



Office of Commissioner
Rohit Chopra

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

STATEMENT OF COMMISSIONER ROHIT CHOPRA

In the Matter of Patriot Puck
April 17, 2019

George Statler III and his companies doing business as Patriot Puck imported approximately 400,000 hockey pucks from China and subsequently marketed them as Made in America, stealing sales from his competitors who were truthful with their customers.

When settling this matter, Statler negotiated a term which stated that he and his companies “neither admit nor deny any of the allegations....”¹ After the announcement of the settlement, Statler gave an interview that suggested he was the victim, noting, “[w]hat happened to me was unfair and not right.”²

“No-admit, no-deny” clauses have long been controversial.³ Enforcement agencies often agree to exclude formal findings and include these no-admit, no-deny clauses to expedite the resolution of a matter that provides substantial monetary relief.⁴ But, in this case, the Federal Trade Commission did not obtain any meaningful relief for the consumers and competitors harmed by Patriot Puck’s false Made in USA claims.

The Commission should rethink its approach to its “no-admit, no-deny” settlements, particularly when we do not obtain any monetary remedies. Findings of fact, conclusions of law, and admissions can provide injured consumers, competitors, and counterparties with valuable information to seek relief on their own and protect their own interests going forward. Further, they help prevent misleading denials while advancing the public’s interest in knowing the truth.⁵

As the FTC continues its efforts to assess and improve the effectiveness of the agency’s overall enforcement program, it will be important to examine how findings and admissions can enhance accountability when we do not obtain any money from those who flagrantly violate the law.

¹ Agreement Containing Consent Order, In the Matter of Underground Sports Inc. d/b/a Patriot Puck, https://www.ftc.gov/system/files/documents/cases/patriot_puck_order.pdf.

² Ken Schachter, *FTC: LI Firm Sold Chinese Hockey Pucks as '100% American Made'*, *NEWSDAY* (Sept. 12, 2018, 6:45 PM), <https://www.newsday.com/business/ice-hockey-ftc-patriot-puck-farmingdale-1.20969946>.

³ *See, e.g., SEC v. Citigroup Glob. Mkts., Inc.*, 827 F. Supp. 2d 328, 332–335 (S.D.N.Y. 2011) (rejecting a consent decree entered without admissions), vacated, 752 F.3d 285 (2d Cir. 2014); *See also* Verity Winship & Jennifer K. Robbennolt, *Admissions of Guilt in Civil Enforcement*, 101 *MINN. L. REV.* 1077 (forthcoming) (discussing regulators’ approach to admissions in settlements), http://www.minnesotalawreview.org/wp-content/uploads/2018/02/WinshipRobbennolt_MLR.pdf.

⁴ Winship & Robbennolt, *supra* note 3, at 1129 (discussing the impact of fines).

⁵ *Cf. Citigroup*, 827 F. Supp. 2d at 332–335 (rejecting a consent decree entered without admissions and citing “an overriding public interest in knowing the truth” about cases of public significance). Some agencies restrict defendants from making statements that give the impression a complaint is without any factual basis. *See, e.g.*, 17 C.F.R. § 202.5(e) (SEC); 17 C.F.R. Part 10, App’x A (CFTC).