

GAO
 Accountability Integrity Reliability
Highlights

Highlights of GAO-08-157, a report to the Ranking Member, Subcommittee on Oversight of Government Management, the Federal Workforce, and the District of Columbia, Committee on Homeland Security and Governmental Affairs, U.S. Senate

Why GAO Did This Study

Federal law enforcement actions against criminals who manufacture and distribute counterfeit and pirated goods are important to enforcing intellectual property (IP) rights and protecting Americans from unsafe or substandard products. GAO was asked to: (1) examine key federal agencies' roles, priorities, and resources devoted to IP-related enforcement; (2) evaluate agencies' IP-related enforcement statistics and achievements; and (3) examine the status of the National Intellectual Property Rights Coordination Center. GAO reviewed relevant documents, interviewed officials in five key agencies, and analyzed agency IP enforcement data from fiscal years 2001 through 2006.

What GAO Recommends

GAO recommends that the Attorney General and the Secretaries of Homeland Security (DHS) and Health and Human Services (HHS) take steps to better assess and report on their agencies' IP enforcement efforts; the Secretary of DHS direct the Commissioner of Customs and Border Protection to address the weaknesses in enforcement of exclusion orders; and the Attorney General and the Secretary of DHS clarify the purpose and structure of the National Intellectual Property Rights Coordination Center. DHS agreed with the recommendations. Justice did not comment on them. HHS disagreed with setting a law enforcement related performance measure. The recommendations were revised in response.

To view the full product, including the scope and methodology, click on GAO-08-157. For more information, contact Loren Yager at (202) 512-4347 or yagerl@gao.gov.

INTELLECTUAL PROPERTY

Federal Enforcement Has Generally Increased, but Assessing Performance Could Strengthen Law Enforcement Efforts




What GAO Found

Five key agencies play a role in IP enforcement, and their enforcement functions include seizures, investigations, and prosecutions (see figure below). While IP enforcement is generally not their highest priority, IP crimes with a public health and safety risk, such as production of counterfeit pharmaceuticals, is an IP enforcement priority at each agency. Determining agencies' IP enforcement resources is challenging because few staff are dedicated to this area, and not all agencies track staff time spent on IP enforcement. Agencies carry out some enforcement actions through their headquarters, but significant enforcement takes place in the field.

Federal enforcement actions generally increased during fiscal years 2001-2006, but the key agencies have not taken key steps to assess their achievements. For example, most have not systematically analyzed their IP enforcement statistics to inform management and resource allocation decisions, collected data on their efforts to address IP crimes that affect public health and safety, or established IP-related performance measures or targets to assess their achievements. Also, Customs and Border Protection's enforcement of exclusion orders, which stop certain IP-infringing goods from entering the country, has been limited due to certain procedural weaknesses.

The National Intellectual Property Rights Coordination Center, an interagency mechanism created to coordinate federal investigative efforts, has not achieved its mission and staff levels have decreased. Currently, only one agency participates in the center's activities, which focus on private sector outreach. Agencies have lacked a common understanding of the center's purpose and agencies' roles. The center's upcoming move to a new location presents an opportunity to reconsider its mission.

Key Agencies Involved in IP-Related Enforcement and Their Enforcement Function and Structure

Function	 Seizing	 Investigating	 Prosecuting		
Agency	Customs and Border Protection	Immigration and Customs Enforcement	Federal Bureau of Investigation	Food and Drug Administration	Department of Justice
Structure	Office of International Trade and Office of Field Operations (325 ports of entry)	Office of Investigations (26 field offices)	Cyber Crime Division (56 field offices)	Office of Criminal Investigations (6 field offices)	Criminal Division and U.S. Attorney's Office (94 field offices)

□ Department of Justice ■ Department of Health and Human Services ■ Department of Homeland Security

Sources: GAO analysis of agency data; Art Explosion (Images).