



Fact Sheet on Commercial Fraud Enforcement

U.S. Immigration and Customs Enforcement (ICE) Homeland Security Investigations (HSI), in close cooperation with U.S. Customs and Border Protection (CBP), investigates commercial fraud, including false statements and deceptive business practices. ICE HSI's commercial fraud programs unit, which is led by the National Intellectual Property Rights Coordination Center (IPR Center), prioritizes health and safety violations, U.S. economic interests, and duty collection.

The IPR Center has responsibility for the following commercial fraud programs:

- **The Health and Safety Program** focuses on the illegal importation of adulterated, substandard, counterfeit, diverted and/or unapproved pharmaceuticals; unapproved or non-compliant electrical equipment; and environmentally hazardous materials and chemicals.
- **The Textile Program** investigates criminal and civil violations of customs laws carried out through a variety of fraudulent schemes and practices, including false invoicing, false claims of origin, false markings/labeling, misclassification, misdescription, and smuggling.
- **The Anti-Dumping and Countervailing Duties Programs** investigate schemes to evade the payment of duties imposed on certain imports to help domestic producers compete against foreign suppliers engaged in or benefiting from dumping and export subsidies.
- **In-bond Diversion and Undervaluation Programs** target foreign materials that are illegally transshipped through the United States on transportation and exportation bonds, and subsequently exported from the United States as falsely-declared U.S.-origin goods.
- **Trade Agreement Investigations** target illegal importation and exportation of products in violation of free trade agreements. For example, legitimate trade between the United States and Mexico is being adversely impacted by illegal importation and exportation of textile products between the United States and Mexico in violation of the North American Free Trade Agreement (NAFTA), resulting in the loss of revenue for both countries.
- **The Forced Child Labor Program** investigates the illegal importation of merchandise mined, manufactured or produced, wholly or in part, in any foreign country, through the use of forced labor, prison labor, and/or indentured labor under penal sanctions (including forced child labor).
- **The Environmental Crimes Program** investigates the importation and exportation of endangered and non-native detrimental species; unapproved or non-compliant automobiles, machinery and other equipment; environmentally hazardous materials and chemicals; and prohibited and contaminated animal and vegetable food products.
- **The Tobacco Program** investigates the domestic and international smuggling of cigarettes, trafficking in counterfeit and stolen cigarettes, and international money laundering investigations where one of the underlying crimes is tobacco-related.



MAJOR COMMERCIAL FRAUD PROGRAMS AND OPERATIONS

Operation Guardian: The IPR Center leads a working group comprised of ICE, CBP, the Food and Drug Administration Office of Criminal Investigations (FDA-OCI), the U.S. Postal Inspection Service (USPIS), the Department of Justice Computer Crime and Intellectual Property Section (CCIPS), the U.S. Department of Agriculture (USDA) and the Consumer Product Safety Commission (CPSC) to target, interdict, and investigate substandard, tainted, and counterfeit products being imported into the United States that pose health and safety risks to consumers.

Operation Apothecary: This operation is an ongoing monthly operation that identifies, measures, and attacks potential vulnerabilities in the entry process that might permit the smuggling of commercial quantities of counterfeit, unapproved, and/or adulterated pharmaceuticals through the Internet, international mail and express courier facilities, and land borders. Apothecary combines the expertise of HSI, CBP, FDA-OCI, and USPIS to conduct regular surge operations to secure new intelligence, investigative leads, and assess the deterrent effect of the prior surge. Apothecary is conducted in conjunction with CBP's Operation Safeguard, which was established to evaluate the type, volume, and quality of declared pharmaceutical products being shipped in international mail packages.

Operation Global Hoax II: The IPR Center, through the World Customs Organization (WCO), proposed Operation Global Hoax, an international initiative to target the manufacture, sale, and distribution of pirated music CDs and movie/television DVDs.

Operation Harvest Moon: The IPR Center initiated Operation Harvest Moon to identify the shared top PRC manufacturers of counterfeit merchandise to determine common shipping and distribution networks for the generation of transnational investigations. The IPR Center has conducted an assessment on a list of PRC manufacturers identified by CBP as shippers of counterfeit goods. ICE is preparing the information to send to HSI Attachés Guangzhou and Beijing for confirmation of the existence of the manufacturer and follow-up investigative action for domestic HSI offices.

Operation Stamp Out: This operation, conducted in collaboration with CBP and USPIS, is designed to combat the rise in the importation and distribution of counterfeit U.S. Postal money orders, stamps, meter stamps, and bank checks into the United States.

Operation Short Circuit: This multilateral international operation is proposed for the summer of 2011 under the auspices of the WCO. The three-month operation will combat the importation and distribution of hazardous holiday lights, surge protectors, extension cords, and batteries.

Operation Pangea IV: This multilateral international operation is proposed for the fall of 2011 under the auspices of the WCO and INTERPOL. The operation will build on the success of Pangea I, II and III by working with more than 45 member customs administrations to target the online sale of counterfeit pharmaceuticals and to raise awareness of the associated health risks.