



SPECIAL CONFERENCE

Identity theft, consumer and brand fraud



The Trade-Related Assistance Center (TRAC) at the American Chamber of Commerce in Egypt, in collaboration with the Consumer Protection Agency (CPA), hosted a conference on consumer protection entitled “Identity theft, consumer and brand fraud: you are targeted!” on June 15 at The Nile Hotel. Inaugurated by Minister of Trade and Industry Rachid Mohamed Rachid, the conference featured a number of prominent Egyptian and American speakers.

In his keynote address, Rachid stressed the importance of education and communication to counter identity theft and consumer fraud. He asserted that more joint efforts and aligned activities are needed among consumers, companies, the government and non-governmental organizations to prevent these crimes, which unfortunately thrive in an open and free economy.

M. Gamal Moharam, AmCham Egypt president and chairman of MGM Financial & Banking Consultants, welcomed the participants and emphasized AmCham’s view that its cooperation with the CPA is part of its responsibility to members given that the interests of businesses and consumers are

inextricably linked in today’s open economy. The CPA is concerned with protecting consumers through education and awareness, and the business community is in dire need for better-informed consumers to protect its own interests, he said.

Saeed El Alfi, chairman of the CPA, highlighted that 5-7 percent of world trade is fraudulent, which cost the global economy \$650 billion in 2008. In his view, the market for counterfeit goods is expanding, to the detriment of consumers and the economy at large. El Alfi stressed that consumer education should be made an integral part of the national educational curriculum and that students at all levels should be educated on Internet safety.

Addressing brand fraud, the first session was chaired by Hani Sarie-Eldin, AmCham vice president, legal affairs and chairman of the Middle East Center for Law & Development. The panelists’ presentations addressed the economic, health and safety risks of counterfeit and pirated goods and the importance of protecting intellectual property rights (IPR). Making the point that rightful laws exist in Egypt, Sarie-Eldin explained that the



chairman of Banque Misr. The panel addressed identity theft, providing insight into its definition, how it is executed, tactics for its prevention and detection, and measures to protect consumers and businesses. According to Joanna Crane, senior attorney and identity theft program manager at the Division of Privacy & Identity Protection at the US Federal Trade Commission, identity theft is a growing phenomenon that has

an average of 10 million new victims each year in the US. However, it is also a global phenomenon that is largely attributed to the new electronic marketplace, which has facilitated access to personal information. She elaborated on the harmful impact of identity theft on victims as well as the modern techniques and mechanisms that thieves employ to steal identities.

Sara DePaul, attorney, East Central Regional Office of the US Federal Trade Commission, dealt with specific methods of detecting and deterring deceptive and unfair practices. She noted that the collective efforts of businesses, governments and the media can play a crucial role in curbing the phenomenon. This point was also stressed by Hassan Abou Zeid, chief information officer, HSBC Bank Egypt, who gave clear and practical examples of how to mitigate the risks of identity theft and consumer fraud at the individual, business and government levels. Karim Ramadan, general manager, Microsoft Egypt, provided insight into the security features and activities undertaken by Microsoft in order to minimize fraudulent crimes.

At the close of the conference, it was stressed that in order to avoid the growth of identity theft and consumer fraud in Egypt, the CPA needs to undertake follow-up measures in order to always be "one step ahead."



enforcement and implementation of the established legal framework is a primary challenge. J. Todd Reves, attorney-adviser, Enforcement Team, US Patent & Trademark Office of the US Department of Commerce, focused on the issue of counterfeiting from the perspective of the consumer, the industry and perpetrators of organized crime. He noted that the country of origin is a risk indicator and referred specifically to China which he says accounts for more than 85 percent of all counterfeited goods entering the US and the EU. He stressed the need for strong IPR protection and enforcement as well as increased awareness in order to reduce the impact of the counterfeit economy on all relevant stakeholders.

Mohamed Sultan, general manager, Procter & Gamble (P&G) Egypt, provided an overview of P&G's experiences, efforts and challenges in addressing the growing problem of counterfeiting in Egypt. He cautioned, however, against generating panic among consumers as this could jeopardize the reputation of the industry in question. Hany Loka, president, Brand Protection Group and president, industry automation and drive technologies, Siemens, then re-emphasized the necessity of raising awareness to abolish illicit trade, especially with regard to electronic products such as those made by his company, since fraudulent goods of this nature can be life-endangering.



Magda Shahin, director of TRAC, added that awareness needs to go hand-in-hand with the provision of incentives to encourage and entice consumers not to buy falsified goods as consumer demand remains a key factor for spawning widespread brand fraud. The panel agreed, also noting that consumers are often unaware that they are purchasing counterfeit products.

The second session was chaired by Mohamed Ozalp, vice