INFORM CONSUMERS ACT WILL ENHANCE ACCOUNTABILITY ONLINE AND PROTECT AMERICANS

The Issue: As consumers increasingly turn to online marketplaces for goods and services, they are endangered by platforms that allow the sale and distribution of counterfeit, illegal, and hazardous items. Criminals benefit from an absence of oversight and transparency, as well as enforcement gaps that allow them to exploit unknowing consumers for profit—at the cost of public health and trust. Unwitting buyers will continue purchasing dangerous and even deadly counterfeit products unless online platforms take action. Congress must better protect American consumers by enacting legislation to enhance accountability and promote safety and transparency online.

The Solution: The Alliance for Safe Online Pharmacies (ASOP Global) supports structural and policy reforms that will increase online retailers' accountability and transparency by requiring marketplaces to collect and verify vendor information. Legislation such as S.936, the Integrity, Notification, and Fairness in Online Retail Marketplaces for Consumers Act (the INFORM Consumers Act), will expose bad actors selling counterfeit, illegal, and dangerous goods and will lift the veil of anonymity that allows them to exploit consumers while avoiding consequences. The bipartisan bill, sponsored by Sens. Dick Durbin (D-IL) and Bill Cassidy (R-LA), will make relevant identification and contact information for high-volume third-party sellers accessible to buyers so they know the source of the items they are purchasing. This common-sense regulation will make it harder for criminals to exploit consumers while also arming enforcement agencies with the resources and authority to identify and punish bad actors.

Online Criminals Exploit Consumers Without Regard for Health and Safety

- Cybercriminals hide behind a shield of anonymity, evading responsibility while damaging legitimate brands' reputations and supporting organized crime.
- Online consumers often face dangerous and deadly consequences when they unknowingly purchase these illicit and counterfeit goods, posing a serious risk to their health and safety.
- Fraudulent goods encompass a \$600 billion criminal enterprise, according to a recent Department of Homeland Security report.

Online Marketplaces Fail to Protect Consumers

- Consumers must be able to identify the source of their online purchases, to distinguish legitimate goods from counterfeits.
- Online marketplaces often profit from the sale and distribution of counterfeit and illegal products, giving them little reason to self-regulate.
- <u>Nearly half of consumers (45%)</u> erroneously believe that the FDA or state regulators have approved websites offering healthcare and/or prescription medications online —and that figure jumps to 59% among those who have bought online.

New Federal Policy Will Protect Consumers and Restore Trust

- The INFORM Consumer Act will help ensure that criminals can no longer act with impunity online, exposing them and holding them accountable for bad behavior.
- This bipartisan legislation simply requires platforms to verify who is selling products through their marketplaces and to ensure consumers can contact high-volume sellers.

We need legislation that prioritizes American consumers' health and safety over online retailers' profits. Please visit ASOP Global's website for additional information on <u>Internet Accountability</u>.

ABOUT ASOP GLOBAL

The Alliance for Safe Online Pharmacies (ASOP Global), a 501(c)(4) nonprofit organization headquartered in Washington, D.C. with activities in U.S., Canada, Europe, Latin America, and Asia, is dedicated to protecting consumers around the world, ensuring safe access to medications, and combating illegal online drug sellers.