

March 11, 2016

VIA OVERNIGHT MAIL AND EMAIL

Denise Turner Roth, Administrator Katy Kale, Chief of Staff U.S. General Services Administration 1800 F Street, NW Washington, D.C. 20405

Re: Numerous Made in USA misrepresentations on GSA Advantage!® website

Dear Ms. Roth and Ms. Kale:

An investigation into the U.S. General Services Administration's online shopping and ordering system – GSA Advantage!® – has revealed numerous inaccurate "Made in the United States of America" representations on its website, <u>www.gsaadvantage.gov</u>. Specifically, Truth in Advertising, Inc. ("TINA.org") has compiled a sampling of more than 100 errors on the GSA Advantage!® site, which supplies products and services to other federal agencies, the District of Columbia, state and local governments, and certain nonprofit agencies, among others. This sampling of errors – which is available in its entirety at <u>www.truthinadvertising.org/gov-database/</u> – ranges across various product types, including numerous food service products and printer cartridges, and includes products that are actually entirely made in China, Japan, Mexico, the Philippines, Singapore, and elsewhere despite being incorrectly labeled as wholly USA-made.

Though TINA.org does not have any evidence to suggest that such errors were the result of intentional acts by the GSA, it has now been almost two months since U.S. Senator Charles Schumer put the GSA on notice that misrepresentations of this kind existed and urged the GSA to remove the errors, yet a plethora of false Made in the United States representations still exist.¹ This failure to fully and timely correct the false product labels is not only concerning but contrary to truth in advertising laws.

¹ January 21, 2016 Press Release from the Office of U.S. Senator Charles E. Schumer, available at <u>https://www.schumer.senate.gov/newsroom/press-releases/schumer-feds-are-currently-listing-flatware-and-other-products-made-by-companies-as-american-made-when-they-are-actually-produced-overseas-putting-companies-that-manufacture-in-us-like-sherrill-manufacturing-in-</u>

In addition, regardless of intent or prior notice, the GSA – which reported \$19.5 billion in revenue last year, approximately \$8 billion of which came primarily from its provision of products and services² – has a continuing obligation to review the information that is published about the products it lists for sale and ensure that such information is accurate in order to avoid misleading its customers and disadvantaging its competitors.

With respect to country of origin labels specifically, such information can have a significant impact on purchasing decisions. In fact, surveys in recent years have shown that 78% of Americans would rather buy American-made products than ones made abroad, and more than 80% are willing to pay more for "Made in the USA" products than their foreign counterparts.³ Such a preference may even be heightened when the consumer at issue is the United States government and its employees.

In short, the GSA's multiple errors are misleading its customer base and have impacted competitors who correctly label certain products as made in foreign countries while the GSA incorrectly labels the very same products as made in the USA, thereby driving business away from the competitor.⁴ These errors must be corrected immediately and a mechanism should be put in place to ensure that these types of mistakes do not happen again in the future.

Sincerely,

Laura Smith, Esq. Legal Director Truth in Advertising, Inc. lsmith@truthinadvertising.org

central-ny-at-a-disadvantage senator-pushes-feds-to-review-made-in-america-listings-immediately-remove-companies-that-are-falsely-listed.

² Agency Financial Report, Fiscal Year 2015, available at <u>http://www.gsa.gov/portal/content/120130</u>, and Summary of Performance and Financial Information, Fiscal Year 2015, available at <u>http://www.gsa.gov/portal/mediaId/124002/fileName/FY2015_AFR_Performance_Summary_02-</u> 17-2016 (508 Compliant).action.

³ Nov. 15, 2012 Press Release, "U.S. and Chinese Consumers Willing to Pay More for Made in USA Products," <u>https://www.truthinadvertising.org/wp-content/uploads/2015/07/BCG-Press-Release-U....or-Made-in-USA-Products.pdf</u>; Knowing Which Products are Truly Made in America: How to know which flag-waving products are true red, white, and blue, Consumer Reports, February 2013, <u>http://www.consumerreports.org/cro/magazine/2013/02/made-in-america/index.htm</u>.

⁴ In fact, a GSA competitor filed a complaint with TINA.org in expressing his concern regarding the impact such mislabeling has had on his business.

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