



2020 – 2021

TRADING STANDARDS SUCCESSES

AT A GLANCE



CHAPTER 1

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Disclaimer

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CHAPTER 1



TRADING STANDARDS SURVEY

This year 85% of Trading Standards authorities took part in the IPO's survey of Trading Standards activity throughout the UK. This high degree of engagement is valuable and important. The figures provide a snapshot of IP crime during the most unusual trading year in British history. Perhaps their most important take home message concerns the resilience of IP crime. Where other industries faltered, demand for the tried and tested staples of street-level IP criminality - counterfeit tobacco, alcohol, clothing and footwear, electric goods, cosmetics and accessories remained constant. 75% percent of authorities taking part in the survey were actively engaged in preventing counterfeit tobacco from reaching its destination. Trade in counterfeit clothing was investigated by over 65% of authorities and illicit trade in alcohol, footwear, cosmetics, perfume watches, jewellery and electric goods.

In terms of the locations for IP crime, shops, many of which (because of the fact that they sell food) did not close during lockdown, remained the most significant target for investigations. A little under 70% of Trading Standards authorities participating in the survey recorded operations in this field and selling on the street, through industrial units and at outdoor markets and fulfilment houses, continued to be targets for investigation, albeit at reduced levels. Online, over half of the authorities taking part in the survey investigated cases of IP crime conducted through social media. Websites and auction sites were also significant focusses for investigation, comprising over 30% of participating authorities investigations. Indeed, figures for proactive online monitoring of social media, auction and other online market sites show a continuation of pre-covid levels of engagement across the online environment.

In terms of the trends these observations reveal, DVDs, CDs and toys continue to see reduced levels of investigation. On the other hand, for the first time, counterfeit branded face masks appear a significant locus for investigation for 15% or the authorities who took part in the survey.

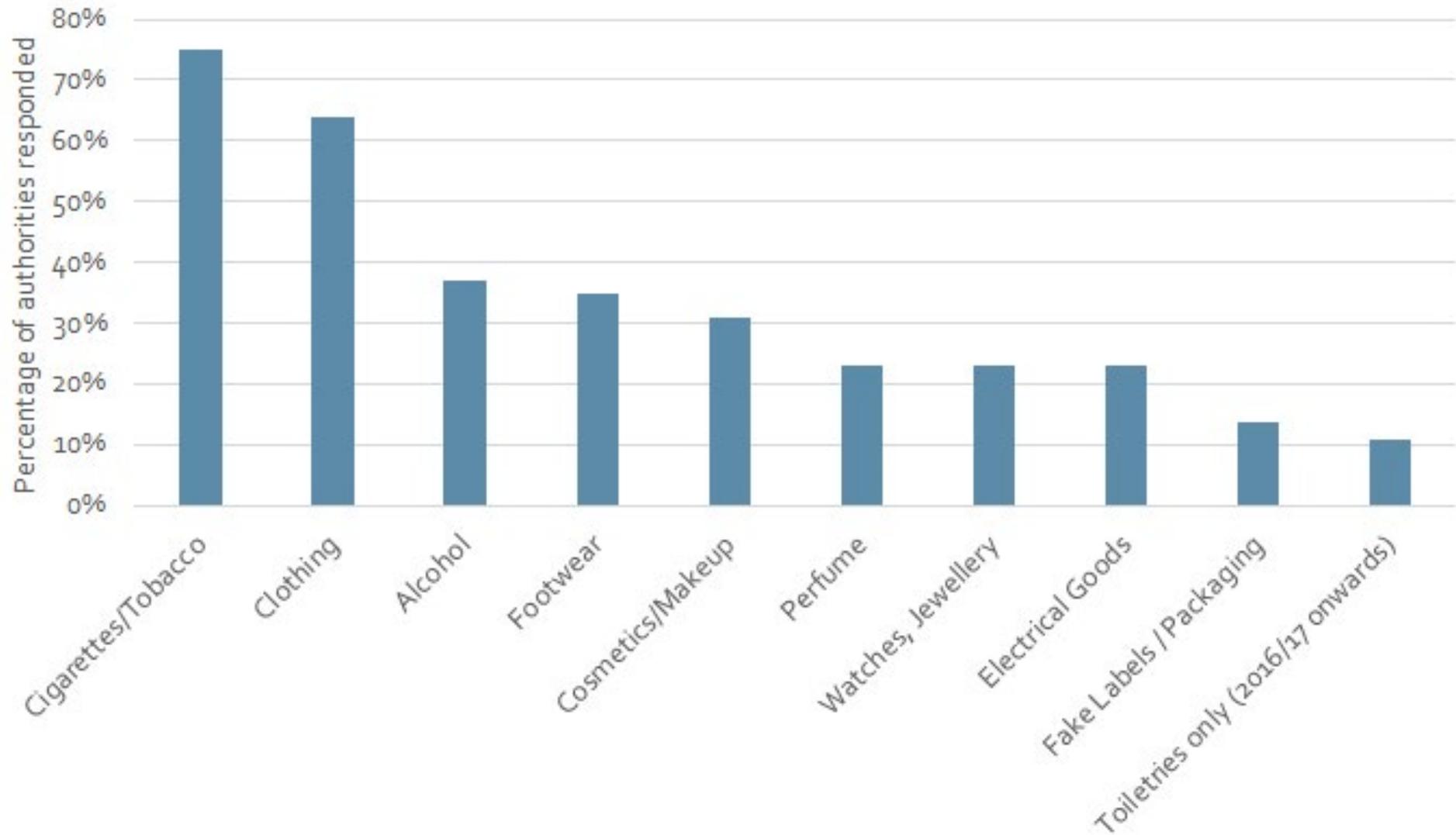
Indeed, the submission from Salford TS shows how very first products the public purchased high volumes (hand sanitizer and toilet paper) were soon available as skilfully packaged and presented counterfeits. Overall, most categories of trade in counterfeit goods were the subject of lower levels of investigation last year. One reason for this may be revealed in the statistics concerning the locations for IP crime.

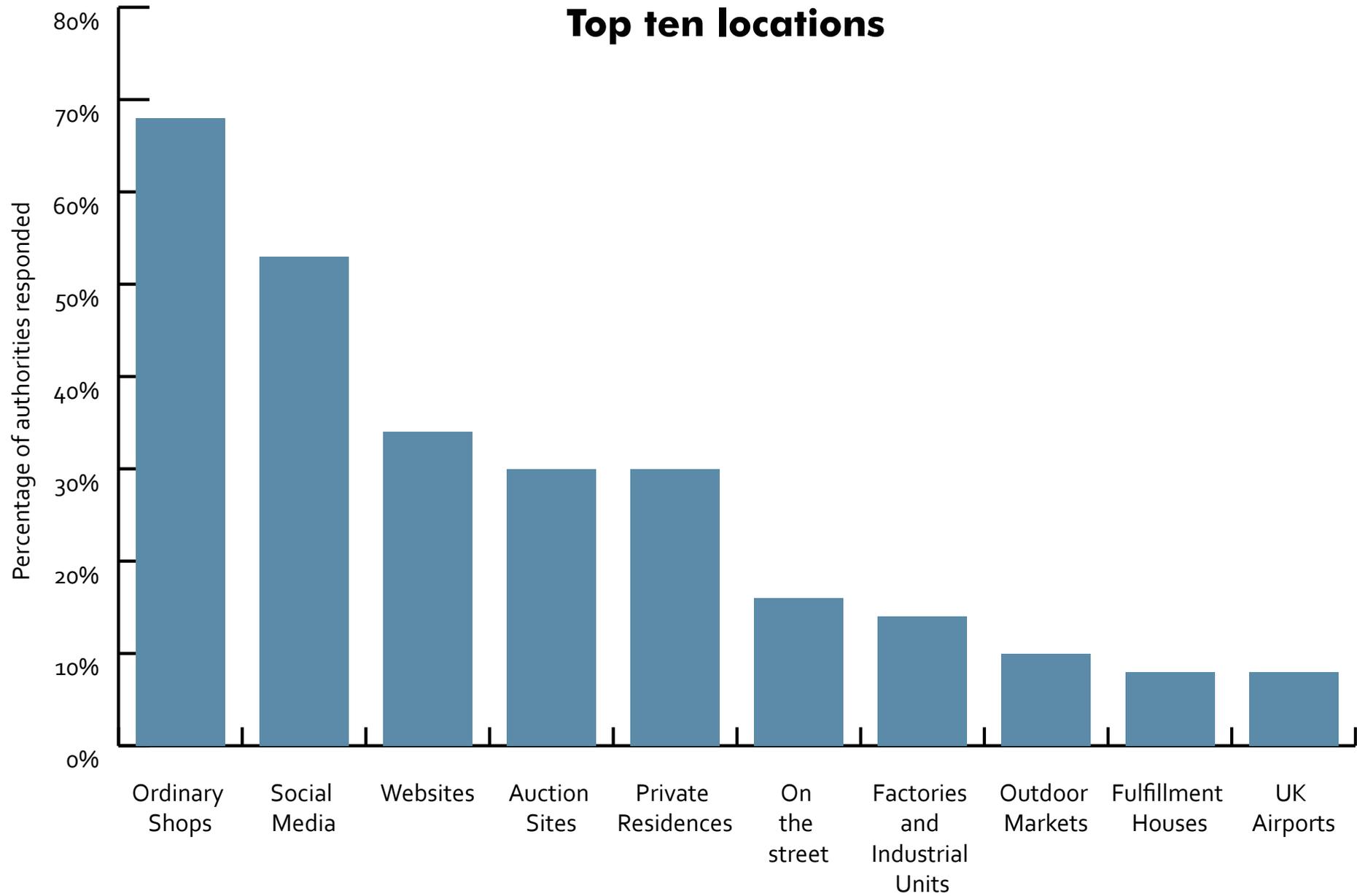
For much of the reporting year counterfeit trading points like pubs/clubs, festivals, music venues, doorstep sales, airports, markets, and car boot sales were inaccessible to traders and officers alike. Of all the locations investigated by Trading Standards Officers last year, online and offline, the only significant locus for investigation that remained at a consistent level (i.e. it didn't drop significantly and more than 10% of authorities reported it) concerned investigations focusing on factories and industrial units. For the last five years around 15% of authorities have consistently reported investigating these locations at similar frequencies. During a year of lockdowns, this figure held firm.

Over 30% of reporting authorities investigated links to organised crime. This figure was in line with previous years and money laundering, benefit fraud, drug dealing, people trafficking and child sexual exploitation remained significant, consistent ancillary aspects of criminality investigated by Trading Standards authorities. Where collaboration was required, the police, other Trading Standards authorities, HM Revenue and Customs Border Force, Companies House and the IPO Intelligence Hub were, as in previous years, consistently favoured partners. Notably, in a year characterised by a downturn in activity, referrals to PIPCU and the National Fraud Intelligence Bureau went up.

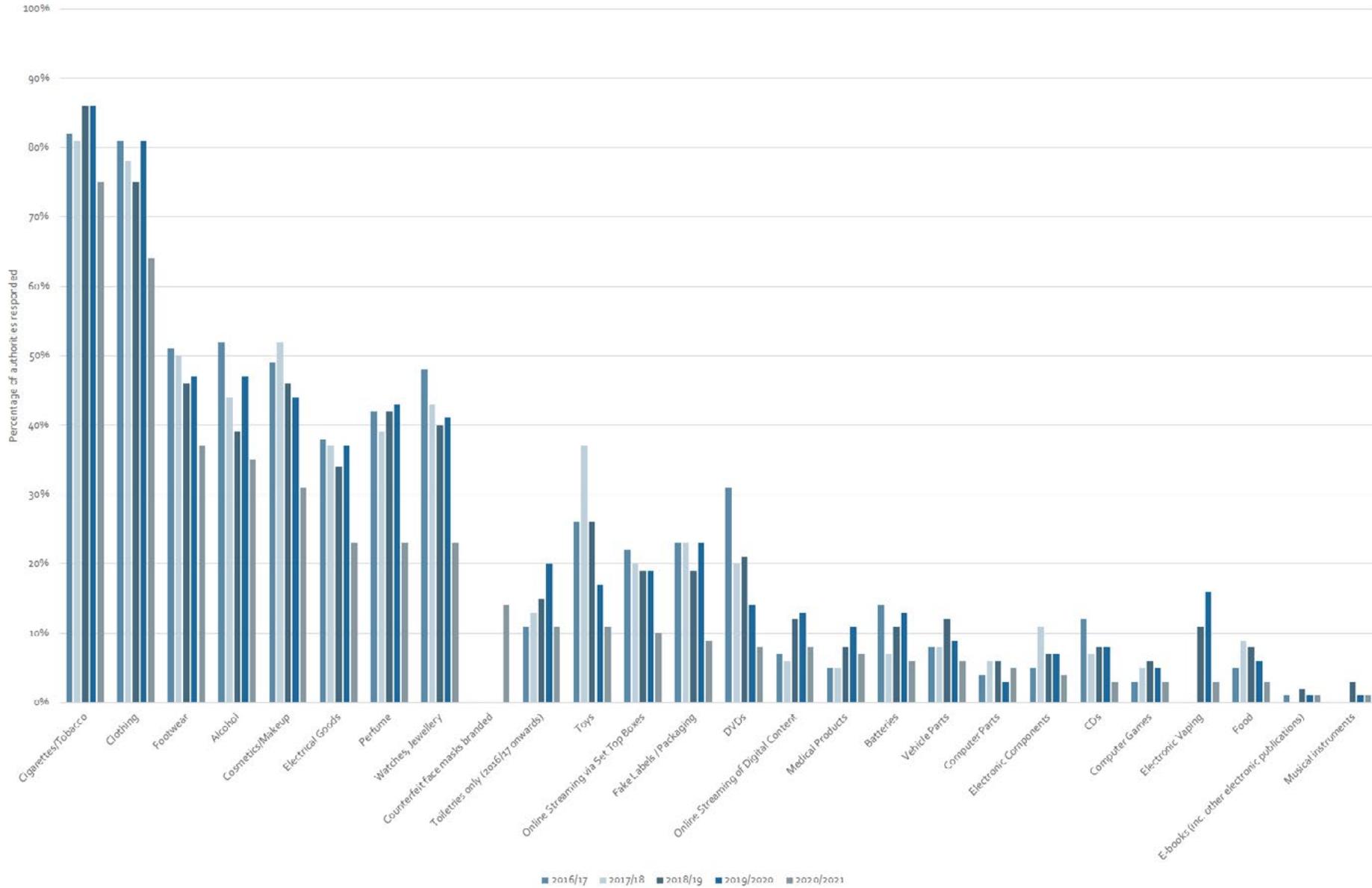
As in previous years the ACG remained, by a considerable margin, the most active industry-led body to cooperate with Trading Standards in the field of IP crime prevention. REACT, FACT the International Federation of Spirits Producers and the BRMI remained consistent partners in the fight against IP crime.

Top ten counterfeit/pirate products investigated by Trading Standards

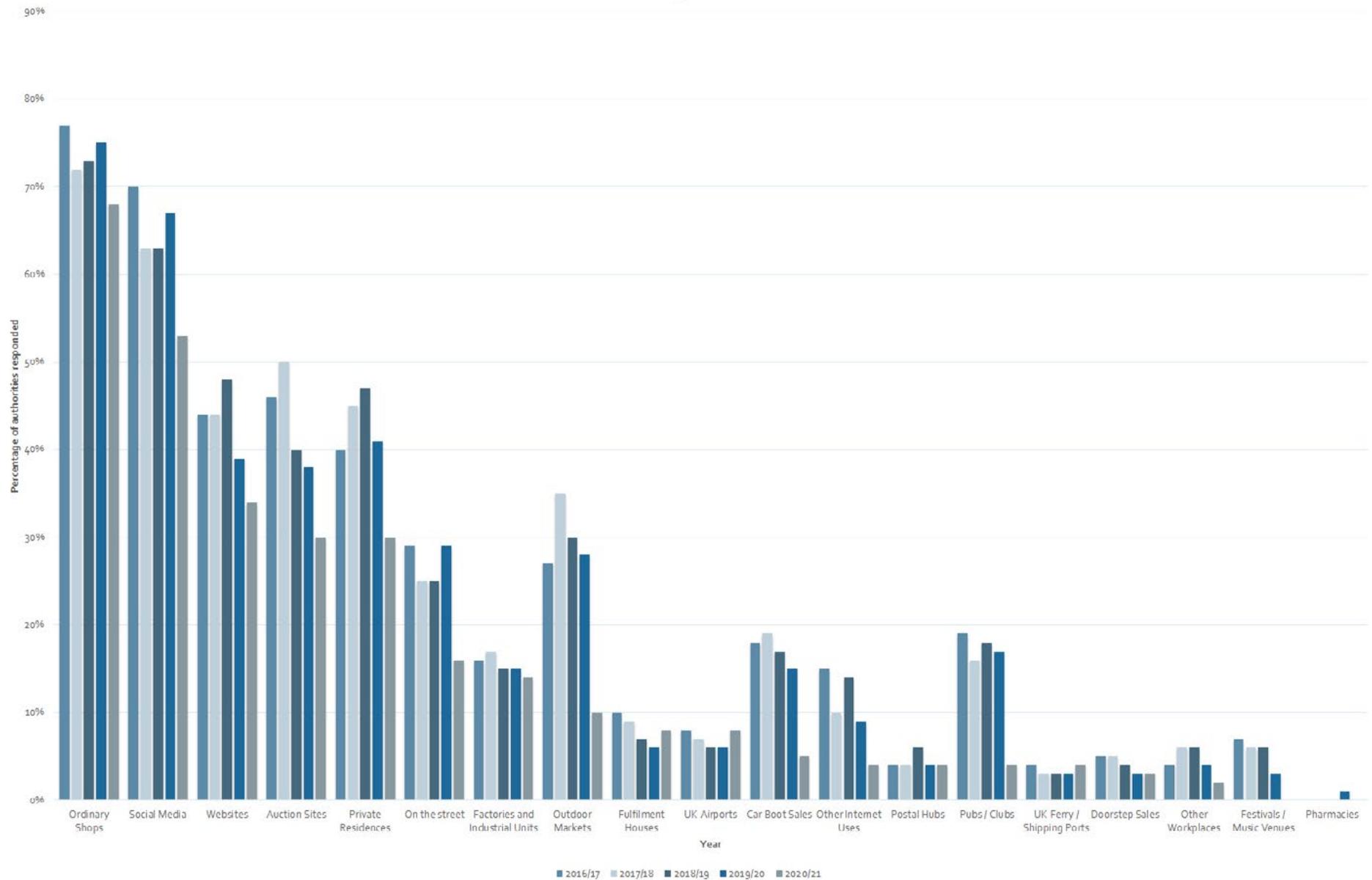




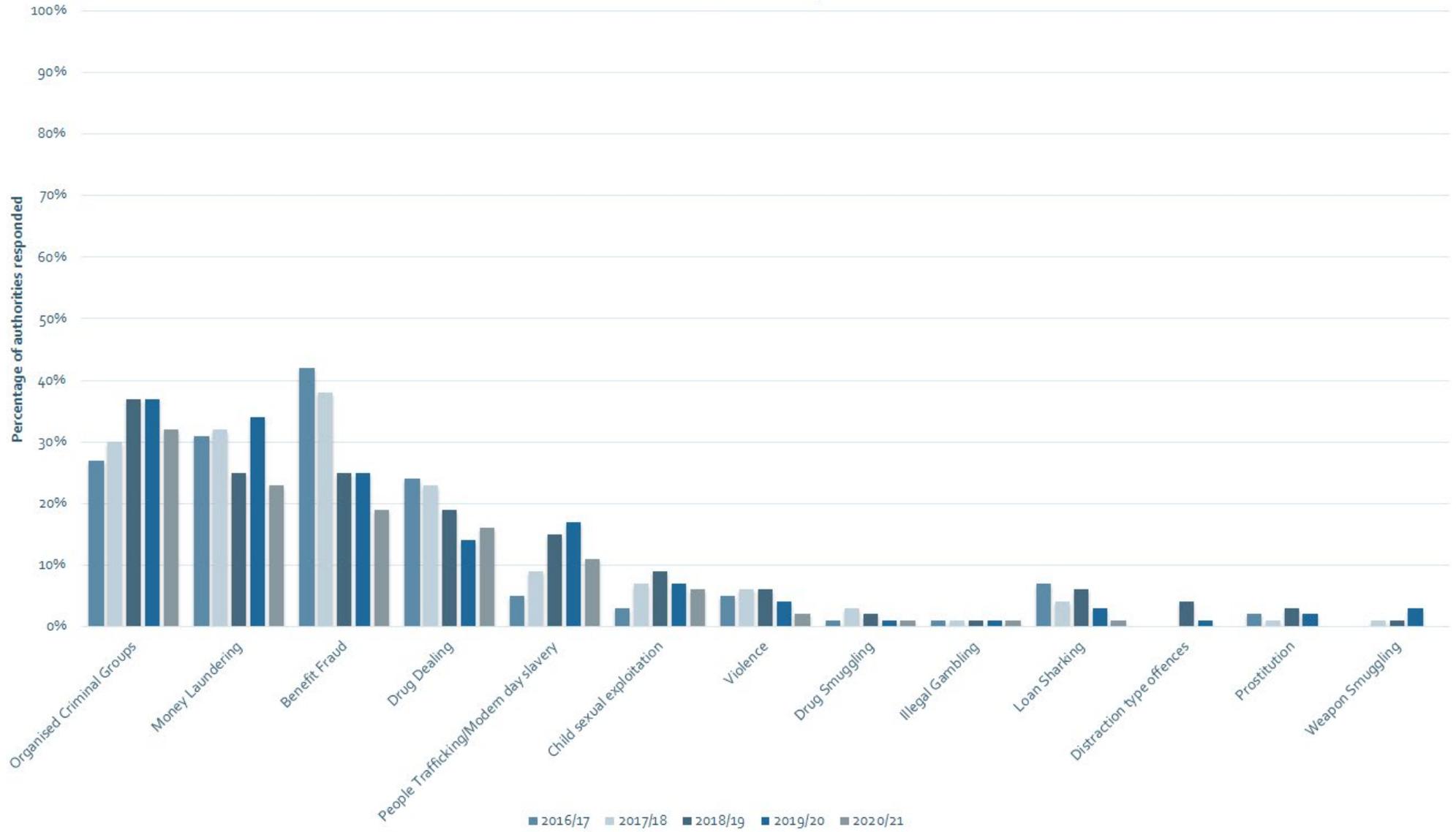
Top products investigated by Trading Standards



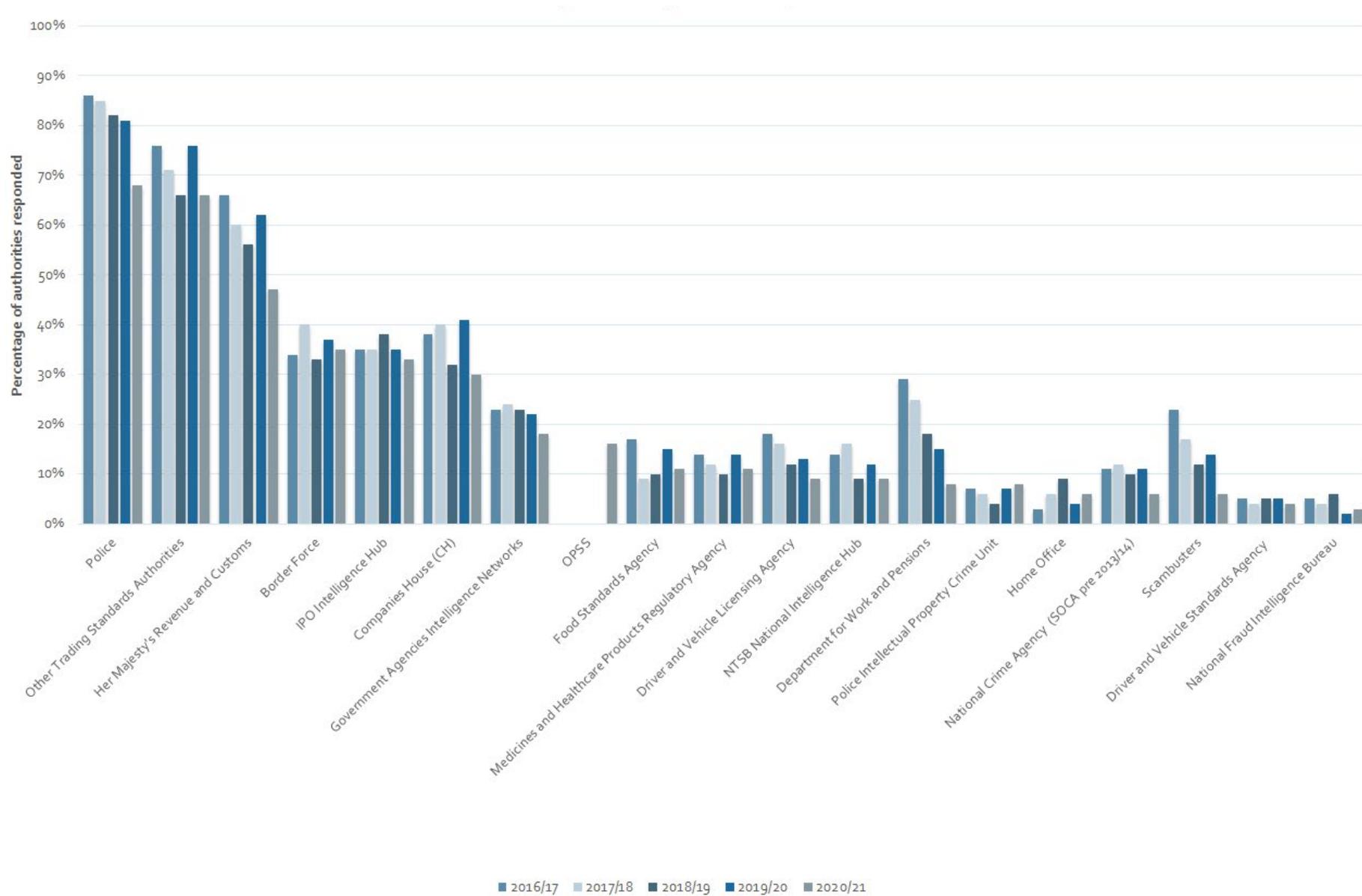
Most investigated locations



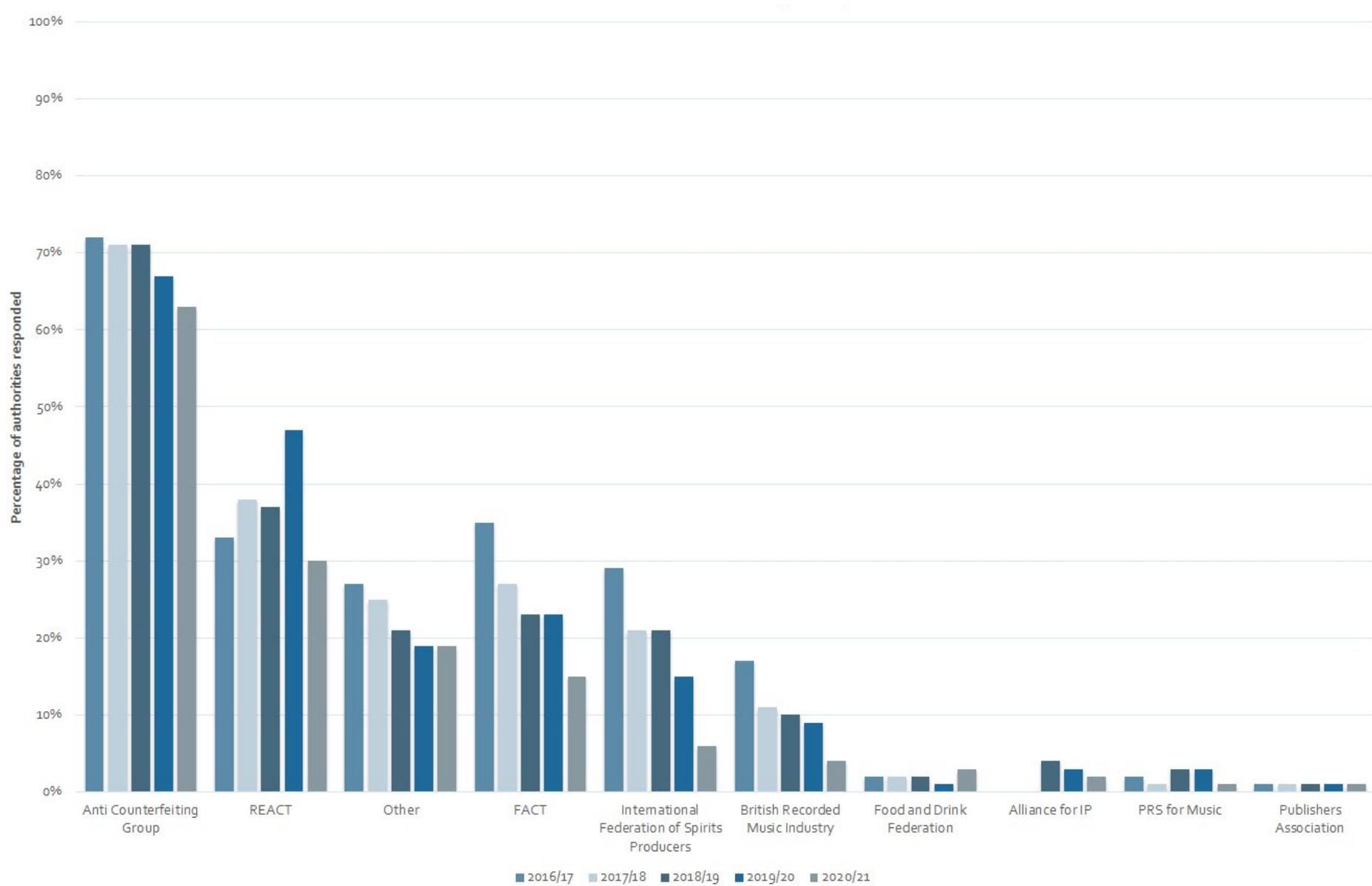
Links to other criminality



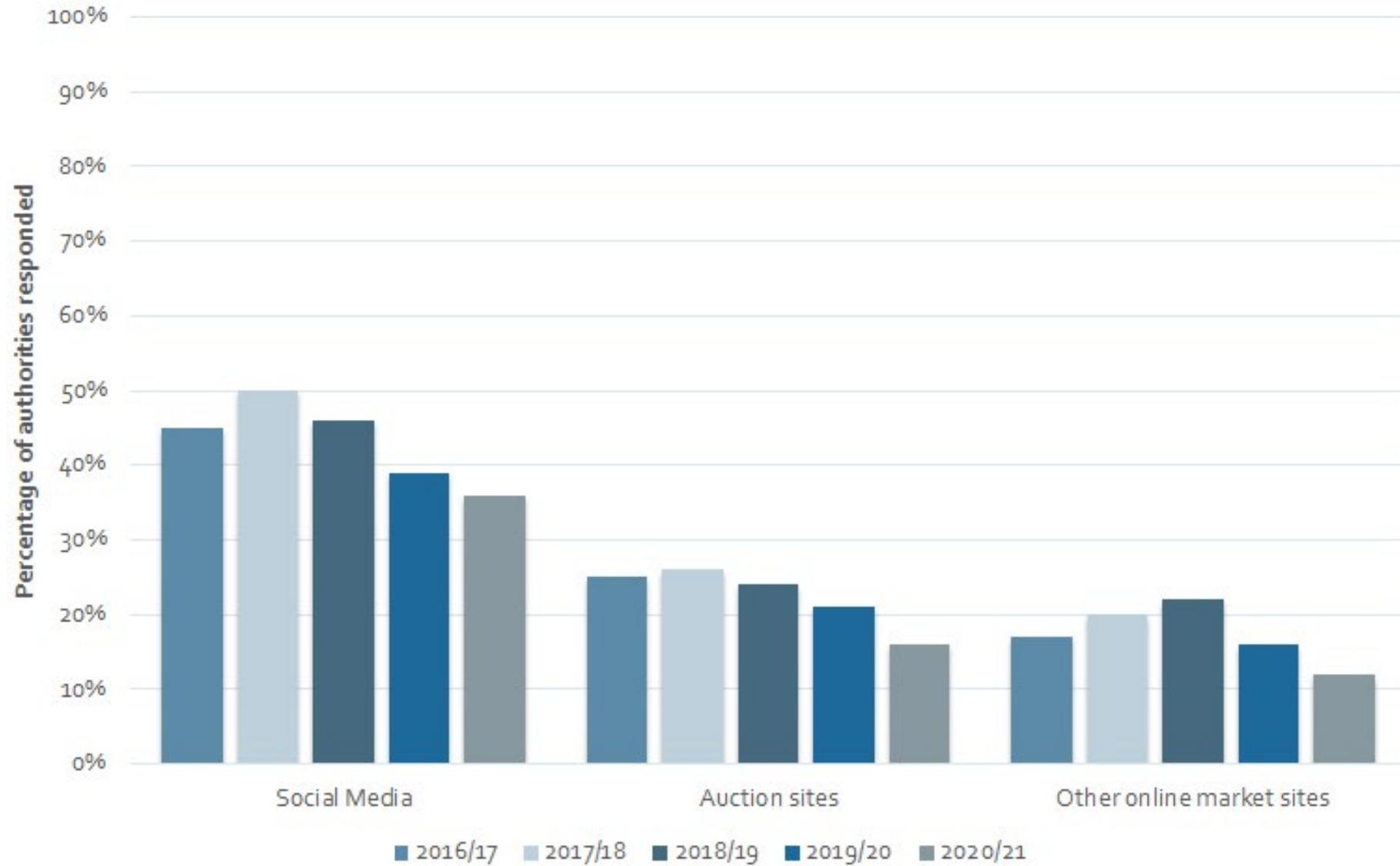
Working with other public sector partners



Working with industry bodies (top ten)



Proactive monitoring online



CHAPTER 2



TRADING STANDARDS SUCCESSES

Given the fact that all Trading Standards authorities prioritised pandemic related activities, the sense of business as usual, especially in the online sphere and the continued ability and willingness of officers to engage with IP criminals online and offline is to be admired. The reports in this document provide glimpses of the day-to-day work of Trading Standards Officers as they engaged with difficult and dangerous operations made doubly so by the pandemic. The levels of diligence of Trading Standards Officers and their willingness to 'go the extra mile' are represented by the report from Oxford Trading Standards. Here just four packets of fake tobacco were enough to bring proceedings to court.

Of course, it's wrong to single any one authority out, although the press have been doing just that this year. In June last year, Birmingham TS seized £10K worth of sports clothes and brands.¹ In the same month fake hand sanitizer and millions of substandard face masks were seized by London TS at Heathrow,² whilst in West Sussex, rock memorabilia was the subject of fakery.³ In November Lancashire TS were praised for a raid seizing £1m of clothes and shoes.⁴ February saw fake trainers apprehended in far-away Borth on the West coast of Wales.⁵ This March, Derby TS swooped on counterfeit perfumes in their area.⁶ Gateshead (Jan 2020),⁷ Hillingdon (Sept 2020) and Welwyn (Oct 2020)⁸ were all noted for TS interventions preventing the sale of counterfeit tobacco products. In April this year Ealing TS hit the headlines with £2.5 million pound raid on counterfeit phones and accessories.⁹ A huge operation in London in the same month yielded over £25m in counterfeit clothes.¹⁰

The following reports were submitted to the IP Enforcement and Crime group this year, they characterise the work of Trading Standards Officers which occasionally receives the attention it deserves.

- 1 https://www.birmingham.gov.uk/news/article/650/trading_standards_destroys_fake_goods_worth_around_10000 and <https://www.birminghammail.co.uk/news/midlands-news/inside-10k-counterfeit-operation-trading-18509148>
- 2 <https://www.londontradingstandards.org.uk/news/millions-of-sub-standard-masks-and-thousands-of-fake-hand-sanitisers-seized-at-heathrow/> <https://www.maturetimes.co.uk/trading-standards-teams-at-heathrow-airport-have-stopped-6-5-million-sub-standard-face-masks-and-8000-counterfeit-hand-sanitisers-coming-through-the-airport-since-the-pandemic-started-according-to-l/>
- 3 <https://www.westsussex.gov.uk/news/fake-rock-band-t-shirt-seller-is-sentenced/>
- 4 <https://www.lancashire.gov.uk/news/details/?Id=PR20/0325> and <https://www.lancashiretelegraph.co.uk/news/18860219.million-pounds-worth-counterfeit-clothes-shoes-seized-raids/> and <https://www.lep.co.uk/news/crime/lorry-loads-fake-nike-adidas-superdry-and-north-face-seized-east-lancashire-raids-3031219>
- 5 <https://www.ceredigion.gov.uk/resident/news/trading-standards-team-secures-guilty-plea-against-counterfeit-seller-looking-for-quick-money/>
- 6 <https://www.derbyshire.gov.uk/council/news-events/news-updates/news/suspended-prison-sentence-for-counterfeit-goods-trader.aspx>
- 7 <https://www.gateshead.gov.uk/article/14272/Joint-raid-uncovers-counterfeit-designer-goods-and-tobacco>
- 8 <https://www.whtimes.co.uk/news/hertfordshire-trading-standards-seize-goods-6846672>
- 9 <https://ealingnewsextra.co.uk/latest-news/over-2-5-million-of-counterfeit-goods-seized-in-southall/>
- 10 <https://www.mylondon.news/news/west-london-news/25m-worth-suspected-counterfeit-clothes-20402903>

LANCASHIRE COUNTY COUNCIL

Morecambe and Lies

18-month jail sentence handed down for counterfeit CD sales in August 2020



Counterfeit CDs no longer in circulation

After a lengthy investigation, Lancashire County Council Trading Standards Service obtained a 18-month jail sentence at Preston Crown Court for a Morecambe-based trader who acted as the ringleader for a number of Amazon sites, all selling counterfeit compact discs, with proceeds laundered through a complex chain of associates via dozens of accounts.

A financial investigation showed the defendant had made £464,000 of unexplained income dating back to 2014. He drove a Bentley with a personalised number plate, and frequently went on exotic trips abroad.

Test purchases were made from a number of Amazon sites, a vanload of discs was seized from an Amazon warehouse in London, and several warrants were served, at which point another vanload of discs was seized from the defendant's work premises, showing that the discs came into the country marked as leaflets and equipment parts.

“Over 30% of reporting authorities investigated links to organised crime. This figure was in line with previous years and money laundering, benefit fraud, drug dealing, people trafficking and child sexual exploitation remained significant, consistent ancillary aspects of criminality investigated by Trading Standards authorities.”

After delays caused by the ringleader attempting to blame a dead associate, he finally admitted 16 charges relating to the unauthorised use of registered trade marks, together with converting £16,987.60 of criminal property through his bank account. He was sentenced to 18 months in jail on August 2020.

The ringleader's partner received a community order with 40 hours unpaid work, and their co-defendant, who ran one of the Amazon sites, received a four-month term, suspended for a year, with 100 hours of unpaid work.

Forfeiture proceedings under The Proceeds of Crime Act are still ongoing.

£129,753 Forfeiture Order for counterfeit jewellery sales in December 2020

Lancashire County Council Trading Standards Service prosecuted an online seller for the persistent sale of counterfeit jewellery using various eBay accounts. The sales took place from January 2016 to November 2017, from a business based in Rossendale. The investigation involved painstaking checks on phone numbers, email addresses and bank accounts, with new searches required every time the trader changed his online seller name in a bid to escape detection. Following test purchases, a warrant was served, and stock and records seized, but sales still continued, and new test purchases were later made.

MANCHESTER CITY COUNCIL

Forbidden fruit – fake Apples

Manchester City Council Trading Standards continue to work with partner agencies to disrupt retail and wholesale Intellectual Property Crime in the Strangeways area of the city. As part of Operation Magpie, UK Border Force intelligence is being used to identify Self-Storage facilities which are being used to store imported counterfeit goods. In one operation, Trading Standards, alongside the Police Intellectual Property Crime Unit (PIPCU) and Anti-Counterfeiting Group (ACG) representatives, inspected two storage units which resulted in a significant seizure of counterfeit trainers, clothing and perfume, as well as a cash seizure under the Proceeds of Crime Act. The customer details and payment history for the rental agreement were obtained. Subsequent financial analysis of the suspects' bank accounts identified that the group were supplying counterfeit goods to other sellers all over the country, several of these were Facebook sellers already known to, or subject to, Trading Standards investigations.

In another operation, which targeted the supply of counterfeit and unsafe electrical goods, a warrant was executed at a wholesalers' premise and over 2500 Apple, Sony, Samsung and Huawei products were seized. The seizure included counterfeit phone chargers which failed safety testing under the electrical safety regulations. A case file has been submitted with a recommendation for prosecution.

“In one operation, Trading Standards, alongside the Police Intellectual Property Crime Unit (PIPCU) and Anti-Counterfeiting Group (ACG) representatives, inspected two storage units which resulted in a significant seizure of counterfeit trainers, clothing and perfume, as well as a cash seizure under the Proceeds of Crime Act.”

OXFORDSHIRE COUNTY COUNCIL

Four packs and out: test purchase leads to conviction

A Banbury shop owner was ordered to pay back £75,000 of ill-gotten gains following a raid where just a few packets of counterfeit cigarettes were seized.

Oxfordshire County Council's Trading Standards team brought a prosecution of Narinder Singh Malhotra, the director of Banbury Express Food and Wine Limited, which trades from Warwick Road, Banbury.

It came after Trading Standards seized nearly 3,000 illegal cigarettes following two earlier test purchases when Ukrainian Marlboro Gold cigarettes were sold for £6.50 a packet to undercover officers. The cigarettes seized were found behind the counter hidden in an empty box of Snickers chocolate bars and in the storeroom at the rear of the shop.

Appearing at Oxford Crown Court, Malhotra and the company pleaded guilty to 13 offences each. These included supplying cigarettes that were not labelled with the required picture or text warnings and possessing four packets of counterfeit Marlboro Red cigarettes with a view to selling them. It was the possession of the fake cigarettes that triggered proceeds of crime proceedings.

Jacek Mazurek & Witney Polish Deli Ltd

The owner of a Polish deli was jailed for more than two years after almost 25,000 illegal cigarettes were seized by Oxfordshire County Council Trading Standards.

Jacek Mazurek, director of Witney Polish Deli Ltd was given a 28-month prison sentence at Oxford Crown Court. He pleaded guilty to being the ringleader of an illegal tobacco fraud and admitted to running the deli for the fraudulent purpose of selling counterfeit and smuggled cigarettes between 2013 and 2018.

A warrant was executed at the home of one of Mazurek's employees when nearly 25,000 illegal cigarettes were seized from a locked cupboard. Later examination showed the haul included over 6,000 counterfeit Marlboro Gold cigarettes that were labelled in German.

Confiscation proceedings against Mazurek are due later this year.

RHONDA CYNON TAFF

Treorchy Male Vice Liar

On 2 December 2020 at Merthyr Magistrates Court, Mr Hamid Abdulla Hussein of Kenry Street, Tonypany, CF40 1DE pleaded guilty to offences relating to:

- the sale and possession of counterfeit tobacco products (The Trade Marks Act 1994);
- the sale and possession of a dangerous product - a discarded cigarette would pose a risk of fire by not self-extinguishing as required by the British Standard for Reduced Ignition Propensity (The General Product Safety Regulations 2005);
- the sale and possession of tobacco products that did not comply with the Standardised Packaging of Tobacco Products Regulations 2015 and the Tobacco and Related Products Regulations 2016.

Mr Hussein is the owner of Treorchy Convenience Store, Bute Street, Treorchy, CF42 6AH and Tonypany Mini Market Ltd, Dunraven Street, Tonypany, CF40 1AP. He is the sole director of Tonypany Mini Market Ltd.

On the 30 October 2019 a test purchase was carried out at Treorchy Convenience Store and a pack of 20 Richmond cigarettes was purchased and subsequently confirmed as counterfeit.

On the 17 December 2019 officers from the Trading Standards Department and officers from HMRC Fraud and Investigation Mobile Enforcement Team attended Treorchy Convenience Store where a total of 2.95Kg of hand rolling tobacco and 8940 cigarettes were seized.

“On the 30 October 2019 a test purchase was carried out at Treorchy Convenience Store and a pack of 20 Richmond cigarettes was purchased and subsequently confirmed as counterfeit.”

On the 18 December 2019 officers from the Trading Standards Department and officers from HMRC Fraud and Investigation Mobile Enforcement Team attended Tonypany Mini Market Ltd, 91 Dunraven Street, Tonypany, CF40 1AP of which Mr Hussein is the sole director. A small quantity of illegal tobacco products was seized.

- Mr Hussein as the owner of Treorchy Convenience Store was found guilty in relation to 16 charges.
- Mr Hussein as the Director of Tonypany Mini Market Ltd was found guilty in relation to 5 charges.
- Tonypany Mini Market Ltd was found guilty in relation to 5 charges.

Mr Hussein was sentenced to a Community Order of 12 months with 180 hours unpaid work, a £90 surcharge and ordered to pay £1,800 costs.

Also, on the 2 December 2020 at Merthyr Magistrates Court, Mr Rafet Tigu of Primrose Street, Tonypany, CF40 1BW pleaded guilty to offences relating to:

- the sale and possession of counterfeit tobacco products.
- the sale and possession of tobacco products that did not comply with the Standardised Packaging of Tobacco Products Regulations 2015 and the Tobacco and Related Products Regulations 2016.

Mr Tigu was working at Treorchy Convenience Store on the 17 December 2019, was found with 340 counterfeit cigarettes concealed on his person which he confirmed he was selling.

Mr Tigu was found guilty in relation to seven charges and sentenced to a £360 fine, a £36 surcharge and ordered to pay £100 costs. All items seized were forfeited and ordered to be destroyed.

On the 17 March 2021 at Merthyr Magistrates Court, Obaid Jamal Obaid, of Splott Road, Cardiff, pleaded guilty to 10 charges for the possession of counterfeit tobacco products and tobacco products that didn't comply with labelling requirements.

On the 5 February 2020 Mr Obaid was found to be in possession of a key to a vehicle that was parked nearby Tonypany Mini Market and was being used to store counterfeit tobacco. 13,800 cigarettes and 1.35Kg of hand rolling tobacco was stored in the vehicle and subsequently seized.

He was fined a total of £360, costs of £100, a victim surcharge of £36. All items seized were forfeited and ordered to be destroyed.

SALFORD CITY COUNCIL

Clean, but mean

In September 2019 Salford City Council Trading Standards and Greater Manchester Police set up a multi-agency working group, known as Operation Levi. The purpose of the group was to work together to tackle non-compliance within businesses in the Broughton area of Salford with a joined up and coordinated partnership approach. Salford Trading Standards main objectives were to tackle unsafe and counterfeit products being placed on the market and distributed by importers and wholesalers.

Between April 2020 and March 2021, Salford Trading Standards, Greater Manchester Police and representatives from the other partners, visited premises across the city where they had intel in relation to the supply of counterfeit goods. This resulted in five visits where counterfeit goods were recovered from all premises. Two of the visits resulted in a seizure of over 28,000 counterfeit mobile phone accessories. A visit to a vape shop uncovered over 48,500 counterfeit e-liquid products, and 94 counterfeit Comfort and Andrex hand sanitisers being seized.

“The purpose of the group was to work together to tackle non-compliance within businesses in the Broughton area of Salford with a joined up and coordinated partnership approach.”



High quality counterfeit packing



Attention to detail: counterfeit hand sanitisers seized



Thousands of counterfeit products seized by Salford Trading Standards

Amongst the seized products were counterfeit, Disney and Golden Virginia branded e-liquids, counterfeit Apple, Honor, Samsung, Huawei and UL/UR mobile Phone accessories. Superman, Spiderman, Batman and Iron Man action figures, LOL Surprise and My little Pony toys, Scrabble board games and Fortnite cushions. In all (including the figures above), a total of approximately 81,000 items across these visits were seized. Salford Trading Standards are following up a number of ongoing criminal investigations resulting from these seizures in respect of suspected trade mark, copyright and product safety offences. POCA investigations are being looked at and currently approximately £124,000 is being restrained by court order.

Salford Trading Standards has also been very busy tackling illicit and counterfeit tobacco within the City. In the year April 2020 – March 2021, the team made 25 seizures, resulting in the seizure of 110,990 illicit cigarettes and 43.75 kg of hand rolling tobacco. The team have made three cash seizures totaling £6,536.02 - all of these have been forfeited - and they have several ongoing criminal investigations.



Image: Counterfeit and illicit tobacco seized

TRADING STANDARDS SCOTLAND (TSS)

Copyright free illegal TV

Operation ROMAN

During 2020, Trading Standards Scotland led a multi-agency operation to tackle a major distributor of illegal IPTV content, working in conjunction with Police Scotland, the Police Intellectual Property Crime Unit (PIPCU) and representatives from broadcaster Sky.

The distributor, based in the West of Scotland, is believed to have provided illegal access to premium TV, sports and movie content to dozens of separate illegal streaming services, who in turn sold that content to tens of thousands of subscribers throughout the UK.

After setbacks caused by the onset of the COVID-19 pandemic, perseverance from all parties saw the investigation culminate in a multi-agency day of action in September 2020, with warrants executed, servers disabled, equipment, financial information and a quantity of crypto currency seized. In addition to securing invaluable evidence, after the day of action it was noted that dozens of other illegal streaming services, which used content provided by the subject, had been severely disrupted or permanently closed.

TSS is currently in the process of preparing a report to the Crown Office and Procurator Fiscal Service and continues to work closely with Police Scotland's Financial Investigation unit with a view to dovetailing the case with action under the Proceed of Crime Act.

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WEST SUSSEX TRADING STANDARDS

Don't you rock me daddy-o

A man who sold fake rock band hoodies and t-shirts has been sentenced after West Sussex Trading Standards seized more than £18,000 worth of goods at his property.

The 64-years old Gary Michael Warren from Barn Lane, Shripney, Bognor Regis, pleaded guilty at Crawley Magistrates Court and was sentenced on 2 July 2020 to a 12-month community order with 130 hours of unpaid work. Trading Standards were awarded full costs of £5,445. Warren forfeited the items seized and these will now be recycled.

Trading Standards first became aware of Warren in November 2018 when they were contacted by a trade mark holder who complained that a website, operated by Mr Warren, was selling counterfeit rock band t-shirts.

Officers made some test purchases and the items were confirmed to be in breach of the Trade Marks Act.

Warren's home address was searched, and 1,943 hoodies and t-shirts were seized. They had a retail value of more than £18,000.

Richard Sargeant, West Sussex Trading Standards Team Manager, said: "Selling counterfeit goods is a serious crime. As well as deceiving innocent customers it also takes business away from legitimate traders.

"We are determined to put a stop to counterfeit selling in West Sussex."



Sample of fake rock band t-shirts and hoodies seized

IP Crime Group 2021

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