

Exchanging fake iPhones for real iPhones for 10 consecutive years caused Apple to lose 12 million USD

Five Chinese citizens living in the Los Angeles area exchanged fake iPhones for real iPhones 16,000 times over the course of 10 years, causing more than \$12 million in damage to Apple.

The scam of exchanging fake iPhones for real iPhones has appeared many times before, but the scale of this incident is considered so large that it is no different from an industry.



The fraud group "returned" fake iPhones, iPads and other fake Apple devices that looked real but did not work to the Apple Store and asked the company to replace them with new ones. These counterfeit products will have ID numbers that match existing products, are owned by real people in the US, and are still under warranty. This trick unintentionally caused many customers to lose their genuine repair warranty, because Apple's system accepted and handled fake devices with the same ID number.

After being exchanged for genuine products, the goods will be shipped abroad.

The perpetrators, Yang Song, Junwei Jiang, Zhengxuan Hu, Yushan Lin and Shuyi Xing, were accused of taking advantage of Apple's customer service policy to steal more than \$12 million worth of goods and will be tried on charges aggravated identity theft, conspiracy to traffic in counterfeit goods and conspiracy to commit acts

According to the indictment, this behavior lasted from February 2014 to March 2024. The perpetrators cooperated with criminal groups in China to source counterfeit devices.

To cover their tracks, the co-conspirators would request repairs at multiple App Stores across California, using fake addresses and aliases, renting post office boxes, and other tricks.

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