

The True Cost of Counterfeiting

Most people think fraud is a massive problem in the digital world. But it's also a massive problem in the 'offline' world. For two big reasons.

1. It's expensive



\$4.2 Trillion

are expected to be drained from the global economy.²



And the problem's grown **150%** in less than a decade.³

1. Apple
2. Michael Kors
3. Samsung
4. Nike
5. Louis Vuitton



Most counterfeited brands.⁴



15%

Another huge issue is warranty fraud which can account for up to **15%** of a business' average warranty bill.⁵

2. It kills people

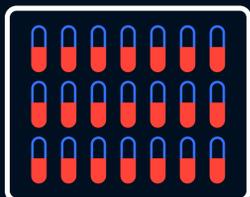


\$200 Billion

are spent on fake pharmaceuticals **every year**.⁶

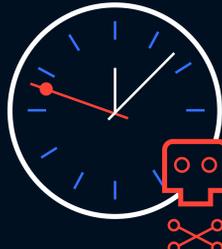


1% of all drugs in circulation are fake, rising to **70%** in some developing regions.⁷

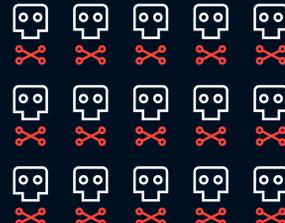


700,000

people are killed by fake tuberculosis and malaria drugs.⁸



More than a person a minute.



1,000,000

people die every year from fake toxic drugs.⁹

And it's even worse in healthcare. **Wrong-patient errors happen at every moment of the healthcare journey, in every healthcare setting.**



8% to 12%

The average duplication rate for patient health records.¹⁰

7600

wrong-patient events were caused by things like wristband misuse and identity theft.¹¹

181

healthcare providers were affected.¹¹

9%

of which led to patient harm or death.¹¹



250,000

people die **annually** in the US because of medical error.¹²



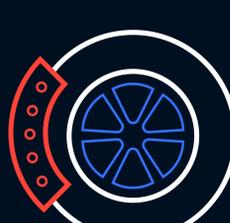
60%

of those were caused by wrong-patient errors.¹³



Medical error is the **third** leading cause of death in the US.¹²

Then you've got the issue of counterfeiting in the automotive and aviation industries – where the stakes couldn't be higher.

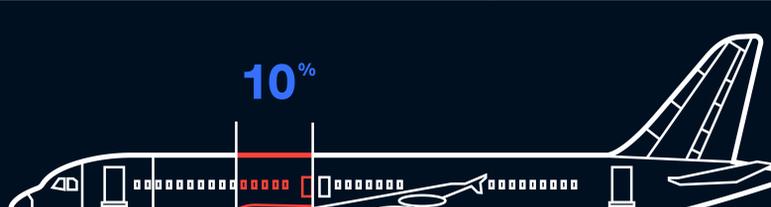


36,000

fatalities and

1.5m

injuries a year caused by fake car parts.¹⁴



10%

And around **10%** of aeroplane parts are counterfeit.

It's time we authenticated everything

The offline identity crisis is costing money – and lives.

It's high time we found new ways to solve it.

So, what if offline things were smart enough to authenticate themselves?

Find out how.

<http://bit.ly/authenticationNFC>

¹ IACC cited by The Economist, 'Knock-offs catch on', 2010. <http://www.economist.com/node/15610089>

² ICC and Frontier Economics, 'The Economic Impacts of Counterfeiting and Piracy 2017'. <https://iccwbo.org/media-wall/news-speeches/4/jobai-impacts-counterfeiting-piracy-reach-us4-2-trillion-2022/>

³ OECD, 'The Economic Impact of Counterfeiting and Piracy, 2008'. http://www.keepfake.com/Digital-Asset-Management/OECD/trade/the-economic-impact-of-counterfeiting-and-piracy_9789264045521-en#WmDakJOFn7#page1

⁴ WCO, 2016 FoxBusiness. <https://www.foxbusiness.com/retail/apple-michael-kors-among-worlds-most-counterfeited-brands>

⁵ <https://www.wiley.com/en-GB/Warranty+Fraud+Management:+Reducing+Fraud+and+Other+Excess+Costs+in+Warranty+and+Service+Operations-p-9781119223887>

⁶ PricewaterhouseCoopers, 'Fighting Counterfeit Pharmaceuticals: new defences for an underestimated – and growing – menace.' June 2017. <https://www.strategyand.pwc.com/reports/counterfeit-pharmaceuticals>

⁷ As above.

⁸ IPN, 'Keeping it Real: Protecting the World's Poor from Fake Drugs.' 2013. <http://archivists.jp.w@>

⁹ PricewaterhouseCoopers, 'Fighting Counterfeit Pharmaceuticals: new defences for an underestimated – and growing – menace.' June 2017. <https://www.strategyand.pwc.com/reports/counterfeit-pharmaceuticals>

¹⁰ AHIMA Practice Brief, 'Building an Enterprise Master Person Index', January 2004. Cited in AHIMA, 'MPI Clean Up: It's a Must!', 2009. <http://campus.ahima.org/audio/2009/RB072103.pdf>

¹¹ ECRI Institute, 'PSO Deep Dive: Patient Identification report, June 2016'. <https://www.ecri.org/Resources/Hit/Patient%20ID/Patient-Identification-Evidence-Based-Literature-Final.pdf>

¹² Makary MA, Daniel M. 'Medical error—the third leading cause of death in the US'. BMJ. 2016;353:i2139. Available at: <http://www.bmj.com/content/353/bmj.i2139>

¹³ 'Identity Crisis,' Robin Hess, For The Record, January 17, 2005. <https://www.securechalliance.org/resources/pdf/Healthcare-Identity-Brief.pdf>

¹⁴ <https://www.netnames.com/insights/blog/2014/03/counterfeit-car-parts-in-the-uk/>