

Setting the Scene: Illegal and Counterfeit Devices



Overview

- Introduction to the MWF
- The size and nature of the counterfeit problem
- Impact on stakeholders
- Conclusions

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Introduction

- The MWF is an international non-profit association of telecommunications equipment manufacturers with an interest in mobile or wireless communications.



EMF &
Health



spot a
fake
phone.com

Spot a **Fake** Phone[Home](#)[How To Tell](#)[Why buy Genuine](#)[Publications](#)[Report a Fake](#)[FAQ](#)

Is your mobile phone

COUNTERFEIT?

Counterfeit phones and accessories are a multi-billion dollar business controlled by organized crime. Don't buy into it!

[How to Tell](#)

What's so bad about fake phones?

CONSUMER IMPACT

Buying a fake phone can pose a health risk to you and loved ones who use the device. Other drawbacks, such as network disruption and poor product quality makes buying genuine the clear choice.

NATIONAL IMPACT

With counterfeiters evading taxation, many countries are losing a great deal of revenue, including sales and value added taxes as well as various duties and associated government charges.

INDUSTRY IMPACT

Black market phones cost the mobile phone industry billions of dollars in lost sales every year. According to a March 2017 [report by the OECD](#), one in five mobile phones sold worldwide is counterfeit!

[Learn more](#)

PUBLICATIONS



DIRBS Pakistan: Case Study
March 2021



INFOGRAPHIC: Is your mobile phone counterfeit?

WHO WE ARE



The Mobile & Wireless Forum (MWF) is an international association of companies with an interest in mobile and wireless

The Mobile & Wireless Forum (MWF) is an

Tweets by @spotafake



spotafake
@spotafake



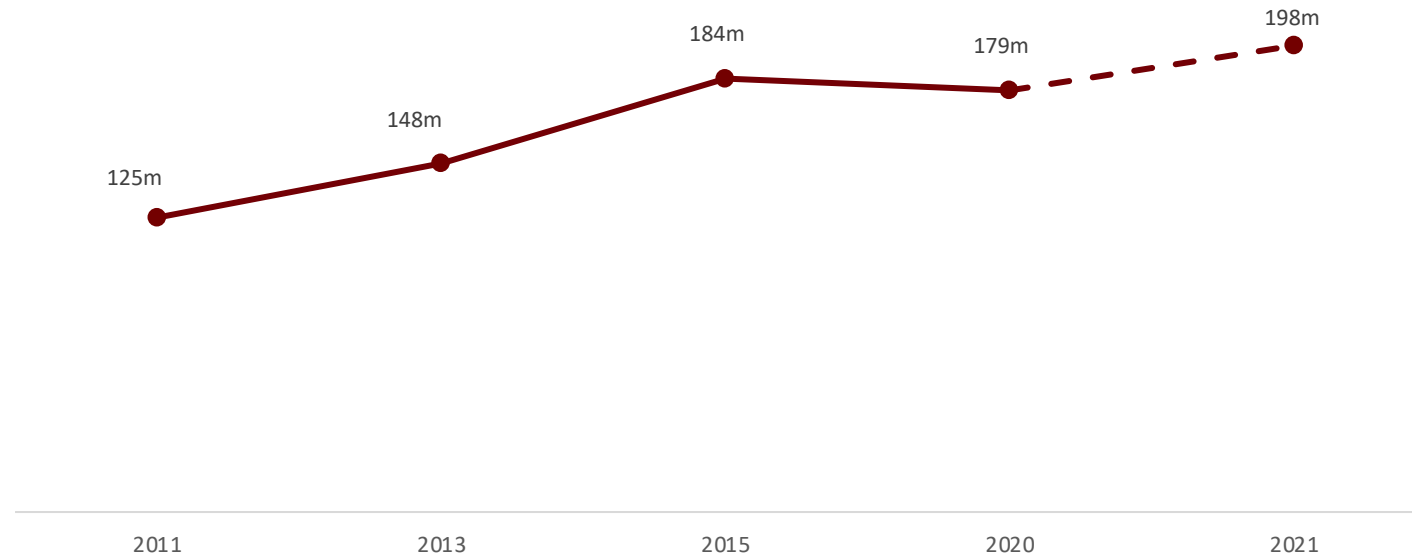
Counterfeit [#mobile](#) phones and accessories

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A Growing Problem

Counterfeit Handsets Globally
(estimated - in millions)



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- **Impact on stakeholders**
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Fraudulent Mobile Devices Impact All Stakeholders



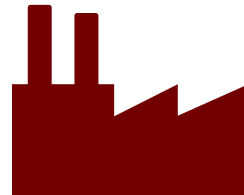
Consumer

- Poor performance and reliability
- Personal security / privacy issues



Business

- Fraud
- Ransomware
- Theft of IP



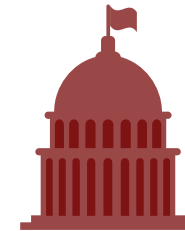
Manufacturer

- Loss of sales
- Unfair competition and pricing pressure



Operator

- QoS
- Network Capacity/ Spectrum
- Interference



Government

- Security
- Tax Revenue
- Non-compliant device ecosystem

Impacts: Security Threats

Terrorism

Fraudulent devices with duplicate IMEI's can't be tracked on networks.

Privacy

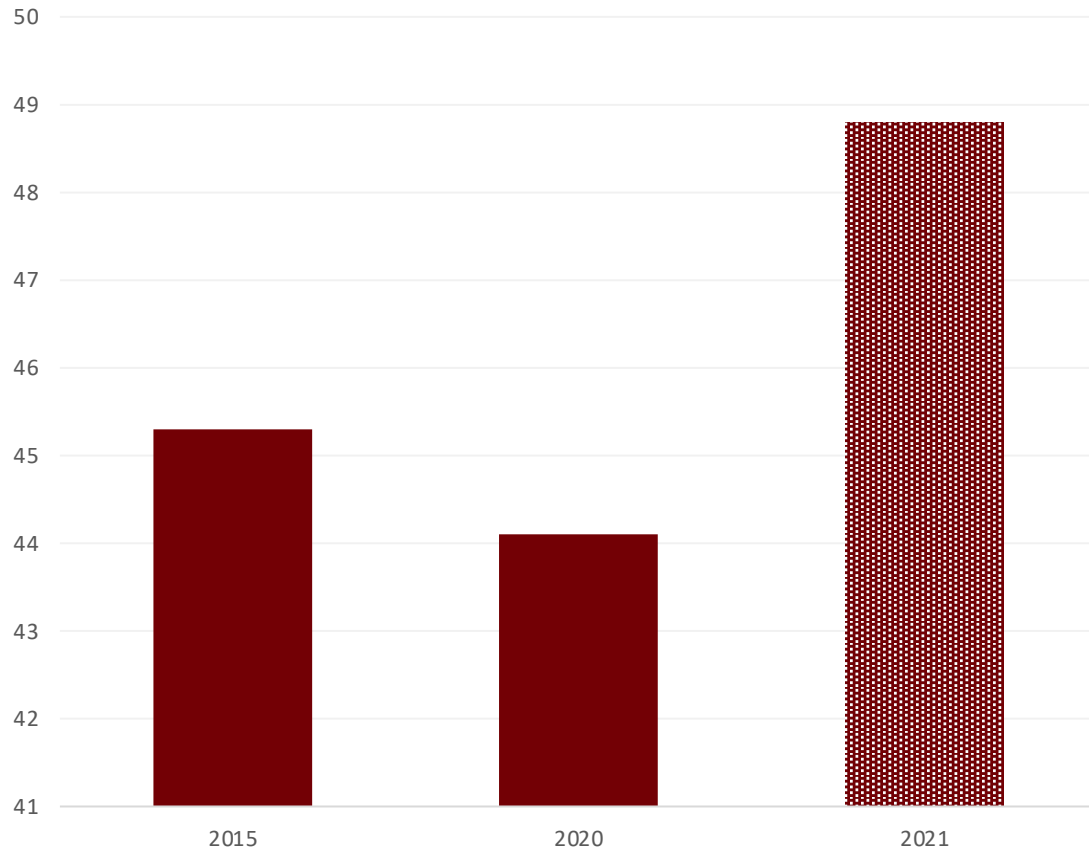
Fraudulent devices frequently contain malware that allows personal information to be stolen

Theft

If stolen handsets can be sold and reused without being blocked it encourages increased theft of devices

Impacts: Lost Sales = Lost Government Revenue

Estimated Value of Lost Smartphone Sales (in € Billions)



- EUIPO: Value of lost smartphone sales due to Fakes - €45.3 Billion in 2015
- Government loss of revenue remains significant.

Impacts: Consumers

COUNTERFEIT CHARGERS



PUBLIC NOTICE



Release No. 20PN-27

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UL Warns of Counterfeit UL Marks on USB Chargers (Release 20PN-27)

NORTHBROOK, Ill., November 15, 2020 — The following is a notification from UL that the USB Charger identified below bears a counterfeit UL Certification Mark for the United States and Canada. The USB Charger has not been evaluated by UL to the appropriate Safety Standards for the risk of fire, electric shock, or injury to persons and it is unknown if it complies with any safety requirements.

Name of Product: USB Charger, eLink Model: FJ-SW0502000U

Remedy: UL recommends that you stop using the product.

Identification on the Product and Packaging:

The USB power adaptor bears a counterfeit UL Certification Mark with "eLink" marked on the product and the following:

Product Identification:

CUBE ADAPTOR
MODEL: FJ-SW0502000U
INPUT: 100-240V~50/60HZ 0.35A
OUTPUT: 5V – 2100MA MAX



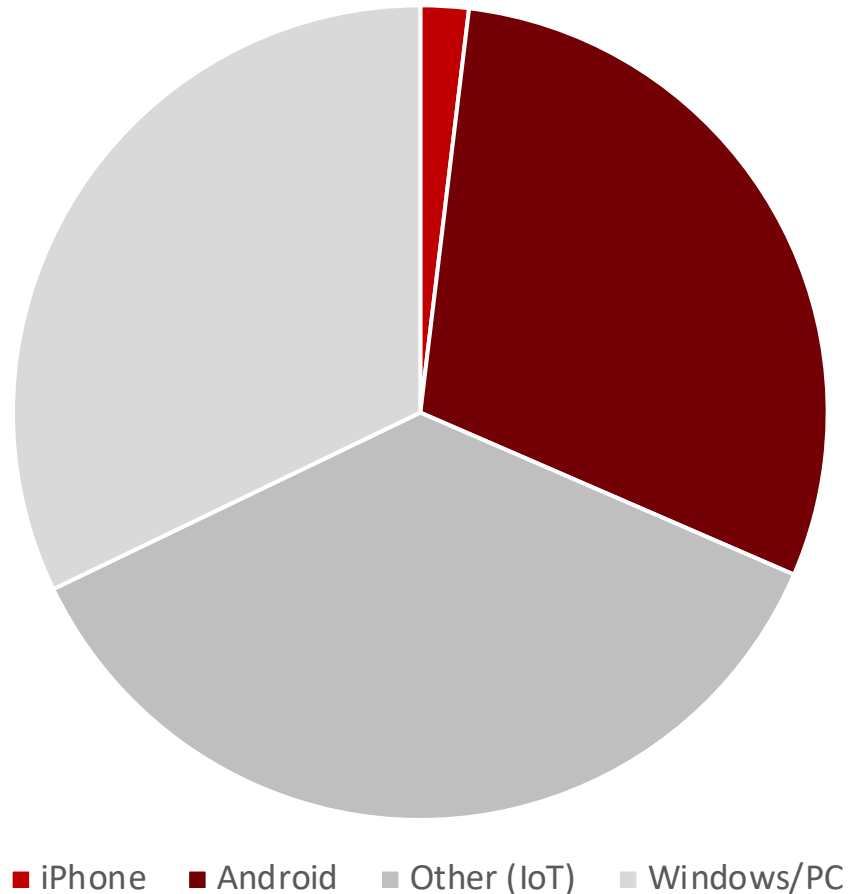
E0303985
MADE IN CHINA

Photos:



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Impacts: Consumers



- In 2020, 28% of all malware infected devices were mobile phones.
- Just amongst Android devices, 35% of malware are categorized as 'Info-Stealers' and 'Spyware'.
- While all mobile devices are potentially vulnerable, counterfeit devices are the lowest hanging fruit with compromised OS's and poor/no security or updates.

Impacts: Consumers

FAKE APPS

Steal personal and banking information

Send **expensive** SMS messages

Silently activate cameras / access photos

Used for other **malicious** and **criminal** activity



2020: + **35%** in Android Banking Trojans: Avira



2020: + **30%** in hidden apps: McAfee



2019: **50%** of malicious activities were from hidden mobile apps



Impacts: Business

Mobile devices are increasingly being used to access corporate systems.

Three key findings from the Checkpoint Mobile Security Report 2021:

- Mobile Device Management is a powerful new attack vector
- Ransomware has gone mobile (Malware-as-a-service platforms offered)
- Major threat groups are focusing on mobile

Impacts: Consumers & Operators

POOR PERFORMANCE



We know from earlier studies on 3G and 4G devices:

- Delays in executing power control
- Slower Handovers
- Maintained connections at only half the distance of a genuine device.

We haven't seen any research on 5G devices – if indeed the devices offered are actually capable of 5G at this time.

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Conclusions

- A growing problem that costs > €45B/year
 - 2021 could see 198m more counterfeits
- Impacts all stakeholders
 - Governments continue to lose substantial revenues
 - Malware infected devices increasing
 - Ransomware going mobile
 - Safety and performance concerns continue
- Effective ways to address the issue are available
 - As we will hear!

Thank you

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