



COUNTERFEITING & ORGANISED CRIME

APRIL 2025

Introduction

This report aims to raise awareness among consumers and also political decision makers and to support enforcement authorities taking action to counter the sale of fake goods in France and around the world.

Every day, Unifab and its sister associations worldwide, observe the changes in counterfeiting, the variety of products affected, the volumes on offer that are out of control, the digitalisation of distribution, the multiplicity of networks, the crossover between different kinds of trafficking... What was an isolated purchase in the 1970s has, fifty years later, become a commonplace behaviour, one that is illegal and has a dramatic impact for our democracies.

Everyone needs to build awareness to no longer feed the finances of these criminal networks in a constant and insidious manner, for these networks have truly identified that counterfeiting represents a limitless

source of financing, maintained by the very people who fight their intolerable and reprehensible activities.

This report provides real life examples, proven facts, tangible testimonials, stressing the urgency for concerted action to cut off these networks, support our creators, protect consumers, preserve our environment and defend our economy.

We wish to thank all of the public and private actors for their contributions.

Christian Peugeot
President, UNIFAB

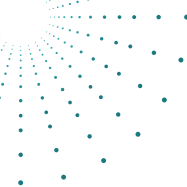
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Unifab is the French Association to promote and defend Intellectual Property that fights counterfeiting. It brings together 200 enterprises and professional federations from every business sector, to promote and defend intellectual property rights.

Under the aegis of the French ministries of the interior and industry, Unifab is the guarantor of the nation's intellectual property heritage and protector of creation and innovation. It is organised around four main missions: training operational customs and law enforcement personnel on how to distinguish between a fake product and a real one; raising the awareness of the general public through the creation and the release of communication campaigns; influencing French, European and International law makers so that they hear industry's voice; collaborating with actors from the digital world (e-trade platforms, marketplaces, social media, search engines, etc.).

GACG, the Global Anti-Counterfeiting Group, is the international network of national and regional IP protection and enforcement organisations covering more than 15 countries. The members are not for profit associations of IP rights holders and their representatives.

The main objectives are to coordinate members' international activities, share best practices and information, and to participate in appropriate joint activities to solve international IPR enforcement challenges.



Summary

In 2023, the European Commission and the European Union Intellectual Property Office (EUIPO) completed **record seizures of 152 million counterfeit products, representing over 3.4 billion euros.**

In March 2025, French Minister for Public Accounts Amélie de Montchalin announced the seizure of over 21.47 million counterfeit goods in 2024 across French territory, with an estimated value of €645.20 million. For the fifth consecutive year, the number of customs seizures has increased, confirming the growing scale of the phenomenon. At the top of the list of most affected products were packaging items (boxes, labels, etc.), followed by toys and games, and perfumes and cosmetic products. This upward trend reflects the continued penetration of counterfeit goods into the European market.

In addition, seizures in the express and postal freight sector - boosted by the growth of online commerce - also rose sharply, reaching 3 million items, according to a press release from the French Ministry of the Economy in March 2025¹.

According to the French Directorate-General of Customs and Indirect Taxes (DGDDI), counterfeiting is a massive phenomenon that alone accounts for 2.5% of world trade and as much as 5.8% of goods imports into the European Union (OECD, EUIPO studies, 2021). Every business sector and all kinds of goods are affected. The exponential growth of so-called e-commerce and express freight flows contributes to amplifying the phenomenon that is structured into active networks nationwide.

These figures show a worrying acceleration in the counterfeiting phenomenon, one that takes aim at every business sector from regular consumer goods to luxury items.

Today, counterfeiting is no longer just a form of fraudulent trade but has become an essential financial lever for organised crime, facilitating money laundering, feeding other illegal trafficking and interfering with the legal economy.

STRATEGIC LEVERAGE FOR CRIMINAL ORGANISATIONS

During the past decades, trans-national criminal networks have taken advantage of the growth in worldwide trade and the scaling up of online sales platforms to make counterfeiting a lucrative and discreet pillar of their illegal economy.

In its April 2024 report mapping the principal criminal organisations posing the greatest threat to the European Union, Europol identified 31 of them as being actively involved in counterfeiting. Thirteen of them made counterfeiting their primary activity.

International criminal networks have therefore added counterfeiting to their traditional activities, just like trafficking in drugs, arms or human beings. A number of factors explain its attractiveness to these groups:

¹ <https://www.douane.gouv.fr/actualites/amelie-de-montchalin-presente-les-resultats-de-la-douane-francaise-pour-lannee-2024>



- **High profits:** the cost of producing counterfeit goods is negligible while the profit margins are considerable.
- **Little legal risk:** unlike dealing in drugs or arms, potential sentences for counterfeiting remain relatively minor in many countries.
- **Logistics are similar to other forms of trafficking:** criminals use the same trade routes as legal trade, especially shipping containers, online sales platforms and conventional distribution channels.
- **A way to launder money:** selling counterfeit products allows criminal groups to recycle profits from other illegal activities through front companies and opaque financial circuits.

A SCOURGE THAT EXPLOITS FORCED LABOUR AND CORRUPTION WHILE ENDANGERING THE ENVIRONMENT

Behind this criminal market lurks **large scale human exploitation**. In many countries, counterfeit product production relies on human trafficking networks employing underpaid workers who are sometimes reduced to slavery.

Further, **counterfeiting prospers thanks to corruption**, facilitating the flow of fraudulent goods across borders and infiltrating strategic economic sectors. Attempts to bribe customs and law enforcement officers as well as company managers have all occurred to guarantee the unhindered transfer of illegal cargoes. This criminal hold weakens states and compromises efforts to combat organised crime.

Counterfeiting also triggers major damage to the environment. Clandestine factories release toxic substances into the air, the ground and rivers, contaminating ecosystems and local populations. Counterfeit products are also often made with hazardous materials (lead, mercury, phthalates), that give rise to health and environmental hazards making them impossible to recycle.

A GROWING PRESENCE IN EUROPE

A worrisome trend in the production of counterfeit goods, once concentrated in Asia, is a progressive move towards the European Union. Faced with reinforced Customs inspections, criminal organisations are adapting their methods to reduce the risk of goods being seized, by opting for a fragmented and decentralised production model.

This system is based on disseminating components prior to their assembly in the destination countries, making it harder for the authorities to detect and intercept illicit products. This new approach makes the job more complex for law enforcement, who now need to identify production lines that are split apart and often camouflaged within legal business activities.

Further, the growth of online trade and ultra-fast deliveries encourages this trend. Producing directly in Europe allows traffickers to quickly respond to demand, while making it easier to ship discrete packages that will more easily escape postal and logistics inspections.

A THREAT TO PUBLIC ORDER AND CONSUMER HEALTH AND SAFETY

In addition to financing organised crime, counterfeiting constitutes a serious threat to the health and safety of citizens.

As noted by Catherine Dumas, Senator for Paris: "Counterfeit medicines, fake spare parts, non-compliant toys : these illegal products not only pose a threat to the health and safety of our citizens, but also contribute to the financing of illicit activities, [...] organised crime, and even terrorism."

- Fake drugs (like antibiotics, cancer treatments, vaccines) can be ineffective or even toxic, notably causing 270,000 deaths every year in sub-Saharan Africa caused by taking fake and lower quality antimalarial treatments, according to a report by the United Nations Office on Drugs and Crime (UNODC).

- Fake spare parts when used in the aeronautics and automotive sectors or in industrial equipment considerably increase the risk of deadly accidents.
- Counterfeit cosmetics, food and electronics expose consumers to noxious substances or to hazardous technical failures.

ECONOMIC REPERCUSSIONS: A THREAT TO THE STATE AND BUSINESSES

From an economic point of view, counterfeiting seriously harms legitimate businesses, leading to the destruction of thousands of jobs and weakening innovation. It also leads to considerable tax collection losses for states, reducing their ability to pay for public services and to effectively fight this scourge.

As highlighted by French MP and President of the National Anti-Counterfeiting Committee (CNAC), Christophe Blanchet: "The loss for the French State amounts to €6.7 billion in direct sales each year, along with 38,000 jobs lost annually."

AN URGENT AND COORDINATED RESPONSE IS CALLED FOR

When faced with this growing threat, fighting counterfeiting cannot come down to just protecting brands, but is an absolute safety and economic requirement.

As stressed by President of the Paris Bar, Pierre Hoffman: "Counterfeiting not only threatens the economy and innovation, it also attacks the integrity of brands and their reputation. Still more seriously, it exposes consumers to hazards that they are often unaware of. Buying counterfeit products represents more than just buying a fake product: it means placing a serious bet on your own safety and quality of life. Fighting this scourge serves therefore to preserve our economic fabric and to protect citizens. It is an absolute necessity. Given the extent of this parallel market and the strength of the networks that support it, I am convinced that only coordinated, firm and determined action will defeat it. It is now or never."

Strengthened international cooperation, stronger legal sanctions and increased public awareness are essential in countering this criminal industry. This fight needs to mobilise nation states, enterprises and consumers, for tolerating counterfeiting is feeding organised crime and weakening worldwide security.



Counterfeiting and organised crime: a series of recent operations reveal a worrisome trend

EUROPOL REVEALS THE SIZE OF THE CRIMINAL NETWORKS INVOLVED IN COUNTERFEITING

Recent Europol operations reveal the extent of the links between counterfeiting, drug trafficking and money laundering, highlighting the existence of ever more sophisticated and diversified criminal networks.

- OPSON XIII (October 2024): this operation was undertaken in partnership with the European Anti-Fraud Office (OLAF) and the European Commission's DG for Health and Food Safety and the DG for Agriculture, and 29 European nations along with private sector food and drink producers. The operation showed up a vast criminal system for re-labelling out of date products so that 22,000 tonnes of food and 850,000 litres of falsified drinks could be put back into circulation, thereby generating 91 million euros, despite serious health risks.
- Silver Axe VIII (2023): coordinated by Europol with the participation of 32 countries and supported by EUIPO, this operation enabled the seizure of 2,040 tonnes of counterfeit pesticides, bringing to 7,000 tonnes the total amount seized since the programme kicked off in 2012.

OPERATION VULCAN: HITTING ORGANISED CRIME FINANCED BY COUNTERFEITING

This operation in the United Kingdom, took place in Manchester, in 2022 and it illustrates the effectiveness of cooperation between the authorities and the private sector to dismantle criminal networks linked to counterfeiting. Centred around Cheetham Hill, dubbed the “counterfeit capital of Europe”, this initiative aimed to stamp out traffickers and other criminal activities financed by this illegal trade.

In two years, the operation led to the seizure of 1,050 tonnes of counterfeit goods, including a record catch of 580 tonnes; the closure of 216 stores specialising in selling counterfeit goods; the confiscation of 500,000 pounds sterling in cash as well as 2.4 million illegal drugs and 400,000 illegal electronic cigarettes.

SAINT-OUEN: A MARKET FOR COUNTERFEITING AT THE HEART OF ORGANISED CRIME

In early March 2025, a major police operation against the Saint-Ouen flea market near Paris, France, spotlighted the involvement of illegals in counterfeiting networks. During this operation, law enforcement seized several tonnes of counterfeit goods and arrested five individuals, including street sellers and a couple suspected of running an illegal immigration network that exploited these sellers and orchestrating illegal imports of counterfeit luxury goods.

This operation is one of a series of actions aimed at dismantling counterfeiting circuits in Saint-Ouen. In April 2024, a vast operation closed down 11 shops, while in May 2023, a record haul of 260,000 fake items stopped them from making their way onto the French market.

These multiple operations illustrate the structuring and the resilience of these criminal networks, able to sustain and expand their activities despite the action taken by law enforcement. The extent of the investigations undertaken to dismantle these circuits underlines the central role played by counterfeiting in the underground economy where it is entwined with other forms of crime, most notably human exploitation and money laundering.

FAKE PRESCRIPTION DRUGS AND FENTANYL: A PUBLIC HEALTH CRISIS FED BY ORGANISED CRIME

The explosion in overdoses caused by fake drugs containing Fentanyl in the United States highlights the growing involvement of cross-border criminal networks in the counterfeiting of pharmaceuticals.

Taking advantage of flaws in distribution circuits and e-commerce, these organisations flood the market with highly lethal substances, avoiding regulatory inspections and threatening thousands of lives.

Hiding behind this unprecedented public health crisis are Mexican cartels and Mafia-like groups that orchestrate this parallel economy using digital platforms, clandestine distribution networks and opaque logistics infrastructures, making it extremely complex to trace and intercept these products.

AUDIOVISUAL PIRACY: A FINANCIAL MANNA FOR ORGANISED CRIME

In November 2024, a pan-European operation coordinated by Europol and Eurojust enabled dismantling one of the largest criminal networks specialising in illegal streaming throughout Europe. Undertaken with the participation of police forces from Italy, Croatia, the Netherlands, Romania, Sweden and Switzerland, this operation involved one hundred searches aimed at neutralising criminal infrastructure with worldwide reach.

This network did not just offer pirated films and television series, it had infiltrated the entire audiovisual sector pirating over 2,500 television channels, including sports channels, and reaching 22 million users around the world. Its economic model was based on fraudulent subscriptions generating revenues of over 250 million euros every month, making it a major income stream for organised crime. The losses cause to the audiovisual industry are put at over 10 billion euros.

CAPTAGON: A COUNTERFEIT DRUG SERVING ORGANISED CRIME

Captagon, a synthetic drug mass produced in a falsified form, is at the heart of a form of trade controlled by the former Syrian regime and cross border criminal networks involving militias, cartels and corrupt elites, using the trade to launder money and finance armed operations.

With the fall of the former Syrian regime, new proof has shown the extent of this trafficking which allowed it to pay for its activities and maintain itself in power. Captagon is not only a public health issue, it is also a geopolitical challenge, where redistributing the supply streams could have major consequences on illegal drug trafficking in the Middle East and Europe.

AN INTERNATIONAL NETWORK OPERATING FROM LA ROCHELLE, FRANCE

A case tried in La Rochelle, France, in March 2025 revealed the inner workings of an international luxury jewelry counterfeiting network, highlighting the close ties between counterfeiting and organised crime. The defendant, a young Pakistani man, carried out repetitive tasks - assembly, packaging, and shipping - from his home, on behalf of a network based in the United Kingdom, with branches across Asia and Europe. Recruited as a teenager, he was paid €150 per week and had no visibility into the broader operation, a typical characteristic of well-structured networks that exploit vulnerable individuals while remaining hidden in the background. Behind this lone defendant, a true transnational organization operated, involving human exploitation, customs fraud, and intellectual property violations.

All of these examples point to a form of polycriminality that is both highly structured and deeply concerning, a challenge that must be addressed by international public authorities.

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