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## 2 Chinatown Stores Raided in Counterfeit-Goods Sweep

By MICHAEL WILSON

**N**ot only was a raid in Chinatown yesterday timed to grab the attention of tourists and holiday shoppers, but it also involved enough fake Louis Vuitton clutch bags, bogus Kate Spade calfskin totes and faux Fendis to keep hundreds of low-rent supermodels happy through all 12 days of Christmas.

The raid on what the police called a counterfeit purse warehouse took place just after 1 p.m. at 415 Broadway, at Canal Street. The stylish shops were suddenly awash in blue vinyl windbreakers of four different law enforcement agencies. Several men and women scrambled from two stores, each one pursued and overtaken by a detective and led back to the corner. Tourists gaped.

Investigators said they seized more than \$2 million worth of counterfeit goods, although that was an almost arbitrary number, based on the prices of the counterfeits, a number that can greatly vary from one back room or one customer to the next.

"We wanted to send a message" to sellers and buyers alike, said Capt. Kevin McGowan of the police division of the Waterfront Commission of New York Harbor, his teeth chattering in the cold wind. "It looks like this was the distribution center. We've got nine rooms; they were all secreted under there. We've got a lot of stuff to bring out." The items were to be loaded onto a tractor-trailer.

The counterfeit industry is a perennial target of law enforcement and Fortune 500 corporations alike. Private detectives on the Louis Vuitton payroll, for example, comb the bodegas and gift shops of Chinatown. The sellers use "watchers" with walkie-talkies to scan for undercover experts posing as customers, and alert the shops to close the metal gates. The shops at 415 Broadway seemed to be caught unaware yesterday, but others across the street quickly closed their gates.

"Yep," an officer said. "They're bagging up."

Last year, the International Chamber of Commerce said that counterfeiting accounted for an estimated 5 to 7 percent of global trade, and that it continues to grow. A 1994 study by the city estimated the cost of unpaid taxes on counterfeit goods to be \$350 million.

Seven men and four women were detained and released yesterday in what the police described as a continuing investigation to determine whether the workers are in the country illegally and who is behind the large shipments of goods from overseas.

"I'm not saying these people are associated with terrorist organizations," Captain McGowan said, "but some counterfeit rings are. It's a great way to destroy our economy."

The police did not identify the Asian workers yesterday, interviewing them slowly through an interpreter.

Stairs beneath the two small showrooms led to twisting hallways and cramped rooms stacked with handbags wrapped in white tissue, from the large leatheresque bags marked with Gucci labels to the tubular Burberry Hobo purses in trademark plaid. Officers bagged enough Montblanc pens for a large school's graduation, and stacks of Gucci belts curled in coils, complete with their own signature boxes.

"Anything that has a trademark on it is bad," Kevin Dougherty, a private counterfeit expert and founder of Counter-Tech Investigations, said to several officers conducting an inventory. "The only thing you have to worry about is anything that doesn't have a name on it." Some of the items arrive in the country as generic, their labels stamped or sewn on later, he said.

Officers from the New York Police Department, the United States Labor Department, the New York State attorney general's office and the waterfront police participated in the raid.

"We'll find out if there are additional shipments, possibly on the high seas," said Chief Philip C. Spinelli of the Waterfront Commission. "Find out where the importers are, where the goods are manufactured overseas."

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