



Office of Commissioner
Rohit Chopra

UNITED STATES OF AMERICA
Federal Trade Commission
WASHINGTON, D.C. 20580

STATEMENT OF COMMISSIONER ROHIT CHOPRA

In re Truly Organic
Commission File No. 1923077
September 19, 2019

I commend Commission staff for investigating fraudulent greenwashing by Truly Organic and its CEO, Maxx Harley Appelman. This conduct distorted competition for organic products, inflicting harm on honest producers. Truly Organic and Appelman also harmed consumers, some of whom may have purchased their products for health reasons. The Commission has reversed this fraud through a judgment ordering redress covering all of the tainted transactions. Today's order also holds the responsible individual accountable.

I am pleased to see the Commission supporting this commonsense resolution, as it reflects a difference in approach compared to other matters inherited over the last year. In particular, this resolution contrasts with those in similar cases involving blatant deception that harmed both consumers and honest competitors.

For example, in the Aromaflage matter, Melissa Fensterstock and her company committed online review fraud and even tricked consumers into thinking that her perfume protected them from Zika and other deadly diseases.¹ It didn't, but these lies helped her line her own pockets – even if it meant putting people's lives at risk.

In a series of Made in USA fraud cases, Commission staff uncovered companies parading their patriotism and promoting their products as American-made, when in reality, they were imported from China, harming honest American companies that make their products here at home and cheating customers.²

Despite these fraudsters' blatant dishonesty, these matters were resolved for no money, no notice to victims or competitors, and no findings or admissions of liability. The Truly Organic resolution is a much better approach. The settlement makes it clear that the Commission is committed to consequences for dishonesty and fraud.

I believe it would be helpful for the Commission to codify this approach in a Policy Statement addressing unlawful conduct that is dishonest or fraudulent. In cases involving such conduct, no-money settlements are inadequate, and the Commission should commit itself to exercising its full authority to protect consumers and honest businesses.

¹ Press Release, Fed. Trade Comm'n, FTC Halts Deceptive Mosquito-Repellent Claims for Aromaflage Perfume and Candles (May 3, 2018), <https://www.ftc.gov/news-events/press-releases/2018/05/ftc-halts-deceptive-mosquito-repellent-claims-aromaflage-perfume>.

² Press Release, Fed. Trade Comm'n, Hockey Puck Seller, Companies Selling Recreational and Outdoor Equipment Agree To Stop Making False 'Made in USA' Claims in Separate Actions (Sept. 12, 2018), <https://www.ftc.gov/news-events/press-releases/2018/09/hockey-puck-seller-companies-selling-recreational-outdoor>.