



April 30, 2021

The Honorable Dick Durbin  
711 Hart Senate Office Building  
Washington, DC 20002

The Honorable Bill Cassidy  
520 Hart Senate Office Building  
Washington, DC 20002

### Amazon's misINFORMation Campaign

Dear Senators Durbin and Cassidy,

It is unfortunate Amazon is misinforming members of Congress, consumers and small businesses by pushing specious [claims](#) regarding S. 936, the Integrity, Notification, and Fairness in Online Retail Marketplaces for Consumers (INFORM Consumers) Act. Amazon's statements are meant to sidestep any responsibility for the sale of illicit goods on their marketplace and represents a disingenuous effort to thwart policymakers from considering this important bipartisan legislation that protects consumers. The Buy Safe America Coalition's [diverse group](#) of responsible retailers, consumer groups, manufacturers, brands, intellectual property advocates, and law enforcement officials write to expose the misinformation in Amazon's most recent communication, and arm you with the truth about the INFORM Act.

First, it is well established that criminal enterprises are using the anonymity available on online marketplaces to sell unsuspecting consumers [defective](#), [harmful](#), [altered](#), [unsafe](#), [counterfeit](#), and [stolen](#) consumer goods, putting consumers at risk and undercutting legitimate businesses of all sizes. The pandemic has only increased this problem – online spending increased by [32.1 percent](#) in the last quarter of 2020 alone. Criminals are clearly taking advantage of the surge in e-commerce and the anonymity afforded to them by marketplace platforms to sell more illicit goods.

The INFORM Consumers Act is a commonsense measure, carefully and thoughtfully crafted to modernize consumer protection laws and protect consumers and legitimate businesses, including entrepreneurs who use marketplaces to grow their business. Contrary to the misinformation presented by Amazon, the INFORM Act would not put a burden on small sellers, it would simply require online marketplaces to collect high-volume sellers' basic business information—most of which they already collect and report.

This legislation will help all legitimate small businesses. Removing criminals selling stolen and counterfeit goods from online marketplaces will help small businesses and entrepreneurs who sell authentic products on sites like Amazon. Those sellers don't wish to compete with criminal enterprises selling knockoffs or stolen goods at well below market prices.

The INFORM Consumers Act is written to protect casual sellers. And even for high-volume sellers, the requirement is only to provide 6 pieces of basic business information—a credit card application is more onerous—and the folks at Amazon know it. For tech companies and e-commerce platforms, this legislation does not impose unreasonable requirements, it simply requires an online marketplace to verify the people selling on their platform and make basic business contact information available for any consumer that suspects they may have inadvertently purchased counterfeit or stolen items. Let's be honest, tech companies can already do this in their sleep. In fact, the American Rescue Plan, which was signed into law earlier this year, will require all marketplaces to provide merchants selling over \$600 on their network with a Form 1099-K, effective January 2022. This means marketplaces are already going to be collecting basic business information and providing it to the IRS.

Amazon made the misleading claim this legislation favors brick-and-mortar retailers, which it does not. Traditional retailers don't sell counterfeit or stolen goods on their shelves or their websites, as Amazon knows, because community retailers adhere to stringent federal and state regulations to ensure the authenticity of their products. The INFORM Consumers Act simply creates transparency on marketplaces where it is clearly lacking. Greater transparency on online marketplaces will protect families from purchasing illicit goods such as baby formula, over the counter drugs, health and beauty products, air bags, brakes pads, water filters, and N95 masks, while also reducing the incentive for organized retail crime rings to target local retailers, stealing large quantities of goods for quick resale online.

What Amazon is really protecting, is the identity of a seller who is suspected of selling illicit products. Despite feigning support for law enforcement, they are notorious for stonewalling investigations into suspected stolen goods. And with [63 percent of their marketplace sellers based in China](#), and [overwhelming evidence](#) of counterfeit goods flooding into the US from China, they similarly seem to be stonewalling efforts to aid consumers in identifying and weeding out suspicious sellers. Add in the connection between organized retail crime and other types of crime—human trafficking, money laundering and drugs—and Amazon's words about supporting law enforcement really rings hollow. If Amazon truly wants to support law enforcement, perhaps they should listen to law enforcement agencies who are on the front lines of these cases and understand the connection between marketplace crime and crime in our communities.

Amazon and some of its allies have blown smoke about protecting the personal information of their sellers, but there again the talking points ring hollow. The INFORM Consumers Act provides disclosure exceptions to protect the personal information of sellers in the event they do not possess a separate business address or phone number. INFORM is carefully crafted to protect the privacy of legitimate small sellers, while ensuring that high-volume sellers are accountable to the consumers buying goods from them—just like any retailer would be.

As Amazon's own Vice President of Public Policy wrote in his recent [blog post](#), “We know that fraudsters will go to extreme lengths to hurt honest entrepreneurs and sellers.” Billions in illicit goods are sold on third-party marketplaces every year, and that number is only increasing. Retailers are reporting dramatic increases in organized retail crime rings targeting their stores.

And our coalition members, including law enforcement agencies, know all too well that a very small number of marketplaces meaningfully engage with law enforcement to help protect consumers and stop the sale of counterfeit and stolen goods. This legislation will not only ensure all marketplaces have policies in place to protect consumers by verifying their sellers but will also help law enforcement identify the criminals selling stolen and counterfeit goods.

The Coalition agrees with Amazon that the government and law enforcement can do more, but they need the tools to do their job, not empty platitudes. This is exactly why members of Congress have introduced the INFORM Consumers Act, to provide transparency and shine a light on the criminals who are hiding behind screennames and bogus business information to sell counterfeit and stolen goods. Once the INFORM Act is signed into law we support empowering state attorneys general by providing funding to set up task forces to specifically target criminals selling illicit goods, and will work directly with the FBI and the Department of Justice to do the same.

The members of the Buy Safe America Coalition believe consumers should feel confident the goods they are purchasing from third-party marketplaces are legitimate and safe. It is unfortunate that Amazon is avoiding supporting the most basic consumer protections and is once again putting profits over safety. We urge you to carefully examine the misinformation the e-commerce giant has openly espoused and look forward to working with you to pass this much-needed piece of legislation.

Sincerely,



Michael Hanson  
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[BuySafeAmerica.org](http://BuySafeAmerica.org)

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Senate Leadership  
House of Representatives Leadership  
Senate Committee on Commerce, Science, & Transportation  
House Committee on Energy & Commerce