

## **Analysis of Proposed Consent Order to Aid Public Comment**

### ***In the Matter of Bollman Hat Company and SaveAnAmericanJob, LLC, jointly d/b/a American Made Matters, File No. 172 3197***

The Federal Trade Commission (“FTC” or “Commission”) has accepted, subject to final approval, an agreement containing a consent order from Bollman Hat Company and SaveAnAmericanJob, LLC, jointly d/b/a American Made Matters (“respondents”).

The proposed consent order has been placed on the public record for thirty (30) days for receipt of comments by interested persons. Comments received during this period will become part of the public record. After thirty (30) days, the Commission will again review the agreement and the comments received, and will decide whether it should withdraw from the agreement or make final the agreement’s proposed order.

This matter involves respondents’ marketing, sale, and distribution of hats with claims that the products are of U.S.-origin, and respondents’ marketing, sale, and distribution of memberships in their “American Made Matters” (“AMM”) program to companies wishing to make U.S.-origin claims for their products.

According to the FTC’s complaint, respondents represented that their products are “Made in USA.” In fact, many of the respondents’ hats are wholly imported, and others contain significant imported content. Therefore, this representation was false or misleading.

The complaint further alleges that the AMM seal represents by implication that respondents’ products have been endorsed or certified by an independent third party. AMM, however, is a fictitious name for respondents, who created the AMM seal and use it in connection with the sale of their own products. Therefore, these representations were false or misleading.

The complaint next alleges that respondents made implied claims that products and entities using their AMM seal were independently and objectively evaluated for compliance with respondents’ certification standard. These claims were false or misleading.

Finally, the complaint alleges that respondents claimed that all AMM members sell products that are all or virtually all made in the United States. Because respondents awarded the AMM certification to any company that self-certified that at least 50% of the cost of one of their products was incurred in the United States, with final assembly or transformation in the United States, this claim was false or misleading, or unsubstantiated at the time it was made.

Based on the foregoing, the complaint alleges that respondents engaged in deceptive acts or practices in violation of Section 5(a) of the FTC Act.

The proposed consent order contains provisions designed to prevent respondents from engaging in similar acts and practices in the future. Consistent with the FTC’s Enforcement Policy Statement on U.S. Origin Claims, Part I prohibits respondents from making U.S.-origin claims for their products unless either: (1) the final assembly or processing of the product occurs

in the United States, all significant processing that goes into the product occurs in the United States, and all or virtually all ingredients or components of the product are made and sourced in the United States; or (2) a clear and conspicuous qualification appears immediately adjacent to the representation that accurately conveys the extent to which the product contains foreign parts, ingredients or components, and/or processing.

Part II prohibits respondents from making any representation about any user or endorser of any product, package, certification, service, practice, or program, unless respondents disclose clearly and conspicuously any material connection between a user or endorser and (1) respondents or (2) any other individual or entity affiliated with the product or service.

Part III prohibits respondents from representing, expressly or by implication, that a product or service meets respondents' certification standard, unless: (1) an entity with no material connection to that covered entity conducted an independent and objective evaluation to confirm that the certification standard was met; or (2) respondents' certification and marketing materials disclose clearly and conspicuously that the certification standard may be met through self-certification.

Part IV prohibits respondents from making any country-of-origin claim about a product or service unless the claim is true, not misleading, and respondents have a reasonable basis substantiating the representation. In the alternative, for country-of-origin representations made through AMM marketing materials, respondents may make such claims if (1) they neither know or have reason to know that the self-certification is misleading, and (2) disclose clearly and prominently that products or services meet the certification standard through self-certification.

Part V prohibits respondents from providing third parties with the means and instrumentalities to make the claims prohibited in Parts I, III, or IV.

Parts VI through IX are reporting and compliance provisions. Part VI requires respondents to acknowledge receipt of the order, to provide a copy of the order to certain current and future principals, officers, directors, and employees, and to obtain an acknowledgement from each such person that they have received a copy of the order. Part VII requires the filing of compliance reports within one year after the order becomes final and within 14 days of any change that would affect compliance with the order. Part VIII requires respondents to maintain certain records, including records necessary to demonstrate compliance with the order. Part IX requires respondents to submit additional compliance reports when requested by the Commission and to permit the Commission or its representatives to interview respondents' personnel.

Finally, Part X is a "sunset" provision, terminating the order after twenty (20) years, with certain exceptions.

The purpose of this analysis is to aid public comment on the proposed order. It is not intended to constitute an official interpretation of the proposed order or to modify its terms in any way.