

## Stop Importer Identity Theft

by Beverley Seif - Monday, July 29, 2013

We've all heard of identity theft, and the first thought that comes to mind is having our personal identity stolen. Yet, there are other kinds of identity theft. Many do not realize that corporate identity theft is an issue on the rise.

In particular, reputable importers, who are well known to the public, are having their identity stolen; and unbeknownst to many importers their names are being used in many instances to import contraband and intellectual property rights (IPR) goods. By the time an importer discovers the ruse, the thieves have long closed up shop and moved on to their next victim.

Victims of importer identity theft are often slapped with various lawsuits from the companies that own the intellectual property rights to the illegitimate goods (designer/brand name shoes, handbags, electronics, and pharmaceuticals, etc.) shipped under the importer's name. Even if the lawsuits are not successful, the legal fees spent to resolve the litigation can be incredibly expensive. An importer's time will also be taxed, as they will need to be involved in providing information to help U.S. Customs investigate the incident.

As an importer, you are probably asking yourself how this is possible. How easy can it be to steal your corporate identity? Believe it or not, it's fairly easy to do. Much of an importer's information is publicly available, some even for sale, through organizations that sell copies of vessel manifests which is perfectly legal. Obtaining a company's federal ID number is easy enough, since it is often widely shared within an organization and with other companies. Company logos can often be copied from web pages or advertising material, making it easy for an imposter to create a company letter head, purchase order, etc. Disgruntled employees have also been known to share information for a price.

What can importers do to help protect their corporate identity? While you may not be able to stop an imposter from stealing your corporate identity, you can take steps to stop them in their tracks and prevent them from using your identity for multiple shipments.

### **File a manifest confidentiality request with U.S. Customs.**

This procedure prevents vessel manifests containing your shipper information, products, marks and numbers, etc. from being copied and sold to the public.

### **Apply for an online ACE account and check it weekly.**

An ACE account allows you to view:

- entries filed in your company name
- your shipments' ports of entry
- names of customs brokers who have filed entry on your behalf

If you see an unfamiliar port, entry number, or broker and can't match this information with any of your entries, immediately contact the Port Director of the port where the unidentifiable entry was filed. The port will launch an investigation to track down the identity thief.

## **Register your trademark and apply for e-recordation with U.S. Customs.**

Once you've completed these steps, Customs uses the information you provide on your trademark and branded products to try and stop the flow of illegitimate cargo into the United States. Although this is not a full proof way of preventing counterfeit goods from getting into the country, it decreases the odds of it happening.

## **Shred, shred, shred.**

Anything that has identifying company information (stationery, invoices, packaging material, etc.) should be shredded. Dumpsters can be a major source of information for identity thieves.

## **Wipe electronics before recycling.**

Make sure that you wipe smartphones, tablets, computers, copiers, and any other electronics clean before recycling. Identity thieves can easily retrieve company information from old files on discarded devices that haven't been wiped.

## **Set up IT controls to secure your company's network.**

It's important to implement IT controls such as,

- requiring passwords to be changed every 90 days
- securing your server in a locked room or by password
- installing firewall and anti-virus software
- having software that tracks user access and assigns accountability for transactions

Implementing these recommendations will put your company on track to protect its identity from the ever growing number of thieves out to make a quick buck on your company's hard earned reputation.

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