achieved by dishonest or reckless suppliers can zoom into an even higher stratosphere than the planes such parts are supposed to help keep aloft. Recently Delta Airlines purchased electronic tubes, which carried the "General Electric" trademark, for the navigational systems on its jetliners. But the first eighty tubes failed routine testing, and Delta returned the complete shipment. Not long afterward, General Electric discovered the tubes were useless discards, which a producer had replaced and stamped with GE's logo. U.S. marshals, raiding the producer's venue in May 1984, found vast numbers of other obsolete electronic parts, along with bogus logos of ITT, RCA, Western Electric, and 16 other companies.

Bikoff, in his congressional testimony, referred to the FAA's 1977 removal of counterfeit "Boeing" engine fire detectors and control systems, which had the potential to affect up to 100 Boeing 737s. The systems had fake "Boeing" labels and serial numbers. Inspectors examining them concluded they were poorly made, of low-quality materials, and could not come up to adequate safety standards.

As far as military aircraft is concerned, "Substandard counterfeit parts were discovered among parts intended for use on the F-4 fighter plane and the Chapparall and Lance Missile Systems," Bikoff testified. He also quoted Bell Helicopter Company officials, to the effect that, "Dangerously substandard counterfeit Sikorsky and Bell Helicopter parts have been sold to NATO..." The suspect items included transmission components and landing-gear assemblies. They were manufactured "without necessary information on essential heat treatments and stress testing, and sold with forged identification numbers..."

But even closer to home than phony aircraft fittings are counterfeit automotive parts and accessories, costing this country an estimated \$12 billion in annual foreign sales. This roughly translates into 200,000 fewer American jobs. Add another estimated \$3 billion lost in domestic sales before you achieve a comprehensive total.

Among the life-threatening items punctuating this total are counterfeit brake shoes, gas-tank caps lacking safe-

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## BUSTING THE BOGUS

Dave Woods is twenty-seven years old and runs a private detective agency with offices in New York City. His work is often tense but despite his graying sideburns, he doesn't worry excessively about threats.

Five years ago, Woods was an auto mechanic growing bored with his daily routine. He went to a community college, where he took a course in investigations, security, and fire prevention. Then he went to work for an investigative agency. He's never regretted the change.

### Woods says:

Our organization specializes in all aspects of trademark work. That includes direct counterfeit, which is a copy of the client's products; a fraudulent product, which the client never made but bears the client's name; and an infringing item, which is one that is closely similar to the client's product but has a different name. We also deal in the use of trade names. Many companies are looking to use different names to market their products, and when they find that the John Doe Company is using their name, naturally they want to learn how it's being used.

We don't solicit for cases. Companies come to me, usually by word of mouth. I'm also known through my association with such groups such as The International Anticounterfeiting Coalition.

I'll describe a typical case. In 1982, some Puma salespeople were on the road out on Long Island, New York, when they learned that a local company was offering Puma basketball shoes to various retail stores that had already purchased from Puma. Because the price was incredibly low, the client asked me to investigate. So I went to the location, where I obtained samples, then took them to the client, and they turned out to be counterfeit.

So I want to know, where is the stuff coming from and how much merchandise does this guy on Long Island have? Sometimes it's easy to pinpoint where the stuff originated. A potential defendant will simply turn to you and say, "I get this stuff from Florida." That can come up in a casual conversation. From his point of view, there's nothing dangerous about saying that, because he's not going to suspect I'll be able to track it down.

If he doesn't volunteer the location I might say to him, "Listen, I've got a lot of other people across the country interested in buying this stuff, but they don't believe in paying shipping charges from New York. Do you know anyone with whom they could



deal?" See, I have people down in Florida, I have people in L.A., I give him key cities around the country to make it easy for him to tell me. And if everything is going well, which it usually does, the guy will turn and maybe say, "Yeah, well, I get the stuff from Miami."

"Or, during the conversation I'll say, 'Look, my only concern is paying shipping charges. Now, I'm going to be distributing this stuff that I'm buying from you to South America and up into Canada, but I hate to absorb trucking costs. So, if you're getting all your goods from Miami, let me know, and I can avoid paying shipping costs up to here and then back down again.' That's a way of maneuvering him into saying, 'Yeah, well, I get them out of Miami.'" There are a lot of different ways of pinning him down.

So my guy said Florida. Now, there are certain techniques I use I don't want to talk about. But one potential way to bust a guy's chops is to guarantee the subject a sale in New York, where we're negotiating. I'll say, "Okay, I'm going to buy 10,000 pairs, but he doesn't want to deal up here." Now, what the suspect may do, if he's hungry enough, is to turn me on to his source in Florida, feeling confident that his deal with me up in New York is set. Maybe he'll get a finder's fee because of the guy who wants to deal in Miami as well.

If you can convince the subject you're legitimate, and appeal to his sense of greed, you usually can work things out your way. Anyway, when I tracked the Florida sources to Miami, I dropped the guy here in New York and contacted the guy in Miami. They guy in Miami wasn't making the shoes. It turned out he was importing them from the Middle East. I'd arranged to meet him on a Thursday down in Miami. Only I went down a day or two ahead of time, because I associate myself with private investigative agencies around the country, whom I'll use as backups when I operate away from New York. But suddenly the Miami guy showed up in New York on Wednesday, looking for me.

There was an empty room next to this office, with a couple of boxes of his sneakers which he'd sent me the previous week, and two of my agents. They played it just right, though, saying, "Hey, we just moved into this area, we're from out of town." They told him I had to rush to Atlanta, but I was planning on meeting him the next day in Miami, and he believed them.

See, there's no name downstairs or on this office door indicating my business. And I try never to give my

address. My business card doesn't even have it, I have several other locations that I use should the need arise.

Anyway, next day, he went back to Miami and we met and discussed the deal. This time he was hesitant about showing me the merchandise. But because I had samples, we were able to get a federal court seizure order which covered the entire state of Florida.

A lawyer got me the order. In this instance it was Kenneth Umans of New York, who's the best in getting seizure orders. He's done it for years, a real bright man. With this order, we could literally go anywhere in Florida and grab the merchandise. But I didn't have to do that. I showed the guy in Miami \$20,000 I had with me in cash, and that renewed his interest in me.

I get the money from the company, or I might supply it myself. The money isn't going anywhere. I'm never going to turn it over to the supplier. I think the deal was for \$80,000, and I had \$20,000 on me. I told the guy I had to go to the bank to get the rest; but just by showing him the amount I had, he went and finally took me to where the merchandise was held. It turned out to be a bonded customs warehouse in Miami. Afterward, I made an excuse while we're having lunch to call Ken Umans and the marshals. I then took the subject to a hotel where we're having coffee, and the lawyers and marshals show up, and we say, "Okay, we're taking your merchandise. Here's the papers." The guy was cooperative because I don't think he actually paid for the merchandise yet.

Now, I've been threatened several times during a seizure. One defendant in New York attempted to pull a gun on me while we were doing one. Another time, I was in my office when one of the scam phones rang, and a guy came on, saying, "If you ever send your people around here again, I'll kill you."

I deal a lot with the U.S. Customs, but they're badly understaffed, and for them it's like looking for a needle in a haystack. There is such a heavy volume of goods coming into this country, that unless they get a specific tip, saying XYZ is importing such and such on a particular day, it's almost impossible for Customs to nail it or nip it in the bud.

Commercial counterfeiting has exploded during the last four or five years because it's a matter of economics. There's real money to be made in trafficking counterfeit goods. You take a cheap imitation of a status item, stick a famous name on

it, and you can realize 300 percent more profit than you would have without that famous name.

Speaking of how savvy most consumers are about counterfeiting, while more of the public has become increasingly aware of counterfeiters, the counterfeiters have become more sophisticated, too. For instance, four years ago, a lot of counterfeit Ugly Vanderbilt jeans had an ugly glue-on logo. Now they're embroidered. Generally, counterfeiters are spending more on designing the silk screens they use. What they haven't been able to duplicate is the quality of workmanship that goes with the expensive items.

Counterfeiting is growing because it's becoming more diversified, different types of items are being counterfeited. There's more variety to it. A lot of counterfeiters are walking away from the normal high-ticket status items and going into other types of things.

It doesn't occur to me to get anxious or tense about what I do. I enjoy the excitement of it. It's a game. It's me against them, and as they get more and more sophisticated, so do I, and it becomes even more challenging. You know, you have to outthink, outmaneuver these guys, because they're trying to stick it to you.

The major thing you have to keep in mind, and any good investigator will know this, is that you try not to create too large a false background. The FBI has a good motto—KISS. Keep it simple stupid. The simpler the scam, the better. When you're dealing with a subject, you draw on your own life experiences so you don't get caught up in lies. Lie as little as possible, but at the same time play the role.

I appeal to their vanity. For instance, when I walk into an office, I look for something that gives me an indication of the kind of guy I'll be dealing with. Suppose I see a couple of pictures of airplanes on his wall. I'll start talking to the guy about flying Cessnas. I'll tell him I'm starting to take flying lessons and ask if he flies. If he says he does, I'll say, "More power to you. I think it's so tough. For the life of me, I can't figure out all the charts. As for the vectors, I don't know how you can keep them straight." Anything to get them to relax their guard, get them off the track a little.

I like what I do. I'm a suburban man. If you grow up in a city like New York, you're growing up with excitement. But when you grow up in the suburbs, it can be real boring. Maybe that explains why I'm a guy who's always looking for excitement.



# COUNTERFEIT

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ty valves, counterfeit power-steering belts, and defective turn signals.

And while bogus spark plugs, oil and gas filters, and generators might not be classified as genuinely life-threatening, having to cope with such phonies does mean a loss in money and time. Using sophisticated machine tools that "read" part specifications, forgers produce copies from inferior materials. These copies are so close to the original in terms of size, shape, and packaging, the consumer has virtually no chance of identifying them as fake before they malfunction. And malfunction they certainly do. Counterfeits have been estimated to hold up only five to twenty-five percent as long as authentic parts. "I wonder how many people have driven down a steep hill, lost their brakes, and crashed because the components were lousy fakes," says Lee Kadrich, managing director of the Automotive Parts and Accessories Association.

The worst offenders manufacturing bogus auto parts come from Taiwan. Specifically, and by way of illustration, officials of the Automotive Parts and Accessories Association supplied Congress with three examples of such alleged piracy:

- 1) Kendeem Industrial Company, Ltd., which was said to be manufacturing almost the entire line of Roberk mirrors. Roberk was identified as a division of the Parker Hannifin Corporation in Shelton, Connecticut.
- 2) Frame, Ltd., which allegedly was producing the Stanadyne Model 50 filter, a product of the Hartford, Connecticut company, Stanadyne Diesel Systems.
- 3) Jenn Feng Industrial Company, Ltd., which was charged with copying 12-volt reading lights made from Xamtech Corporation of North Hollywood, California.

These names were turned over to Taiwanese officials in March 1983, who were then asked to suspend the suspect companies' export licenses. But when the association officials testified before Congress in the fall of 1983, the association was still unaware of any action taken by the Taiwanese government.

Taiwan may be less adverse to counterfeiting than other countries simply because its culture places a premium on artists who are able to copy Old Masters—a respected craft in that distant land.

Consider the statement of Gerald P. Reidy, an attorney for Union Carbide, who, in a report to the U.S. Commerce Department, wrote that trademarks are thought of in Taiwan as a "Western system designed to stifle competition from local entrepreneurs." As a conse-

quence, Reidy suggests, law-enforcement officials there practically encourage potential counterfeiters to "try their hand at the trade." And if pirated products issued from Taiwan only account for less than one percent of the country's \$24 billion in annual exports, don't throw that relatively minimal figure around to a victimized American manufacturer. He'll emphatically reply that the damage to his reputation and profits is infinitely greater.

But if counterfeiting has become a major trade in Taiwan, so has the pursuit of the counterfeiters. A former army officer, David Lo, runs an agency

## SPOTTING FAKES

1. Go to stores you believe you can trust, those that obviously want repeat business. Such stores, knowing counterfeit items aren't going to stand up to close scrutiny, aren't likely to carry bogus goods.
2. If the price appears too good to be true, become suspicious. For example, items that usually go for \$100 don't often sell for \$20.
3. Examine labels closely. Fake trademarks are often off-color, indistinct, sometimes even misspelled. They're often also the wrong shape or sewn into the wrong place.
4. Carelessly attached tags are usually a strong clue, indicating counterfeit. Authentic products normally have tags sewn or attached a certain way. Compare what you know is real with a suspected fake.
5. Quality is reflected in details. So is phony stuff, which is shoddily constructed and made of cheap materials.
6. Packaging can be another clue. Be on the lookout for smeared or discolored printing, or messy, uneven wrappings. Bad photo reproduction and busted lettering of records, tapes, toys, watches and cosmetics are often signs that the item isn't kosher.

that monitors more than 100 cosmetic factories on the island. Several products of Chesebrough-Pond's are, in his faintly ominous words, "under my protection."

Yet without concerted and active support from local law-enforcement officials, investigators like Lo would seem to be fighting a losing battle. Because Taiwanese copies are so convincing, one foreign manufacturer of running shoes who's arrived there to sue a suspected copier decided instead to enlist the company as his supplier. In other words, if you can't beat them, join them. Or better still, pay them to join you.

Realizing that counterfeit problems originating from Taiwan were getting out of hand, even Washington finally responded by sending Michael Kirk, assistant commissioner for external affairs of the Patent and Trademark Office; and David Ladd, register of copyrights, to Taiwan in April 1984. After lengthy discussions, it was clear that Taiwan still had no effective competition law on its books. Nor were Taiwanese officials able to provide patent protections for new compounds and pharmaceuticals.

Two months before that, when the Subcommittee on Oversight and Investigations issued its report to the House Committee on Energy and Commerce, it wrote, "Each day, U.S. firms are seeing their valuable patents, copyrights, and trademarks stolen, ignored, or otherwise misused... One study by the Commission of the European Community estimated that trade in pirated goods now accounts for about two percent of the world trade—an astounding figure. Whatever the precise amount, the cost is huge and growing rapidly."

Among its major findings, the Subcommittee listed the following:

- That for a number of countries, "Counterfeiting appears to have become the *de facto* national industrial development strategy."
- That the sale and use of bogus products has cost Americans thousands of jobs and constitutes a threat to U.S. well-being.
- That counterfeiting by foreign countries has contributed to America's growing balance of payments deficit.
- That existing U.S. law offers little protection to companies contending with counterfeit problems.

Partly in response to the Subcommittee report, the growing demand by American manufacturers, and the mounting dissatisfaction experienced by disgruntled consumers, Congress passed and President Reagan signed the Trademark Counterfeiting Act of 1984 last October. Three key reforms give the Act needed bite.

Trademark counterfeiting is now a criminal offense, no longer merely civil, with prison sentences stipulated for those convicted.

Next, the bill directs courts to award treble damages and attorney's fees to plaintiffs who show that a defendant has intentionally used a counterfeit mark in connection with the sale, offering for sale, or distribution of goods or services.

The last major reform is an explicit authorization permitting a court to seize counterfeit goods from those who'd be likely to hide or destroy them when they're notified of a pending lawsuit.

But perhaps even more important is the provision that countries which have

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been protected by a generalized system of preferences (GSP), whereby importers can bring into the U.S. various products without paying duty, must now show they're making efforts to control indigenous counterfeiters stealing sales from U.S. firms.

Three countries where counterfeiters of U.S. products are actively manufactured—Brazil, Korea, Taiwan—accounted for close to 50 percent GSP imports in 1982. Will these countries feel the heat and take steps to crack down on their counterfeiters? And how much pressure will the U.S. government decide to apply in today's complex geopolitical world? In any case, the law does establish January 4, 1987, as the date when the President must report to Congress. We will hopefully see by then if countries getting import tax breaks have shown real progress controlling counterfeiters.

Nor has Congress been the only branch of the federal government to respond to the growing counterfeit problem. In August 1983, the U.S. Customs Service established a team of inspectors to guard against fraudulent import practices, including duty and quota violations. Called "Operation Tripwire," it is under the direction of Calvin White, who's said, "Our business is fraud, and counterfeiting is a big part of it."

Yet most customs inspectors will frankly tell you they still don't have the manpower to do the job in a meaningful way. Only five percent of all items brought into the U.S. are inspected to determine whether they're authentic or fake. To stop foreign counterfeiting of American products, customs inspectors will say, strike at the source rather than attempt to seize items as they enter this country.

Probably the most familiar counterfeit item to consumers are bogus jeans. The demand for jeans has been constant and they're relatively easy to copy. Also, most people can't tell whether the denim is of the heavier weight fabric used by the classier manufacturers, or is the cheaper variety.

To give a specific example of the kind of money a single "jeans" raid can yield, a few years ago U.S. marshals raided a warehouse in a small town outside of Los Angeles. They found enough denim to make 30,000 pairs of jeans. They also found enough labels and zippers for an additional 200,000 jeans. The total retail value of the bust was placed at close to a million dollars.

Levi Strauss in particular has been aggressive in going after counterfeiters of its jeans. "We've become very sophisticated," says Levi's Bud Johns. "Our security force is headed by a former Secret Service agent and includes an ex-FBI man as well as a former European

police chief."

In 1980, the company's security force broke up an operation that was about to launch an estimated 50,000 pairs of bootleg Levi's a month. Levi's got wind of the scam because, with that kind of projected volume, the bad guys had to write up a glossary of orders that "left a paper trail through eight countries."

Had the counterfeiters succeeded, would Johns have been able to spot their items as bogus? No doubt, but the average consumer would probably have to place the phony next to a genuine Levi before he could say for sure which was which.

An expert like Joe Nakash of Jordache will strip down a fake as skillfully as a sergeant inspecting a bungling recruit's footlocker. Nakash will show that the fake probably lacks rivets, displays an improperly sized name-plate, the denim is off-color, and the stitching is poorly finished. Take that, phony! Rip!

A second favorite item counterfeiters seem to manufacture by the gross are designer watches. Not too long ago, it seemed every pimp and third-rate hood in the sovereign state of Nevada was parading up and down the Vegas strip sporting a "Philippe Patek" watch, which then cost roughly \$3,000. It was the status symbol in Vegas that year, and though the pimps and hoods didn't pay three big ones, and the watches were as phony as a three-dollar bill, no one seemed to mind or care.

Cartier spends about a million a year going after its imitators. By the way, if you've ever offered a "Cartier" for a suspiciously modest price, flip the watch over. The genuine will have the Cartier logo clearly engraved on it. Fakes will probably show a scratched signature, or none at all.

Particularly outrageous to Cartier personnel is the chain of "Cartier" stores found in Mexico on streets favored by tourists. Not only are the watches fake but so are the door handles, mere copies of the distinctive ones found in genuine Cartier shops. Which probably goes to show that some counterfeiters simply have no sense of shame at all.

What other items seem to be particular favorites of the commercial counterfeiter?

Electronic video games and personal computers immediately spring to mind. Glenn Braswell, executive director of the Amusement Game Manufacturers Association, estimates that pirating in the electronic video game market has increased from about ten percent of the market in the 1970s to thirty percent today. Despite increased cooperation from the Customs Service, the problem has become so pervasive that Braswell has said, "We are all like the little Dutch boy with our finger in the dike, and the water is coming so fast that the few of us around can't stop it." And speaking

of shamelessness, how about this nifty slogan, "Your Game My Game," printed on the stationery of a Taiwanese manufacturer?

As for personal computers, every other day there's an item in the financial pages about this or that Apple counterfeit being indicted. A typical example appeared in *The New York Times* of October 3, 1984, which ran a story with the following lead: "An indictment was unsealed yesterday charging two Silicon Valley computer importers with smuggling counterfeit Apple computers into the country, according to the United States Attorney's office in San Francisco."

Because of its popularity, as well as because of its large number of software programs, the Apple II seems to be the pirate's particular favorite. Look-alike Apple II computers first began appearing in the Far East in 1982. A few months later, counterfeit Apples began reaching the U.S. To get the software past knowledgeable customs inspectors, shrewd counterfeiters have altered the physical design, changed names, and disassembled or partially assembled computers. They've also, naturally, varied ports of entry.

Another favorite counterfeit consumer item is sunglasses. One company, Optyl Eyewear Fashion International Corporation, claims it is losing \$10 million in sales a year. Counterfeit sunglasses manufactured by one Brazilian company not only contained Optyl's Carrera Division's registered trademark and logo, but a false registration number inside the box. Adding insult to injury, it even included a postcard with which the consumer might register the false serial number with the American company. Optyl was, in fact, "flooded" with postcards registering the counterfeit sunglasses.

In sum, counterfeit goods are swamping this country. Out of five records or tapes, one is probably counterfeit, and it's one in four for sunglasses. It is practically a toss-up as to whether or not that bargain designer watch you so confidently bought is a fake or not, too.

Our economic losses multiply, unemployment correspondingly grows, and large numbers of Americans die or suffer as a consequence of these swelling bogus goods. It may seem a windfall to suddenly spy a "Piaget" watch being hawked on the street for a ridiculously low price. Many marks cannot let such an opportunity pass by, the same way a hayseed cannot believe he won't win when a glib-tongued barker spins the carnival's wheel of fortune. But the tragic truth now, as far as counterfeit goods are concerned, is that all Americans—even those who escape actually buying a phony product—get ripped off by this slimy con artist-type trade.