



UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION
WASHINGTON, D.C. 20580

Bureau of Consumer Protection
Division of Enforcement

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August 21, 2023

VIA EMAIL

Ms. Katsiaryna Tarasiuk
Manager and Registered Agent
Levlovs LLC
135 Jenkins St., Suite 105B #208
St. Augustine, FL 32086

Dear Ms. Tarasiuk:

We received your submissions on behalf of Levlovs LLC, also d/b/a Open Harbors Open Hearts LLC (the “Company”). During our review, we discussed concerns that product packaging may have implied the Company’s foreign-origin toys were made in the United States. Specifically, the Company packaged certain dolls in replicas of matchboxes containing “Made in USA” claims as part of their original design.

As you know, both the FTC and U.S. Customs and Border Protection (“CBP”) have responsibilities related to the use of country-of-origin claims. While the FTC regulates claims of U.S. origin under its general authority to act against deceptive acts and practices, 15 U.S.C. § 45(a), and the Made in USA Labeling Rule, 16 C.F.R. Part 323,¹ foreign-origin markings on products are regulated primarily by CBP under the Tariff Act of 1930. Specifically, Section 304 of the Tariff Act, 19 U.S.C. § 1304, requires all products of foreign origin imported into the United States be marked with the name of a foreign country of origin.

The Commission has explained, “regardless of the extent of a product’s other U.S. parts or processing, in order to be considered . . . made in the United States, it is a prerequisite that the product have been last ‘substantially transformed’ in the United States,” as that term is used by CBP. That is, marketers should not make U.S.-origin claims for products CBP requires to be

¹ Effective August 13, 2021, it is a violation of the MUSA Labeling Rule to label any covered product “Made in the United States,” as the MUSA Labeling Rule defines that term, unless 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. See <https://www.federalregister.gov/documents/2021/07/14/2021-14610/made-in-usa-labeling-rule>. Pursuant to 15 U.S.C. § 45(m)(1)(A), the Commission may seek civil penalties of up to \$50,120 per MUSA Rule violation.

marked with a foreign country of origin under 19 U.S.C. § 1304.²

In this case, the Company's dolls were last substantially transformed overseas. Accordingly, to avoid deceiving consumers, the Company covered or eliminated the "Made in USA" claims, confirmed all packages contained appropriate statements of foreign origin, and removed photos showing the "Made in USA" claims on the matchboxes from social media sites and online retailers. As an additional step, the Company added country of origin designations to online product listings.

FTC staff members are available to work with companies to craft claims that serve the dual purposes of conveying non-deceptive information and highlighting work done in the United States. Based on the Company's actions and other factors, the staff has decided not to pursue this investigation any further. This action should not be construed as a determination that there was no violation of Section 5 of the Federal Trade Commission Act, 15 U.S.C. § 45(a), or the Made in USA Labeling Rule, 16 C.F.R. Part 323. The Commission reserves the right to take such further action as the public interest may require. If you have any questions, please feel free to call.

Sincerely,



Julia Solomon Ensor, Staff Attorney



Lashanda Freeman, Senior Investigator

² FTC, *Issuance of Enforcement Policy Statement on "Made in USA" and Other U.S. Origin Claims*, 62 Fed. Reg. 63756, 63768 (Dec. 2, 1997) (the "Policy Statement")