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# Behind the scenes with baseball's authentication process (cont.)

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By Kyle Stack, Special to SI.com

### MLB's anti-counterfeiting program

The authentication program began in 2000 after it was apparent there was a need for sports leagues to give their collectibles legitimacy. A 1999 FBI investigation found that, in a \$1 billion-per-year sports memorabilia industry, up to 85 percent of memorabilia sold with the MLB emblem had been counterfeited. That's when baseball decided something had to be done. "We had to step up because we were losing trust with the fans," Shelton said.

MLB had produced holographic stickers on its postseason merchandise from 1995-99. Yet it decided one it needed to find a holographic manufacturer to produce a hologram that would appear on all products. MLB chose OpSec Security, which it still uses today.

Located in Lancaster, Pa., OpSec produces two different holograms for MLB. One, which has been around since 2008, has a raised red stitch with added color and a sensory element and is used on all regular MLB merchandise. It's the type that can be pulled off an item without a problem. The second hologram is what's used for all authenticated products.

While counterfeiters have replicated the red-stitch hologram, none have succeeded in reproducing the one used for authentication. Even if they tried, there would be at least one obvious signal to tip off its illegitimacy. Many counterfeit logos are produced with the same number, according to Ethan Orlinsky, who oversees MLB anti-counterfeiting program. "The counterfeiter is trying to figure out how they can produce an item which is going to be the most attractive to the consumer without spending as much money as the licensee spend," Orlinsky said. Repeating a number on multiple holograms is one way to do that.

Looking at the hologram is one way to identify and seize counterfeit items. The league works with law enforcement at many levels, including local police departments, the U.S. Marshals Service, the FBI and U.S. Immigrations and Customs. MLB also works with the Coalition to Advance the Protection of Sports Logos (CAPS) and the Global Intellectual Property Center (GPIC), an affiliate of the U.S. Chamber of Commerce.

According to MLB, the league has seized or had surrendered more than 5 million pieces of counterfeit items during the last 10 years. Since 1993, when the league started working with CAPS, it has been involved in the seizure or surrender of another 10 million counterfeit goods with a value of more than



**An MLB official applies a tamper-proof hologram to base to insure its authenticity.**  
 Kyle Stack

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\$364 million. MLB has two methods for its seizures -- civil and criminal.

A civil seizure involves one civilian bringing a lawsuit against another. An investigator is typically hired by the trademark owner, who has to get a judge to sign the seizure order before action is taken against the counterfeiter. According to Orlinsky, the judge will sign the order only if he or she has confidence that the trademark owner will prevail in the case and that there's a risk of flight in the counterfeiter. In other words, that the counterfeit merchandise can be destroyed or concealed.

In a criminal seizure, MLB acts as the plaintiff. It tells law enforcement that somebody has stolen property rights. The law enforcement agency goes to MLB Properties to sign an affidavit which supports the action it wants to bring against the individual(s) selling and manufacturing the merchandise.

Hats, T-shirts and jerseys are the items most often counterfeited. That's because counterfeiters prey on innocent victims who are likely to make impulse purchases, Orlinsky said. And the risk isn't just in the United States. Fake products move quickly throughout Europe, with a noticeable amount of movement in England, Germany and Italy. Brazil and China are other hot spots for counterfeit activity.

"When it comes to physical goods, nobody knows exactly, but China is well over half the problem," said David Hirschmann president and CEO at the Global Intellectual Property Center. "It's probably as high as 80 percent."

Illegitimate manufacturers and sellers aren't just stealing the money of unsuspecting buyers -- they're affecting businesses which sell genuine products. According to the International Anti-Counterfeiting Coalition (IACC), businesses worldwide annually lose an estimated \$600-700 billion to counterfeiting. MLB and its partners work with governments to enact legislation that can be enforced against counterfeiters. The results of not doing so are damaging.

Orlinsky cites decreased tax revenue as one of the main problems with counterfeit sales. "Counterfeiters are not legitimate businesspeople, so they're not paying taxes on the items they sell," Orlinsky said. That results in decreased sales tax revenue from businesses, which in turn lowers overall tax revenue. Other forms of taxes can be raised to offset the lower intake from businesses.

Where consumers can feel safe is by purchasing items from an auction site or retailer with an established relationship with MLB. Hunt Auctions is one example. The 20-year-old company based in Exton, Pa. sells "tens of thousands" of items per year, according to owner David Hunt. Aligning his business with MLB comes with an immeasurable value.

"MLB's authentication really adds an element of certainty for not only the buyer but for the seller ... authentication and your reputation in this industry is where it starts," Hunt said.

Curt Schilling, who donated the infamous sock he wore in Game 2 of the 2004 World Series to the Hall of Fame, said in an e-mail message that he never thought about the significance of the sock being authenticated. But he conceded the issues stemming from counterfeit production are very real.

"You cannot begin to understand the depth and breadth of scams and fakes out there," Schilling wrote. "I walked into a store one day and saw a photo hanging on the wall, supposedly signed by me. I knew I never signed it. That was the day it hit me that the market was saturated with bad stuff."

## The future of MLB authentication

When a game ends, Shelton, Posner and all the on-site authenticators will run through a checklist to make sure they have everything they need. Some items might be seen as unique to that game, and thus, deserving of authentication. For example, Posner has a can of bug spray on his desk which players sprayed on themselves during the Midge Game -- Game 2 of the 2007 ALDS between the New York Yankees and Cleveland Indians.

Sam Turner said that one player after a recent game wanted his broken belt authenticated. Each home and away clubhouse manager is typically the liaison who communicates those needs to the authenticators. "Clubhouse managers are invaluable to us," Shelton said.

Pamphlets explaining what the program is and how to spot fake items are distributed to kiosks and team stores throughout each ballpark. The authenticators work with groundskeepers to ensure they get the necessary field items needed for authentication, and they'll even trade tips with each other on how to best receive and organize all the certified items.

Posner brings a fan's perspective to MLB's authentication program. He admitted that a Joe DiMaggio-signed baseball he bought years ago may not contain Joltin' Joe's real signature. "That's not a feeling I want any of our fans to have or experience," Posner said. "But I think the program has come a long way in terms of the number of forgeries that were out there."

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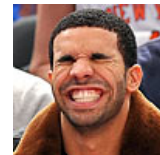


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