

Detecting fine wine forgeries



ISTOCK.COM/ATAKAN

With counterfeit wine big business, the top merchants are going all out to combat the fraudsters. **James Bayley** reports

“Many of the world’s best wineries are employing anti-counterfeit measures in their packaging today”
Philip Moulin, Berry Bros & Rudd

ACCORDING TO A 2021 report from *Business Insider*, fake wine accounts for 20% of wine sold worldwide. If this is true, and many credible sources seem to agree, then the chances are you have drunk from a bottle containing fraudulent wine. The report referred to numerous cases of wine crime in recent history, including the seizure of 4,000 bottles of the counterfeit ‘super-Tuscan’ Bolgheri Sassicaia, which fetches up to £320 a bottle.

A case of the wine was found in Tuscany, which put the investigation into motion. It was later discovered it was destined for China, Korea and Russia in a cut-price deal – approximately 70% cheaper than the original.

The report also detailed the infamous case of Rudy Kurniawan, the world’s biggest wine forger, who amassed a fortune selling fraudulent wine he mixed in his Californian kitchen. In 2014, he was sentenced to 10 years in prison and ordered to forfeit \$20m and pay \$28.4m in restitution.

The Associated Press reported that, before he was sentenced, Kurniawan, 37, told the jury: “Nobody died. Nobody lost their savings. Nobody lost their job.”

It is easy to see the appeal of wine to potential

fraudsters: it is essentially juice that can be sold for extortionate amounts of money over time. As a result, it would make sense for the world’s most renowned fine wine merchants to implement safeguarding measures against counterfeit wine.



PACKAGING SOLUTIONS

Berry Bros & Rudd has gone one step further and employed its own quality and authentication manager, Philip Moulin.

“Many of the world’s best wineries are employing anti-counterfeit measures in their packaging today,” says Moulin.

“The preferred methods are similar to those used in producing currency – for example, holograms, micro-writing and unique ink. Tamper-proof seals, near-field technology and laser etching are also becoming more popular.

“As merchants, it is our job to know what to look for on different bottles and to be able to spot when something is not right.”

Anthony Maxwell, Liv-ex chief commercial officer, says the company “has several methods in place to mitigate against counterfeits in the

supply chain". He continues: "The first is that we only allow registered wine businesses to trade on the platform. These members need to trade with us tomorrow and the next day and, as such, do their own due diligence too.

"There are policies in place to further mitigate the risk of fraudulent wines in our supply chain: all Liv-ex members with trading privileges are vetted and approved by a membership committee, which requires references in order to trade. Furthermore, we only pay the seller once the wine has been checked in one of our warehouses."



SECONDARY MARKET

The crux, says Moulin, is being able to discern a wine's quality without opening the bottle.

"We are not in the business of opening bottles to tell if they are real or not. We must be certain that everything is correct before we come to sell it.

"Most of our buying relationships at Berry Bros & Rudd have been founded on many years of accumulated trust.

"The problem in our sector of the wine trade is not direct sourcing, but the secondary market, where checks and measures are not necessarily as robust. Provenance is everything."

History of origin and mutual respect have long been hallmarks of the fine wine trade, but wine cellars with Q-branch levels of gadgetry are becoming more of a factor in the industry.

"We invest heavily in our processes and systems to ensure all trade on Liv-ex is conducted as safely and efficiently as possible," says Maxwell.

"Our own team of experienced and skilled warehouse staff are a fundamental part of this operation, not least because they carefully inspect, photograph and check more than 65,000 cases of wine a year, using various technologies."

These technologies include high-resolution photographs of bottle labels, capsules and punts (under LED and UV) at several resolutions (including 40x and 400x magnification to identify inconsistencies with ink, paper and glass).

"Over the past 20 years, we have built up a digital catalogue of authentic wines," adds Maxwell. "This allows us to compare and contrast the wines that are traded. Bespoke algorithms help us flag potentially high-risk wines. We also have a well-established communication network between the trade and producers."

At Berry Bros & Rudd, the regions of most concern are Burgundy and Bordeaux, because that's what it sells the most of, but there are issues with counterfeiting for most top regions in the world.

"There is a risk to all wines," says Maxwell. "However, those with higher value tend to be replicated more than lower-value wines.

"Liv-ex – like many in the trade – invests in processes and systems to mitigate the risk of counterfeit wine in the supply chain. Although counterfeit wine is easier to produce, the role of technology has made it easier to mitigate against." ■

Using technology to prepare for change in the UK drinks industry

Bevica's cloud-based business-management system is here to help us keep pace



In the past two years the business landscape of the drinks industry has seen many changes. From Brexit to Covid-19, from the planned overhaul of the alcohol duty system to the introduction of the Plastic Packaging Tax, drinks businesses are having to carefully review their ways of working and prepare new ways to adapt and keep up with these changes.

Claudio Martell, Bevica's product director, takes a look at three ways that cloud-based business management systems like Bevica help drinks businesses to adapt to current changes and prepare for future ones.

KEEP PACE WITH MODERN WAYS OF WORKING

Designed to be in the cloud, Bevica allows working from anywhere. You can be on site talking to your customers, showing them sales figures and preparing budgets, even entering sales orders there and then.

"Bevica helps secure your business data, providing the cybersecurity that allows your business to grow worry-free"

LET TECHNOLOGY TAKE THE STRAIN FOR YOU

Bevica helps secure your business data, providing the cybersecurity that allows your business to grow worry-free. Cloud-based core IT infrastructures are centrally governed. Performance and scalability are guaranteed as they are managed across multiple cloud servers. Security, back-up and restore are all at your disposal, ready just in case the worst happens.

YOUR SYSTEM IS ALWAYS UP TO DATE

The fast pace of change means that the days when you would install new software and it still be relevant years later are long gone. Ever-changing legislation, business practices and the search for new routes to market mean that faster software ROI is a pre-requisite. Bevica's cloud software makes this possible with incremental updates, which are automatically delivered and immediately ready to be used.

For more information about Bevica, the business management system created specifically for the drinks industry, visit bevica.com