



RETAIL INDUSTRY LEADERS ASSOCIATION

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August 4, 2020

The Honorable Greg Walden
Ranking Member
House Committee on Energy and Commerce
2185 Rayburn HOB
Washington, DC 20515

The Honorable Cathy McMorris Rogers
Ranking Member
Subcommittee on Consumer Protection and Commerce
1035 Longworth HOB
Washington, D.C. 20515

The Honorable Richard Hudson
Member of Congress
2112 Rayburn HOB
Washington, DC 20515

CC: Members of the House Committee on Energy and Commerce

Dear Ranking Members Walden and McMorris Rogers, and Congressman Hudson,

We read with great interest your letter to Amazon CEO Jeff Bezos regarding the sale of counterfeit and stolen goods on the Amazon marketplace. There is indeed a connection between third-party platforms like Amazon's and the proliferation of organized retail crime, and counterfeit and stolen goods sold online to unsuspecting consumers.

Last week while under oath before the House Judiciary Anti-trust Subcommittee investigating the market power of Big Tech companies, Mr. Bezos gave deliberately evasive answers to direct and straightforward questioning from Reps. Ken Buck (R-CO), Lucy McBath (D-GA), and Hank Johnson (D-GA) regarding his knowledge of counterfeit and stolen goods on Amazon's platform. Mr. Bezos' statements before Congress made clear that he is, at best, uninterested in the sale of counterfeit and stolen goods on Amazon.com, perhaps because of the commissions made off of these transactions — a sum that grows if any of these bad actors buy ads or use services like Fulfillment by Amazon.

While we appreciate your letter, the fact is, we do not expect Amazon or Mr. Bezos to be any more forthright in the answers to your written questions than he was while under oath before your colleagues. In fact, we strongly suspect Amazon will use this opportunity to further obfuscate and deceive Members and the public about their efforts to stop the sale of illicit products via its marketplace.

This is a problem that has festered unchecked for too long. The anonymity and unregulated environment in which Amazon's marketplace operates allows it to sell products that would never be allowed on a store shelf or a retailer's website—stolen goods, expired and defective products, products made with unsafe levels of chemical substances, and products that do not meet U.S. quality and safety standards. And

despite the growing pile of evidence and obvious connection to its marketplace platform, Amazon has done very little to verify the products sold on their platform are legitimate; very little to verify the legitimacy of the sellers on their platform; and very little to aid retailers and law enforcement to identify fraudulent sellers on their platform.

Common-sense legislation has already been introduced which will require online marketplaces to collect and verify third party seller information and require disclosures from third-party marketplace sellers who use online platforms like Amazon.com to sell products to American consumers. The INFORM Consumers Act would provide consumers with greater transparency and allow law enforcement to better identify high-frequency sellers suspected of trafficking stolen and counterfeit goods. America's leading retailers strongly endorse this legislation, and hope that you will add your names as cosponsors.

Implementing a system that verifies third-party sellers and easily identifies those selling stolen and counterfeit goods is the right thing to do for consumers. Amazon is one of the most successful businesses of the 21st century, and it employs thousands of the best data scientists on the planet. This is not a question of knowledge; it is a question of will. Amazon's unwillingness to crack down on the counterfeit and stolen goods trafficked on their platform means Congress needs to act. We hope that in addition to your letter, you will join bipartisan efforts in Congress to enforce basic transparency and accountability on Amazon's fast-growing online marketplace.

Best regards,



Michael Hanson

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Retail Industry Leaders Association

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