

Dollars & Sense

May 2003 Volume 25



Celebrating a Quarter-Century
of *Dollars & Sense*

Where counterfeits are cool

Suburbanites snap up designer knockoffs

By Tara Coyle

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It is Friday night and dozens of women and teen-age girls flock to an oak tree-lined street in ritzy Rockville Centre, Long Island, where stately homes and Jaguars are the norm.

The women — young students, secretaries, housewives, executives — come from all over Long Island. They pile out of their cars and weather the cold nor'easter to make the half-acre trek from the curb to the steps of a grand Tudor house. They have come for a party — not for music or dancing, but to feast on overflowing tables of what the teen-age girls in their midst call “fakies” — counterfeit designer handbags being offered for sale.

Christine, the hostess and owner of the house — who spoke on the condition that her surname would not be used — greets her guests with a marketing pitch. “Hi ladies,” she says. “These tables here in the living room are all authentic.” Lowering her voice, she adds: “But the bags on the table in the dining room are copies, but very good ones. There is wine, cookies and cake in the kitchen.” Faux Tiffany jewelry shares counter space with the desserts. The price tags for these imitation baubles, including Elsa Peretti reproductions, are well above typical sterling silver pieces, but far less than Tiffany’s retail prices.

Because their wares are illegal, the distributors who organize such parties do not advertise. Still, news of the bogus-bag bashes travels fast, by word-of-mouth,

throughout the upper-middle class, suburban neighborhoods where they are held.

Bag parties have particular appeal in the New York area, which is both the fashion capital of the country and a key manufacturing and distribution point for counterfeit fashion merchandise. Women who want to dress in the latest styles, but can’t afford \$200 to \$900 for a designer bag, are happy to plunk down a fraction of that amount for a counterfeit Kate Spade or Prada pocketbook. With the faltering economy, many women who once bought the real McCoy have now joined the party. Still others view the hunt for a designer “status symbol,” at an affordable price, as a kind of sport.

A party atmosphere helps spur sales. Laughter and gossip echoes from the kitchen. Women lunge and tug at bags on Christine’s “real” tables — they are not authentic at all, upon closer inspection. When some flaws in the merchandise are pointed out to Tammy, the 40-something-year-old Israeli distributor who organized this party at Christine’s home — and who also insisted that her surname not be used — she says in a thick Israeli accent: “These bags are ‘seconds.’ They’re not perfect! That’s why I’m able to get them at a discount.” Christine adds: “Some come from the duty-free shops, too — from overseas.”

Tammy says she is doing well. She refuses to divulge her last name or her age. She sold about 100 bags at two other parties earlier that same Friday,

before coming to Rockville Centre. At parties like this, she can charge \$75 for a fake Gucci that would typically sell for \$25 in Chinatown. Her profit margins are high, even after kicking-back 15 percent of today's sales to the hostess. The large basement of Tammy's New Jersey home is her warehouse, her old station wagon is her delivery truck.

With one of her fakies — a black Prada messenger bag — slung over her shoulder, Tammy flies around the house collecting on cash sales. Digging through boxes underneath the tables, she sells new fakies to her customers, not the samples everyone has touched. She keeps close watch over her inventory and becomes frustrated when ladies pick up a bag and drop it off on another table.

All fakies are not alike. Whether you're in the market for a J.P. Tod, Prada, Kate Spade, Coach or Louis Vuitton, it's hit-or-miss finding the perfect fakie with a label that looks genuine, materials that could pass as authentic and no tell-tale signs of "gooey glue" that often distinguish a fakie from a real designer purse.

"There are girls at school who have, like, 10 of these bags, and say that they are all real."



Some bags are easier to counterfeit than others. The popular Coach Signature purses, which are a hit at the Rockville Center party, are made of canvas and leather and look identical to a catalogue picture that sits on the table next to the bags. The absence of button-snaps and a poor quality zipper are the only giveaway that these are fake Coach bags. Similarly, most Prada bags are made of simple black nylon with a signature inverted triangle logo and are easy to replicate.

By contrast, counterfeit connoisseurs are more likely to identify the Gucci bags as fakes. They are made of poorer quality leather and embossed with a "Gucci®" logo much larger than the genuine article. However, the bag's signature twill, composed of little "GG" designs, is seemingly duplicated even to the most discerning eye.

Counterfeit bags will also sometimes sport a label where the authentic merchandise doesn't have one. For example, genuine Longchamp bags do not actually say "Longchamp" on the leather flap. The copies, however, say "LONGCHAMP" under their signature, an embossed leaping tiger.

Such discrepancies don't seem to bother the fashionistas at Christine's and Tammy's party. Asked if she thinks a bag is a good copy, one partygoer replies, "Who knows? I'm clueless." Flinging a fourth bag over her shoulder, she adds, "They're just so popular."

A group of high school students at the party judge this batch of fakies to be "pretty good." Says one girl, who is a regular at bag parties: "There are girls at school who have like 10 of these bags, and say that they are all real. We know they aren't because they have so many and sometimes the labels are weird."

Another woman disagrees. "This is such a sham," she says. "I thought I would come to see what all this bag-party-hype is all about, but the bags are so fake and high-priced, it's just absurd!"

But that doesn't deter most of the shoppers at Christine's. Many of them don't leave before plunking down a few hundred dollars for fakies.

The women shopping for counterfeit bags in Rockville Centre are helping to support an illegal industry in counterfeit fashion merchandise that costs the United States more than \$200 billion annually in lost jobs, sales and taxes, according to the International Anti Counterfeiting Coalition. New York City alone loses more than \$400 million in taxes, it says. **✎**

Hot on the trail of crooks

'I choreograph raids like a ballet,' a leading private eye says

By Tara Coyle and Michael Juhre



Canal Street, in Manhattan's Chinatown, is the hub of the illegal bag trade. On Canal Street, it is common to see storeowners rushing to cover their inventory with blankets and sheets

for fear of undercover investigations.

One man who executes such sting operations is Dave Woods, owner of Associated Investigative Services in Forest Hills. Woods, whose clients include Chanel, Prada and Gucci, tracks down merchants who sell counterfeit merchandise and helps law enforcement officials build a case against them. Woods's goal, though, is to put the counterfeiters out of business.

With more than 20 years of experience, Woods has an eagle eye for spotting knockoff bags. "Me and my team alone make about 10 to 20 seizures a day here in New York City," says Woods.

While the final destination, before sale, for most of this counterfeit merchandise is Chinatown, customs inspectors at airports and borders all over the country catch hundreds of smugglers each month. The illegal bags are manufactured in Asia and shipped to ports in New York, New Hampshire and Virginia for distribution throughout the U.S.

The price of bogus bags sold on the streets of New York depends on their quality and their origin. Some bags made in Italy, for example, are of higher-quality leather and can cost as little as half the sticker price of a real designer bag.

Street vendors who sell the greatest numbers of the fake handbags have become better at eluding police and private investigators like Woods. Vendors along Lexington and Park Avenues sell knockoff styles, without a correct logo, that closely mimic a brand-name product. Some of these do not constitute trademark design violations. Others are seized pursuant to court orders.

Canal Street vendors also are becoming more sophisticated. The storefront street vendors have walkie-talkies to warn each other about potential sting opera-

tions. And street peddlers on Canal Street pay Asian gangs to protect them from the police and private investigators, says Woods, who adds that he is sometimes threatened with violence.

For the makers of genuine designer bags, catching counterfeiters is serious business. It's not just a question of losing potential sales, say Woods. The imitators violate trademark laws and can seriously damage the reputation and prestige of a branded product. "Why would you want to spend \$500," says Woods, "when you could get the same look from far away for \$20 on the street?"

Woods methodically plans each undercover operation. "I choreograph raids like a ballet," he says. "Each step, designed to insure maximum impact and safety. I will spend hours planning an action that will be over in 15 minutes." As a private detective, Woods does not have the authority to arrest the vendors, but he helps build a case against them and turns his information over to the NYPD, FBI or other law enforcement agencies.

Once the seized merchandise is no longer needed as evidence, it is usually destroyed, by shredding or other means. Under the authorization of the court, and his client, Woods conducts "controlled burns," in which he or one of his agents oversees the incineration of the contraband by the Department of Sanitation or a private facility. His clients often stage media events during which bags are destroyed in front of television cameras to better inform the public about the ills of product piracy. Cartier, for example, once closed off 52nd Street by permit and used a steamroller to crush thousands of black-market watches.

Under New York State law, the selling of items bearing a counterfeit trademark valued at less than \$1,000 is a class A misdemeanor. The value is usually based on the price the hawker charges for the counterfeit item. So, a vendor who has 50 fake Prada bags for sale, at \$30 each, breaches that threshold and is committing a felony. Still, it is rare for vendors to serve jail time. 