



Testimony before the Kansas Commerce, Labor, and Economic Development Committee
H.B. 2433 – Adopt the INFORM Consumers Act
Supportive Testimony by Ryan Irsik, Director – Walmart Public Affairs & Government Relations

March 18, 2021

Mr. Chairman and members of the Committee:

Walmart strongly supports the passage of the INFORM Consumers Act, H.B. 2433 in Kansas, an important piece of legislation that would increase transparency and accountability on online marketplaces. This bill is needed to address the serious concern of stolen and counterfeit goods on online marketplace platforms and to protect consumers in your state.

The U.S. Department of Homeland Security (DHS) has estimated that counterfeit and pirated goods now represent more than \$500B in global trade¹. In recent years, seizures of infringing goods at U.S. borders have increased significantly to nearly 33,000 in FY2019². In some instances, items are falsely labeled, made from substandard materials, or do not meet U.S. safety regulations.

As both a brick and mortar retailer and an online marketplace operator, we believe this bill's seller disclosure and verification requirements are best practices for all marketplaces and are needed to empower consumers and law enforcement officials to reduce fraudulent sales. This bill does not harm law-abiding small sellers but rather would make it harder for bad actors to compete with lawful sellers by deceiving and defrauding customers in your state.

Federal and state laws are already in place and enforced against brick and mortar retailers who sell fraudulent items in a physical retail environment. As DHS notes, "the U.S. brick and mortar retail store economy has a well-developed regime for licensing, monitoring, and otherwise ensuring the protections of intellectual property rights..."³ This bill addresses the problem of insufficient transparency and accountability that is specific to online marketplaces that do not adhere to best practices of seller information disclosure and verification.

Walmart is proud to employ over 19,000 associates in Kansas, across 83 retail locations and 1 distribution center. Walmart also spent over \$577.1 million with local suppliers and donated \$8.2 million to charitable organizations in communities throughout Kansas in 2020. As we continue to invest in Kansas communities, we are also striving to maintain the trust and confidence of our online customers – we believe all online marketplaces should do the same.

Thank you for your consideration.

Best Regards,

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¹ U. S. Department of Homeland Security. (2020). "Combatting Trafficking in Counterfeit and Pirated Goods: Report to the President of the United States."

² Ibid.

³ Ibid.