



**Makers and
Merchants Coalition**
Virtual Markets, Real People

Learn the Facts

The INFORM Consumers Act is Bad News for Online Sellers



The INFORM Consumers Act is an inappropriately named bill that Big Retail is advancing to the detriment of small online retailers. It is designed to require new online retail burdens and not apply them to Big Retail's brick-and-mortar stores.

The "INFORM Act" is portrayed by Big Retail as a solution to organized retail crime that "protects consumer rights." In reality, this bill does nothing but hurt small, legitimate online sellers who are trying to supplement their income or build their small business through online marketplaces. Similar legislation has been pressed – and rejected – in more than a dozen states across the country.

Retail Knows This. According to their own retail survey, they cite problems like changes in shoplifting laws and relaxed law enforcement guidelines for the increases in organized retail crimes. So why the rush to pass this legislation?

Because this bill represents a market share grab by retail giants like Walmart and Home Depot that are trying to stifle the competition of small business and individual sellers during a time when we are repairing an already fragile economy. The INFORM Act threatens the privacy and safety of hundreds of thousands of online merchants. Should this legislation pass, the only "winners" would be shareholders of big box retail giants. Everyone else—consumers, online merchants, and local economies alike—would lose.

Does organized retail crime exist? Of course. But does that mean honest, hardworking small business owners who sell online should have to pay the price? Of course not.

Privacy



Many online retailers rely on Virtual Main Street for supplemental income, and don't have business addresses or telephone numbers. The INFORM Act would require online merchants who work from home to publish their home addresses and telephone numbers.

Requiring online sellers to provide personal information on their online listings would force them to choose between continuing to sell online and their personal privacy and safety.

“If you go to the Nike store and buy a pair of shoes, it's not like they display the home address and phone number of Nike's CEO at the entrance. Why should it be any different for me or the students I coach?”

— Eric Neal, Elite E-Commerce Coaching, Georgia

Economy



Online commerce has been a cornerstone to our country's economic recovery from the COVID-19 pandemic. If passed, The INFORM Act will force small, online sellers to choose between their income and the privacy risks this legislation presents.

The virtual marketplace represents over **10%** of American GDP, supporting both local and nationwide economies, and is estimated to contribute **\$4.8 trillion** in global sales in 2021.

“The prospect of having to reveal my home address or other personal details to the public just to operate my business is an unacceptable risk. Bad actors exist online, but this isn't the solution to address it.”

— Greg Modica, Founder and President of Government Supply Services, Arkansas



Honest Trade

Bad actors exist in both the physical and online realms, but the INFORM Act would accomplish next to nothing to fight stolen goods and fraud at the source: brick-and-mortar retail establishments. Serious attempts to curb organized retail crime requires all stakeholders – Big Retail included – at the table.

Even retail companies know that small online sellers aren't the problem. Instead, they cite problems like changes in shoplifting laws and relaxed law enforcement guidelines for the increases in organized retail crimes.

Most online retailers already have powerful anti-counterfeiting technologies in place. In 2019, Amazon proactively blocked over **2.5 million** suspected bad actor accounts, while Etsy removed or disabled **470, 533** bogus listings—all without governmental overreach.

“I'm very careful to keep my personal information off the internet, and I'm not comfortable with my home address and other identifiable information being displayed prominently on every item I have listed.”

—Jessica Pate, online seller



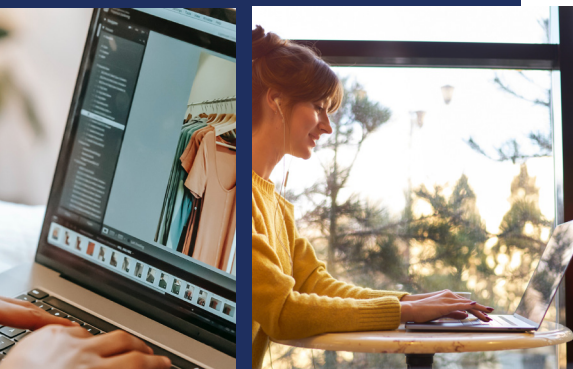
Biased Legislation

The INFORM Act is a non-solution to a serious problem as it ignores the primary source of this criminal activity: theft at retail establishments. This legislation puts NO requirements on brick-and-mortar stores.

S. 936's definition of “high volume sellers” is ridiculous. 200 sales resulting in **\$5,000** over the course two years is not “high volume.” That translates to just four transactions, or \$13.89, in sales per week.

“It is tough enough to start a business as it is, but to then tip the scale on behalf of our largest competitors is clearly biased.”

— Gregory Modica, President and CEO of online business Governmental Supply Services, Arkansas



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The Makers and Merchants Coalition opposes S. 936 and state legislation that mirrors it and urges online consumers and sellers alike to raise their voice against this biased, harmful legislation.

To learn more, please visit
makersandmerchantscoalition.com

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