



U.S. Department of Justice
Criminal Division
Office of Overseas Prosecutorial Development,
Assistance and Training (OPDAT)

*“The dignity and stability of government
in all its branches, the morals of the
people, and every blessing of society
depend so much upon an upright and
skillful administration of justice . . .”*
John Adams, 1776

BRAZIL

International Computer Hacking and Intellectual Property Adviser

Background

The Office of Overseas Prosecutorial Development, Assistance and Training (OPDAT) Intellectual Property Rights (IPR) and Cybercrime programs are dedicated to developing skills, connections, and structures overseas to promote the enforcement of laws against cybercrime and IPR violations. These activities are carried out primarily by the International Computer Hacking and Intellectual Property Advisers (ICHIPs), formerly known as Intellectual Property Enforcement Coordinators (IPECs). ICHIPs are experienced prosecutors posted at or near US embassies to provide regional capacity-building assistance for law enforcement, case-based mentoring on important high impact investigations and prosecutions, and legislative development to strengthen cybersecurity and IPR laws and regulations.

OPDAT and the Department of State have been steadily building up the global ICHIP model. Currently OPDAT has ICHIPs based in Romania providing technical assistance in Europe and Eurasia, Hong Kong and Brazil providing regional assistance in Asia and Central and South America respectively, and another one in Africa. The ICHIPs are placed in countries that enjoy relative political stability and are easily accessible by reliable transportation links, help the host countries to stand out as regional leaders in intellectual property rights enforcement.

Brazil

The Brazil ICHIP program began at the end of FY 2016 mentoring prosecutors and investigators in digital piracy and intellectual property violations. The ICHIP covering the Western Hemisphere region has been case based mentoring prosecutors and investigators on computer hacking, digital piracy and intellectual property violations. This work has been crucial in creating networks among justice sector actors in the region. These networks have been very successful in combatting these transnational crimes.

Throughout the region, the ICHIP’s mentoring and networking has led to seizure of digital piracy sites and arrest of site administrators for the first time in Mexico, Peru, and Uruguay. The seized sites in Mexico and Peru alone drew an average of 25 million monthly users from around the region for just over two years, resulting in estimated profits to those defendants of up to \$USD 4.3 million over five years, according to U.S. victim rights-holders.

Another focus of the ICHIP program has been mentoring on intellectual property violations such as illicit and counterfeit pesticides and agricultural chemicals. After leading a program on this topic in Foz do Iguacu, Brazil, for participants from the Mercosur countries, Brazilian authorities seized approximately 300 kilograms of counterfeit pesticides at a warehouse in Parana, Brazil, and credited the program with helping them execute this seizure. The ICHIP meets with U.S. pharmaceutical, automotive, agricultural, software, and entertainment industry rights-holders, among others to discuss how violations affect them in the region. This networking is very valuable when discussing criminal trends and mentoring prosecutors from various countries in the region to include Argentina, Brazil, Colombia, Costa Rica, Peru, Uruguay, Mexico, Barbados, Trinidad, Jamaica, Chile, Panama, and Paraguay.

The ICHIP program has brought about additional commitment and efforts from authorities to seize counterfeit goods and enforce the countries’ laws on this. This crime creates losses in the millions of dollars to the legitimate business owners. In Sao Paulo, for instance, the ICHIP program has developed an innovative public-private interagency group of U.S. rights-holders and municipal and federal officials who have seized 400 tons of counterfeit goods with an estimated value of \$78 million USD through just the first five months of 2019. Previously, the group seized counterfeit goods with a street value of approximately \$145 million USD, and criminally prosecuted individuals for facilitating slave labor and/or distributing counterfeit goods. With OPDAT assistance, this team raided and executed search warrants at Shopping 25 de março and Galeria Florencia, Brazil (and arguably the region’s) most notorious markets for counterfeit goods. The ICHIP-mentored interagency group closed all 900 stores at this market and seized approximately 800 tons of counterfeit goods from them. Rights-holders consider the raid “emblematic” for Sao Paulo.

In short, the ICHIP is strategically combining case-based mentoring and topical regional enforcement programming to build a cadre of police and prosecutors throughout the region to combat transnational criminal organizations that distribute counterfeit hard goods and pirated content via traditional and online marketplaces thus, aiding U.S. rights-holders and others who legitimately conduct business.

Recent Efforts:

- From April 9 to 11, 2018, the ICHIP and the United States Patent and Trademark Office trained approximately 40 law enforcement and regulatory officials from the Southern Cone countries in Foz do Iguacu, Brazil, on best practices in the investigation and prosecution of cases involving the distribution of counterfeit and illicit pesticides. U.S. and foreign counterparts, along with leading private industry stakeholders shared case studies and insights on latest trends and challenges, and networked during program. This was the first program ever conducted by DOJ and USPTO in the region. Less than a week after the program’s conclusion, participants from the Federal Highway Police (PRF) seized 300 kilograms of counterfeit Syngenta pesticides at a post office in Cascavel. The PRF officers credited the program with helping them plan and execute these operations successfully.
- On February 6, 2019, ICHIP-mentored Anti-Piracy Police in Rio de Janeiro, Brazil raided a shopping mall and seized approximately two tons of counterfeit goods, mainly sporting apparel and footwear infringing on U.S. marks, including Nike and Vans. Police estimate the value of the seized goods at approximately \$800,000. Police also arrested ten individuals at the mall for distribution of counterfeit goods. The Unit Chief told local media outlets that, “Operations like this will become routine and will give special attention to the fight against counterfeit goods, even in stores that operate legally.”
- On March 18, 2019 in Rio de Janeiro, Brazil, the ICHIP-mentored anti-piracy unit of Rio’s Civil Police seized approximately four tons of counterfeit goods, primarily counterfeit watches and cell phones from a truck, which had been monitored by police. They arrested the driver and determined he was headed to a notorious counterfeit market. In addition to phones and watches, they discovered cell phone packaging, labels, and for the first time, a machine used to actually assemble cell phones. The estimated value of the seized goods is \$500,000 and the infringed U.S. marks included Calvin Klein and Motorola. Rio Unit Chief Mauricio Demetrio indicated they would continue to investigate individuals related to the truck company for violations of tax laws and distribution of counterfeit goods.



Counterfeit apparel seized by Brazilian anti-piracy police after a raid at a Rio de Janeiro shopping mall.



ICHIP-mentored anti-piracy police in Rio de Janeiro begin process of removing counterfeit electronics and equipment from a seized truck.