

**An Open Invitation to OEM's  
By Joseph Marion**

**Computer Resellers and the manufacturers of new equipment need to work together to solve a serious problem that is facing the technology industry, and they need to do it now! It is hurting owners of IT equipment, Original Equipment Manufacturers (OEM's) and secondary market resellers.**

**Is it real, or is it....**

**All OEM's these days order the parts which go into their equipment from various component manufacturers from around the world. In order to negotiate the best possible prices the OEM's order more components than they actually need. The excess product or overruns find their way into the IT marketplace.**

**Take memory cards for example. Several component manufacturers make memory cards for most of the major OEM's. The OEM's take what they need and the component manufacturers "dump" the rest on the open market. Sometimes the parts are dumped with the OEM's logo on it and sometimes they are unmarked; but not for long.**

**Enter the crooks...**

**The fact that no logo is on some of this memory doesn't slow down "the bad guys." Today, it is pretty easy to buy machines that will reproduce logos, part numbers and even serial numbers that look amazingly like those of the manufacturer. So, with the push of a button an unmarked memory card can be made to look just like an OEM card. These counterfeiters do such a good job that many times the OEM's Brand Protection "police" have a hard time telling the real from the fake with the naked eye. It sometimes takes their engineering departments to do the forensic work.**

**Just like many other crimes, these illegal goods need to be laundered. Most of the time, the counterfeiters sell their goods to unwitting secondary market resellers. And, I am sorry to say that sometimes they sell it to secondary market resellers who know exactly what they are buying. By the way, members of the Association of Service and Computer Dealers International ([www.ascdi.com](http://www.ascdi.com)) and members of the North American Association of Telecommunications Dealers ([www.natd.com](http://www.natd.com)) are subject to expulsion from these trade organizations for knowingly engaging in such an activity. Knowingly or not, these fake products end up installed at an end user.**

**It costs us all...**

**No matter how they get to the end users everyone pays for this crime. First the OEM's who find these fraudulent parts inside the equipment under their**

**maintenance pay. Sometimes these parts are “rejects” and not up to the specifications of the authentic parts, which causes all kinds of problems. And because they are mislabeled it takes the poor field engineer forever to diagnose the failures. Most of the time, the field engineers (who really can’t tell if the part is real or not) replace it with a new part. Even if they can tell that a part is fraudulent, it is usually easier not to confront the end user with those facts and just replace the part with an authentic OEM part. The repair ends up being a 100% loss for the OEM.**

**The reseller market dealer is hurt too. The more fraudulent equipment which becomes available on the market, the farther down it drives the price of authentic OEM parts and equipment. Most secondary market resellers buy and inventory equipment at wholesale market prices. After they inventory a product, if a flood of phonies enters the market the value of their inventory declines.**

**Leasing companies and end users are hurt too. When an end user is finished using a machine or when a lease term on a product is over, both try to sell their equipment for as much as possible. The flood of phony parts on the market renders their used and off-lease equipment worth a lot less than it should be.**

**An invitation to get together...**

**Ethical secondary market resellers and the manufacturers have something in common. The manufacturers don't want the fraudulent product on the market and the ethical resellers don't want to be the unknowing "fences" for these crooks. Resellers don't have the information or resources they need to tell the real from the fake, but the manufacturers do.**

**Manufacturers can identify fraudulent parts in a number of ways. Serial numbers can tip them off as to what is real and what is not. Many times the logo or part number is not perfect and can be identified as a counterfeit. OEM's can sometimes tell by examining a part where and when it was made. But only the manufacturer knows for sure.**

**It is time for the manufacturers to work WITH the secondary market to rid our Industry of this problem. And by the way, this is not unprecedented. Since the days of the IBM typewriter, manufacturers, Industry trade organizations and the authorities have worked together to nab thieves who have stolen all types of hardware and tried to fence it to the equipment dealers.**

**By working together, the secondary market dealers, armed with the knowledge to identify the fraudulent products can turn the bad guys over to the proper authorities.**

**To that end, I call upon the major Industry Associations and the major OEM's to put together a plan to rid our Industry of this blight.**