Consumer Fraud Center Issues Cyber Monday Shopping Alert

Local News

Posted by: David Haviland

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SANTA MONICA, CA--(Marketwire - Nov 15, 2012) - Calling Cyber Monday one of the biggest days for online fraud, the Consumer Fraud Center, a counterfeit goods consumer information center, issued its Annual Cyber Monday Alert to warn consumers of the proliferation of counterfeit goods and products sold through legitimate online retailers and portals and gave Amazon Marketplace the dubious distinction of having the largest potential for counterfeits sold primarily because of the ease it takes to open up a virtual storefront."According to the International Chamber of Commerce, the global trade in counterfeited consumer goods is estimated to range as high as seven percent and one of the fastest growing segments is the sale of counterfeit products sold through legitimate online portals such as Amazon Marketplace where lax monitoring and enforcement can snare unsuspecting consumers," said James Lee, executive director of the Consumer Fraud Center. "We strongly urge consumers to exercise caution when buying through these largely unregulated marketplaces and compare pricing with the manufacturer. If you're getting deals of more than 20 percent, a red flag should go up in the consumer's mind."Cyber Monday has quickly grown into the single-largest online shopping day of the year. Last year, comScore, Inc. estimated sales at $1.25 billion, a 22 percent increase from 2010, with this year's Cyber Monday promising a similar increase due to pent-up consumer demand stifled by the long economic recession.

The Consumer Fraud Center gave Amazon Marketplace its highest warning alert because of a recent flood of consumer complaints over counterfeited products. Consumers were most distressed over the perceived authenticity conferred to counterfeiters because of Amazon's allowance for them to utilize its sales, warehousing and distribution systems."With over 600 complaints received just about Amazon Marketplace, many included how counterfeit products were shipped in Amazon boxes giving the impression they were legitimate products, as well as the lack of consumer education and warnings on Marketplace about the threat of counterfeit goods," Lee said. "It was stunning for us to hear how difficult it was for consumers to distinguish between an independent reseller and a legitimate retailer or manufacturer on Amazon. That confusion sets the stage for abundant mischief." The U.S. Census Bureau estimates online shopping to account for over $222.5 billion in sales in the U.S. (as of 2009) with the five largest categories of items sold online being:1. Music and videos (83.7%)
2. Electronics and appliances (80.4%)
3. Books and magazines (76.4%)
4. Furniture and home furnishings (75.2%)
5. Clothing and accessories (74.9%)"For years, news media have tracked reports of illegal and fraudulent sales through Amazon Marketplace. These consumer complaints have reached a crescendo since implementation of the 'Fulfillment by Amazon' program," Lee said. "In fact, we have begun encouraging journalists and news outlets to test the system themselves and see how easy it is to create a storefront and sell a counterfeit product."Amazon's Marketplace has long been criticized by consumer activists for its lax monitoring controls and lack of proper disclaimers educating shoppers as to the dangers of buying from independent sellers, Lee said. He contended online shoppers need to follow a few simple rules to protect themselves:**Beware the discount**: Consumers

need to be on guard if they find deals with discounts that seem too good to be true. Discounts steeper than 20 percent than what a large discount retailer such as Wal-Mart or Costco offers should be an indicator to the consumer they need to exercise caution;**Check the product**: If after buying a product a consumer has concerns, check for a serial number and ask the manufacturer. Counterfeiters often will not go to the trouble of generating unique serial numbers for every product; **Compare reviews and customer feedback**: Check to see if a product's reviews include terms such as "knock off," "fake" or "counterfeit." It can be a tip-off if the site is selling counterfeit versions or if a product's ratings are substantially lower on a reseller's storefront compared to ratings on a verified merchandise site. Check consumer reviews and posted comments since on fake websites, those comments are often erased, but on legitimate sites, consumers can easily warn each other of fakes; **Spread the word**: Submit counterfeit purchases to the Consumer Fraud Center and other consumer protection websites such as the Internet Crime Complaint Center (www.ic3.gov), a partnership between the Federal Bureau of Investigation and the National White Collar Crime Center, and the National Intellectual Property Rights Coordination Center (www.iprcenter.gov/referral) so consumers can be warned;**Who is emailing you**: Online sales confirmations should come directly from the website where you make your purchase. If you receive your sales confirmation from someone using a free email service such as Gmail, Hotmail, Yahoo or AOL, be aware that a counterfeiter may be at work;**Spelling bee fails:** Grammar and spelling mistakes dot the product descriptions, which is evidence of improper translations from English for overseas cybercriminals, especially from Chinese manufacturers; and**Where is your stuff coming from:** Manufacturers almost never allow their products to be shipped directly from China to consumers. Shipments from China account for nearly 90 percent of counterfeit goods entering the country, so if your order is advertised as coming from China, or if it arrives from China, contact the manufacturer to see if the product is authentic. Pay particular attention on sites like Amazon, which now permits "fulfillment" of orders directly from China. A video news release on the Cyber Monday Alert is available at http://youtu.be/nqW-qSiLRgg.**The Consumer Fraud Center**

The Consumer Fraud Center is dedicated to uncovering the use of legitimate online portals and shopping destinations for the sale of counterfeit and fraudulent consumer goods and products. It relies on its network of activated consumers who submit reports on counterfeit goods sold on websites to create a national database of products searchable by consumers, media and law enforcement. For more information, please visit us atwww.consumerfraudcenter.com.