



Durbin, Cassidy Introduce Bill To Ensure Greater Transparency For Third-party Sellers Of Consumer Products Online

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WASHINGTON – U.S. Senators Dick Durbin (D-IL) and Bill Cassidy, M.D. (R-LA) introduced legislation to combat the online sale of stolen, counterfeit, and dangerous consumer products by ensuring transparency of large-volume third-party sellers in online retail marketplaces. *The Integrity, Notification, and Fairness in Online Retail Marketplaces for Consumers (INFORM Consumers) Act* would direct online retail marketplaces that include third-party sellers of consumer products to authenticate the identity of “high-volume third-party sellers,” which will help equalize transparency among brick-and-mortar retailers and prevent organized retail crime rings from stealing items from these stores to resell those items in bulk online. The bill will also ensure that consumers can see basic identification and contact information for high-volume third party sellers of consumer products on online marketplaces.

“Transparent marketplaces are safer marketplaces, and consumers should be provided with basic identifying information about those who sell consumer products online. Our bill ensures a baseline level of transparency for online marketplaces, where currently it may be difficult for consumers to know who third-party sellers are and how to contact them. In an era where stolen, counterfeit, and dangerous goods are increasingly offered for sale online, the INFORM Consumers Act will help promote responsible marketplace behavior, deter shadowy sales practices, and protect consumers,” said Durbin.

The INFORM Consumers Act directs online marketplaces to verify high-volume third-party sellers by acquiring the seller’s government ID, tax ID, bank account information, and contact information. High-volume third-party sellers are defined as vendors who have made 200 or more discrete sales in a 12-month period amounting to \$5,000 or more.

The legislation instructs online marketplaces to order their high-volume third-party sellers to disclose to consumers the seller's name, business address, email address, phone number, and whether the seller is a manufacturer, importer, retailer, or a reseller of consumer products.

The online marketplace will also need to supply a hotline to allow customers to report to the marketplace suspicious marketplace activity such as the posting of suspected stolen, counterfeit, or dangerous products. The bill presents an exception for individual high-volume third-party sellers that permits them not to have their personal street address or personal phone number revealed to the public if they respond to consumers' questions over email within a reasonable timeframe. The bill's requirements would be implemented by the FTC and violations would be subject to civil penalties.

The INFORM Consumers Act has received support from organizations including the Household & Commercial Products Association, the Retail Industry Leaders Association, the Toy Association, TIC Council, Juvenile Products Manufacturers Association, the Halloween Industry Association, U.S. PIRG, and Public Citizen.

"In the last few years, researchers have found toxic toys, mislabeled drugs, and other hidden dangers for sale online. The first step to keeping everyone healthy and safe is knowing who is selling these products so sellers of counterfeit or fake products can be held accountable. We applaud Senators Cassidy and Durbin for introducing the INFORM Consumers Act," said U.S. PIRG.

"The ease with which organized criminal networks can utilize the anonymity of online marketplaces to fence stolen goods has led to a proliferation of organized theft targeting local retailers," said Ulta Beauty CEO and Retail Industry Leaders Association Chair Mary Dillon. "Most disturbing, are the threats and physical acts of violence our employees and customers experience when confronted with this criminal activity. Reversing this trend is about much more than protecting goods and property—this is about protecting people throughout the country who are increasingly at risk when these crimes are committed. Reducing these threats starts with making it harder to sell stolen goods online, and the INFORM Consumers Act is a great first step in the right direction."