FEDERAL TRADE COMMISSION
PROTECTING AMERICA'S CONSUMERS

For Release

FTC Order Requires New England-based Clothing Accessories Company to Pay for Falsely Claiming Its Products Were Made in USA

Order requires company to stop deceptive claims

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Tags: Consumer Protection | Bureau of Consumer Protection | Advertising and Marketing | Made in USA

The Federal Trade Commission is taking action against a group of Massachusetts- and New Hampshire-based clothing accessories companies, along with their owner, Thomas Bates, for falsely claiming that certain company products were manufactured in the U.S. The FTC's proposed order would stop the companies and Bates from making deceptive claims about products being "Made in USA" and require them to pay a monetary judgment.

"'Made in USA' means what it says," said Samuel Levine, Director of the FTC's Bureau of Consumer Protection. "Falsely labeling products as 'Made in USA' hurts consumers and competition, and the FTC will continue to aggressively enforce the law to stop deceptive claims and hold violators accountable."

According to the FTC's complaint, the companies—Chaucer Accessories, Bates Accessories, and Bates Retail Group—have frequently advertised their products as being "Made in USA" or "Hand Crafted in USA" in their marketing and sales materials. Additionally, the complaint alleges, the companies sold certain belts labeled as "Made in USA from Global Materials."

In spite of those claims, the complaint charges that the companies sold certain products that were wholly imported or incorporated significant imported components. The complaint also charges that belts labeled "Made in USA from Global Materials" consisted of belt straps imported from Taiwan with buckles attached in the U.S.

The FTC's order against the companies and Bates, which the respondents have agreed to, includes a number of requirements about the claims they make:

- **Restriction on unqualified claims:** the companies and Bates will be prohibited from making ***unqualified*** U.S.-origin claims for any product, unless it can show that the product's final assembly or processing—and all significant processing—takes place in the U.S., and that all or virtually all ingredients or components of the product are made and sourced in the U.S.

- **Requirement for qualified claims:** the companies and Bates are required to include in any ***qualified*** Made in USA claims a clear and conspicuous disclosure about the extent to which the product contains foreign parts, ingredients or components, or processing.

- **Requirement for assembly claims:** the companies and Bates must also ensure, when claiming a product is ***assembled*** in the U.S., that it is last substantially transformed in the U.S., its principal assembly takes place in the U.S., and U.S. assembly operations are substantial.

- **Monetary judgment:** The order includes a monetary judgment of $191,481, which the companies and Bates will be required to surrender to the FTC.

The FTC is committed to ensuring that "Made in USA" claims are truthful. The FTC's Enforcement Policy Statement on U.S. Origin Claims provides guidance on making non-deceptive "Made in USA" claims. In addition, the FTC's Made in USA Labeling Rule went into effect on Aug. 13, 2021. Companies that violate the Rule from that date forward may be subject to civil penalties.

The Commission vote to issue the administrative complaint and to accept the consent agreement was 3-0. The lead staff attorney on this matter was Julia Solomon Ensor in the Bureau of Consumer Protection.

The Federal Trade Commission works to promote competition and protect and educate consumers. Learn more about consumer topics at consumer.ftc.gov, or report fraud, scams, and bad business practices at ReportFraud.ftc.gov. Follow the FTC on social media, read consumer alerts and the business blog, and sign up to get the latest FTC news and alerts.

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