



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

Bureau of Consumer Protection

July 8, 2025

***Via Federal Express and Electronic Mail***

Walmart Inc.  
Attn: Rachel Brand, Esq.  
Executive Vice President of Global Governance,  
Chief Legal Officer and Corporate Secretary  
702 Southwest 8<sup>th</sup> Street  
Bentonville, AR 72716  
Rachel.Brand@walmart.com

**Letter Re: Misleading Made in USA Representations by Third-Party Sellers**

Dear Ms. Brand,

The Federal Trade Commission (“Commission”) is the nation’s consumer protection agency responsible for protecting American consumers from deceptive and unfair acts or practices. As part of the Commission’s consumer protection mission, the Bureau of Consumer Protection (“Bureau”) works to educate businesses, industries, and market participants on how to comply with the laws the Commission enforces. The Bureau understands that Walmart Inc. (“Walmart”) operates an online marketplace in which third-party sellers can advertise, market, promote, or offer for sale products to consumers. The purpose of this letter is to inform Walmart about how the Commission’s truth-in-advertising laws and principles, such as those governing “Made in USA” and similar domestic origin claims, apply to third-party sellers on online marketplaces.

Section 5 of the Federal Trade Commission Act (“FTC Act”) prohibits unfair or deceptive acts or practices in or affecting commerce.<sup>1</sup> Among other things, the FTC Act requires that any representations be truthful, non-misleading, and adequately substantiated.<sup>2</sup> Accordingly, when a third-party seller on an online marketplace makes United States origin claims about its product (e.g., “Made in the USA”), or otherwise claims the product is of domestic origin, the product must be “all or virtually all” made in the United States.<sup>3</sup> This means that “all significant

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<sup>1</sup> 15 U.S.C. § 45.

<sup>2</sup> Fed. Trade Comm’n, *Policy Statement on Deception*, 103 F.T.C. 174 (1984) (appended to *Cliffdale Assocs., Inc.*, 103 F.T.C. 110 (1984)); *Fed. Trade Comm’n v. Direct Mktg. Concepts, Inc.*, 624 F.3d 1, 8 (1st Cir. 2010) (“Where the advertisers lack adequate substantiation evidence, they necessarily lack any reasonable basis for their claims. And where the advertisers so lack a reasonable basis, their ads are deceptive as a matter of law.” (citation omitted)).

<sup>3</sup> Fed. Trade Comm’n, *Issuance of Enforcement Policy Statement on “Made in USA” and Other U.S. Origin Claims*, 62 Fed. Reg. 63756, 63767-78 (Dec. 2, 1997), <https://www.ftc.gov/legal-library/browse/enforcement-policy-statement-us-origin-claims>.

parts and processing that go into the product” are of U.S. origin; the product should contain, at most, only negligible foreign content.<sup>4</sup>

The Commission also enforces the Made in USA Labeling Rule (“MUSA Labeling Rule”), 16 C.F.R. Part 323. It is a violation of the MUSA Labeling Rule to label any product as “Made in the United States” 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.<sup>5</sup> In other words, if a product sold is not “all or virtually all” made in the United States, then a third-party seller may violate Section 5 of the FTC Act or the MUSA Labeling Rule by making a “Made in USA” or other unqualified domestic origin claim about that product on your online marketplace.

Bureau staff have received information that third-party sellers on your online marketplace may be falsely advertising products as being made in the United States. In several instances, third-party sellers have used your online marketplace to make unqualified United States origin claims on product listings, packaging, and labeling, such as by claiming that their products are “Made in the USA” or “100% Made in USA,” even though the third-party seller is based outside the United States<sup>6</sup> or the product listing describes the item as “imported.”<sup>7</sup> Unless third-party sellers can adequately substantiate that “all or virtually all” of a particular product is made in the United States, these types of “Made in USA” claims likely violate Section 5 of the FTC Act and the MUSA Labeling Rule.

The Bureau understands that Walmart requires prospective third-party sellers to adhere to certain Marketplace Seller terms and conditions before they can advertise and sell products on your online marketplace.<sup>8</sup> In particular, Walmart’s Marketplace Seller Code of Conduct requires

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<sup>4</sup> *Id.* at 63768. The Commission analyzes several factors to determine whether a product is “all or virtually all” made in the United States, including the proportion of the product’s total manufacturing costs attributable to U.S. parts and processing, how far removed any foreign content is from the finished product, and the importance of the foreign content or processing to the overall function of the product. *See id.* at 63768-69.

<sup>5</sup> 16 C.F.R. § 323.2.

<sup>6</sup> *See, e.g.*, “BenShot 'Merica Rocks Glass with Real 0.45ACP Bullet - 11oz | Made in the USA [Set of 2],” *Walmart*, (July 7, 2025) (China-based seller advertising whiskey glasses as “Made in the USA”), <https://www.walmart.com/ip/BenShot-Merica-Rocks-Glass-with-Real-0-45ACP-Bullet-11oz-Made-in-the-USA-Set-of-2/16687674508>; “Made in USA heat resistant Spaghetti Pasta Serving Utensil,” *Walmart*, (July 7, 2025) (foreign seller claiming serving utensil is “Made in USA”), <https://www.walmart.com/ip/Made-in-USA-heat-resistant-Spaghetti-Pasta-Serving-Utensil-13inch-Teal-14DK129/2070622452>.

<sup>7</sup> *See, e.g.*, “3x5 American Flag Outdoor Heavy Duty, 100% Made in USA,” *Walmart*, (July 7, 2025) (third-party seller, Lantai, marketing flag as “100% Made in USA” despite specifications on product page identifying country-of-origin as “imported”), <https://www.walmart.com/ip/3x5-American-Flag-Outdoor-Heavy-Duty-100-Made-in-USA-US-Flag-3x5-ft-USA-Flag-with-Embroidered-Stars-and-Sewn-Stripes-Brass-Grommets/2790699714>; “QLASH 3x5 ft US American Flag Embroidered Stars, Sewn Stripes, Heavy-Duty Nylon Outdoor Flag with Brass Grommets for Home and Garden,” *Walmart*, (July 7, 2025) (advertising flags as “Made in USA” despite specifications on product page identifying country-of-origin as “imported”), <https://www.walmart.com/ip/QLASH-US-American-Flag-3x5ft-Outdoor-Quality-Made-USA-Flag-Embroidered-Star-Stitched-Stripe-US-Flags-Heavy-Duty-Nylon-Brass-Grommets-House-Decor/629717027>.

<sup>8</sup> *See, e.g.*, “Marketplace Seller Code of Conduct,” *Walmart*, (Mar. 11, 2025), <https://marketplacelearn.walmart.com/guides/Policies%20&%20standards/Performance/Marketplace-Seller-Code->

third-party sellers to “provide accurate and current information to Walmart in Seller Center and to customers on [their] Marketplace listings”<sup>9</sup> and prohibits “unfair activities or disrespectful behavior” including “[p]roviding misleading or inaccurate information to Walmart or the customer.”<sup>10</sup> Based on our understanding of your policies, and our awareness of potential law violations, I write to bring this matter to your attention so Walmart can monitor, identify, and take corrective action against third-party sellers who make false or misleading “Made in USA” claims on your online marketplace in violation of the FTC Act, MUSA Labeling Rule, and Walmart’s Marketplace Seller terms and conditions.

This letter does not reflect any assessment as to whether Walmart has engaged in conduct violative of the FTC Act or the MUSA Labeling Rule. The Bureau is also communicating with other companies about similar conduct. If you have any questions about this letter, please contact Michelle Schaefer ([mschaefer@ftc.gov](mailto:mschaefer@ftc.gov)) or Lashanda Freeman ([lfreeman@ftc.gov](mailto:lfreeman@ftc.gov)) in the Bureau’s Division of Enforcement.

Very truly yours,



Christopher Mufarrige  
Director, Bureau of Consumer Protection  
Federal Trade Commission

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of-Conduct; “Comprehensive Walmart Marketplace Program Retail Agreement,” *Walmart*, (July 25, 2022), [https://seller.walmart.com/dist/assets/files/contracts/signup/Comprehensive\\_Walmart\\_Marketplace\\_Program\\_Retailer\\_Agreement\\_FINAL\\_072522.pdf](https://seller.walmart.com/dist/assets/files/contracts/signup/Comprehensive_Walmart_Marketplace_Program_Retailer_Agreement_FINAL_072522.pdf).

<sup>9</sup> Walmart Seller Code of Conduct, *supra* note 8, at § 2.

<sup>10</sup> *Id.* at § 1.