union des fabricants unifab

Press release, May 16, 2025

PUBLICATION OF A REPORT
"LINK BETWEEN ORGANIZED CRIME AND COUNTERFEITING",
AN EASY SOURCE OF FINANCING FOR CRIMINAL NETWORKS!

The Union des Fabricants (Unifab), an association for the defense and promotion of intellectual property rights that brings together more than 200 companies and professional federations from all sectors of activity**, and its President, Christian Peugeot, will officially present to the Minister of the Interior, Mr. Bruno Retailleau, in the coming weeks, an eye-opening report detailing the close links between "Organized crime and counterfeiting", in the presence of the Senator for Paris, Ms. Catherine Dumas, who is deeply involved in this fight.**

Counterfeiting accounts for **2.5% of world trade and up to 5.8% of imports into the European Union**. A structured, discreet and extremely profitable pillar of the global illicit economy, it is amplified by digitalization, which is a major source of financing for criminal networks, and affects all sectors of the economy. **Europol, in its report published last April, identifies 31 criminal organizations involved in counterfeit trafficking, including: the Camorra and the Mafia (Italy), the Chinese Triads (14K, Sun Yee On…), D-Company (India), Hezbollah, the Mexican Cartels (Sinaloa, Jalisco), and even the State of North Korea.**

From now on, counterfeiting is no longer limited to online platforms or Sunday markets; it penetrates all legitimate distribution channels. To achieve this, counterfeiters use sophisticated shipping, manufacturing and assembly techniques, notably:

Bulk breaking, which consists of fragmenting the shipment of components through several countries to mask the real origin. Shipments are made either by post, notably in small parcels that can more easily escape checks, or by sea. The scale of these flows means that Customs can only inspect 2 to 3% of imports,

Fragmentation, with the separate shipment of components (labels, bottles, packaging) and their assembly in the destination countries, in order to reduce the risk of seizure and limit losses,

Product mixing, in order to integrate fakes among authentic goods in shipments,

Exploitation of shortages, to take advantage of tensions in certain markets to offload fake goods,

Relocation of production units to Europe's doorstep (Italy, France, Spain, Poland, Czech Republic, etc…) to penetrate markets more easily and evade controls.

Criminal organizations launder the profits from counterfeiting through shell companies and opaque circuits, mixing this income with that of other trafficking such as drugs or prostitution, notably via **the Hawala system**, which is informal, based on trust, and requires no written trace, making it a preferred channel for organizing fund transfers, **cryptocurrencies (**Monero, Dash, Zcash, NFTs) which offer anonymity and low traceability, **exchange platforms** - mixers/tumblers - to convert funds and blur their origin, and **the creation of front companies** to justify financial flows.

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All these data attest to the close links that unite these networks with one another, with harmful and dangerous consequences for:

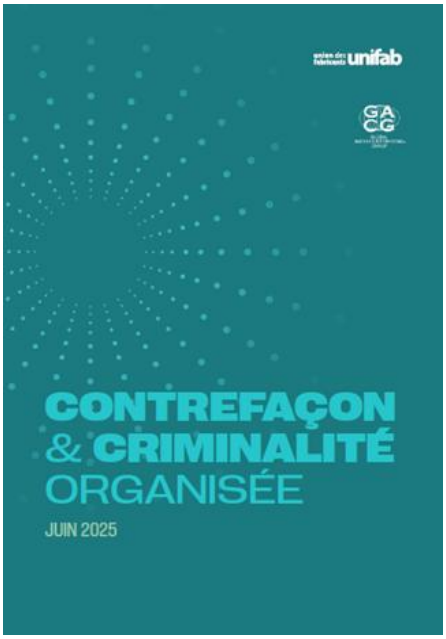
Working conditions, with workers who are exploited and often undocumented, minors or victims of human trafficking, employed illegally, poorly paid, without protection or rights,

Health and safety, as well as the environment, with counterfeit products mostly made from non-compliant toxic substances, such as lead or mercury, making them non-recyclable and harmful to consumers,

The legitimate economy, with massive financial losses for the companies and States affected, estimated at €15 billion in tax revenue and 670,000 jobs destroyed each year in Europe.

"This report, which will very shortly be handed to the Minister of the Interior, must be the foundation for greater prioritization of this phenomenon in France. Behind every trafficker hides a counterfeit distributor who uses this activity for malicious purposes. Let us be collectively aware that buying a fake product now harms society as a whole, and finances crimes that we, as citizens, all condemn." says Christian Peugeot, President of Unifab.

TO ACCESS THE FULL REPORT CLICK HERE



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