



U.S. Chamber of Commerce



June 6, 2022

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, DC 20515

The Honorable Chuck Schumer
Majority Leader
United States Senate
Washington, DC 20510

The Honorable Kevin McCarthy
Republican Leader
U.S. House of Representatives
Washington, DC 20515

The Honorable Mitch McConnell
Republican Leader
United States Senate
Washington, DC 20510

Dear Speaker Pelosi, Majority Leader Schumer, Republican Leader McConnell and Republican Leader McCarthy:

Representing the members of the undersigned organizations, we support the inclusion of the Integrity, Notification, and Fairness in Online Retail Marketplaces for Consumers Act (INFORM Consumers Act) in the final version of the Bipartisan Innovation Act. This bipartisan and bicameral legislation will modernize our consumer protection laws to better safeguard American families, communities, employees, and consumers from the sale of counterfeit and stolen products.

These common-sense provisions are critical in fighting both dangerous counterfeit products and tackling organized criminal networks. Counterfeit goods, 90% of which flow into the U.S. from China¹, do not meet the strict safety guidelines that protect American families and should not make their way into Americans' homes. Specific products and supply chains from children's toys, cosmetics, auto parts, water filters, apparel, home goods, work safety equipment and personal protective equipment has been found to contain counterfeit components, faulty parts, stolen designs and dangerous chemicals. Harmful consumer goods were especially evident during the COVID-19 pandemic, when bad actors abused online platforms to peddle fake tests, dangerous vaccines and ineffective personal protective equipment to average Americans. Organized retail crime through sophisticated criminal networks targets community retailers to steal thousands of dollars of consumer goods per store and subsequently sell those stolen goods through online third-party marketplaces. This growing criminal activity not only risks consumers and store employees safety directly, but also provide funds that fuel for even more dangerous crimes such as human trafficking.

¹ Buy Safe America Coalition: The Counterfeit Silk Road: Impact of Counterfeit Consumer Products Smuggled into the United States. <https://www.buysafeamerica.org/counterfeits-holiday-shopping-risk-economic-harm>

In addition to endangering consumers, employees, and businesses, both counterfeit goods and organized retail crime harm the U.S. economy through lost jobs and lost sales. Every sale of a counterfeit good replaces a legitimate sale from an American business resulting in fewer sales, lower wages, and ultimately, fewer employees. Official U.S. Customs and Border Protection statistics show seizures of more than \$1.4 billion in counterfeit goods at the border, and the full extent of counterfeit imports is significantly higher; such imports cost the American economy millions of dollars and thousands of lost jobs. Industry estimates show fake and counterfeiting cost the U.S. economy nearly \$131 billion and more than 325,000 jobs in 2019 alone,² while organized retail theft reached nearly \$69 billion annually, impacting retailers of all sizes resulting in an additional annual loss of 658,375 American jobs and over \$39 billion in wages and benefits to workers³. Another survey showed that organized retail crime now costs retailers an average of \$700,000 per \$1 billion in sales⁴. These lost sales, jobs and wages impact every state, city, and town regardless of size and geography.

The INFORM Consumers Act will help keep Americans safe by mandating verification of a seller's identity as a deterrent to the sale of stolen and fake goods by nefarious criminal networks misusing online marketplaces. Enacting this legislation will also provide law enforcement with additional tools to stop and prosecute these criminal rings from selling illicit goods.

While our respective organizations represent a diverse group of industries and interests, we are singularly united in putting the safety and well-being of our members, customers, and employees first. We urge you to include the INFORM Consumers Act in the final Bipartisan Innovation Act.

Thank you for your consideration and we look forward to working with you and the members of the conference committee on this important matter.

Sincerely,

Retail Industry Leaders Association
National Association of Manufacturers
U.S. Chamber of Commerce
Business Roundtable
National Retail Federation

cc: The Honorable House and Senate Bipartisan Innovation Act Conferees

² National Association of Manufacturers, "Countering Counterfeits: The Real Threat of Fake Products," July 2020. <https://www.nam.org/wp-content/uploads/2020/07/CounteringCounterfeits.vF.pdf>

³ Buy Safe America Coalition: The Impact of Organized Retail Crime & Product Theft in the United States. <https://www.buysafeamerica.org/impact-of-organized-retail-crime-and-product-theft>

⁴ National Retail Federation: 2020 Organized Retail Crime Survey. <https://nrf.com/research/2020-organized-retail-crime-survey>