



JUSTICE NEWS

Department of Justice

Office of Public Affairs

FOR IMMEDIATE RELEASE

Thursday, January 3, 2013

**Several Retailers Agree to Resolve Allegations
Concerning the Unlawful Advertising and Selling of
Rayon Products as Being Made from Bamboo**

Amazon.com; Leon Max Inc., d/b/a Max Studio; Macy's Inc.; and Sears, Roebuck and Co., Kmart Corporation and Kmart.com (collectively, Sears) have agreed to settle civil lawsuits concerning alleged violations of the Textile Fiber Product Identification Act and the Federal Trade Commission (FTC) Act, the Justice Department announced today.

The complaints, which were filed today in federal court along with proposed stipulated orders to settle the matters, allege that these retailers violated the Textile Act and the FTC Act by advertising and labeling textile products that were made from rayon as being made from "bamboo." The cases were referred to the Justice Department by the FTC, which investigates violations of the Textile Act and FTC Act.

Under the terms of the proposed stipulated orders agreed to by the companies, the companies will take steps to prevent future violations, including distributing the orders to employee managers with responsibility for marketing or sale of textile products, keeping accounting and other records necessary to demonstrate compliance with the order, and reporting relevant data to the FTC. In addition, each company has agreed to make a monetary payment to the government as follows: Amazon (\$455,000); Max Studio (\$80,000); Macy's (\$250,000); and Sears (\$475,000).

Under the Textile Act and Rules, a product's label and advertising must accurately describe the type of fiber used to make the product. Unless a product is made directly with bamboo fiber, it cannot be labeled and advertised as "bamboo." The complaints allege that these retailers advertised and sold products that were really made from a manufactured fiber, rayon, as being made from bamboo, widely understood to be a renewable resource.

According to the complaints, the manufacturing process for rayon requires the use of hazardous chemicals such as sodium hydroxide. The complaints further note that this manufacturing process emits hazardous air pollutants, including carbon disulfide, carbonyl sulfide, ethylene oxide, methanol, methyl chloride, propylene oxide and toluene.

"Consumers pay a premium for products labeled and advertised as being made from bamboo because they believe that the product is made from a renewable resource and is good for the environment," said Stuart F. Delery, Principal Deputy Assistant Attorney General for the Civil Division. "Consumers expect that they will get what they pay for; here, they didn't."

The cases, *United States v. Amazon.com, Inc.*; *United States v. Leon Max, Inc., d/b/a Max Studio*; *United States v. Macy's, Inc.*; and *United States v. Sears, Roebuck and Co. et al.* were filed in the District Court for the District of Columbia.

Principal Deputy Assistant Attorney General Delery thanked the FTC for referring this matter to the department. The Consumer Protection Branch of the Justice Department's Civil Division brought the cases on behalf of the United States.

13-011

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