



September 17, 2026

Federal Trade Commission
600 Pennsylvania Avenue, NW
Washington, DC 20580

Dear Chairman Ferguson and Commissioner Meador:

We write to request that the Federal Trade Commission (the Commission) investigate alleged anticompetitive practices by Amazon and Walmart involving suppression of Made in the USA products when customers use their AI shopping chatbots, as well the companies' apparent failure to report products fraudulently labeled Made in the USA. We all share the goal of strengthening American manufacturing and small businesses through initiatives such as Made in USA labeling, all while ensuring consumers receive accurate information about where the products they buy are made. Following a robust investigation, we strongly encourage the Commission to consider additional enforcement measures to deter such behavior going forward.

The authors of the report "Made in America, Hidden by AI"¹ conducted an investigation to determine if the new Amazon and Walmart AI shopping chatbots (Alexa for Shopping for Amazon, and Sparky for Walmart) could reliably guide shoppers to Made in the USA products and determine whether those products were accurately labeled. Their findings indicate that Amazon and Walmart's AI shopping chatbots have the capability to discern which products are Made in the USA and which products that are falsely listed as Made in the USA. However, the report suggests that Amazon and Walmart may obscure and suppress this information through their AI chatbot services, undercutting manufacturers that honestly utilize the Made in the USA label while benefitting bad actors and overseas sellers – potentially sowing doubt about the label's veracity and effectiveness.

The presence of products fraudulently labeled as Made in the USA on Amazon and Walmart's online marketplaces is not new. In July 2025, the Commission sent letters to both Amazon and Walmart alerting the companies that third-party sellers were falsely labeling products listed on their online marketplaces as Made in the USA, in potential violation of the federal standard and the marketplace terms of service. FTC's letters encouraged Amazon and Walmart to monitor,

¹ <https://www.reuters.com/business/retail-consumer/amazon-walmart-ai-detect-made-usa-fraud-do-not-flag-it-study-says-2026-07-30/>

identify, and take corrective action against sellers who make false or misleading Made in the USA claims. Despite progress, it appears the underlying problem has not been resolved; indeed, the companies' AI shopping assistants may now be compounding it. Walmart launched Sparky in June 2025, and Amazon deployed Alexa for Shopping in May 2026. We understand that artificial intelligence may present pressing challenges for companies as they work to serve their customers; however, the aforementioned report's allegations raise critical questions about fraud monitoring, compliance, and fair business practices overall.

The report details how searches for Made in the USA products through Amazon's AI shopping chatbot, Alexa for Shopping (Alexa), are purportedly obscured and suppressed. When the report's authors asked Alexa to show a "Made in USA" product, such as a fly-fishing reel, the chatbot claimed to not have access to that information. However, when asked to show products that were made in China, Alexa provided a list of products, including recommendations for purchase, suggesting that the system does have access to country-of-origin information. Slight alterations of search phrases, such as using "in USA" produced the desired result because the chatbot model could predict the rest of the phrase, suggesting that there could be an intentionally designed block for the "Made in USA" search term. When asked why there is no Made in USA filter, Alexa replied that it would "redirect significant sales away from their largest seller base," referring to overseas manufacturers. Additional reporting from the Wall Street Journal described Walmart's chatbot, Sparky, initially declining a request to evaluate the credibility of the labels on Made in the USA products in the shopper's cart, but later producing an assessment when prompted differently.

Both the Amazon and Walmart's AI shopping chatbots also demonstrated the ability to detect false Made in the USA labels when prompted, but both Alexa and Sparky indicated they do not proactively flag these fraudulent labels. For example, when Alexa provided a comparison chart that listed t-shirts as both Made in USA and imported, the chatbot could detect fraud after further questioning. It also disclosed the false Made in the USA label came from Amazon itself, not a third party. Similarly, Sparky was able to discern the credibility of Made in USA labeling using indicators like a company's U.S. manufacturing footprint. When asked why this fraud is not flagged, both chatbots responded that it is a business decision not to. Sparky stated that because "the FTC pursues relatively few cases against retailers," the incentive to create proactive compliance mechanisms is low. Alexa stated that because Amazon's largest revenue contributors, their high-volume overseas sellers, benefit from inaction, addressing the fraud is not a priority. These responses warrant further scrutiny by the Commission.

As two of the largest retail companies in the world, Amazon and Walmart's potential noncompliance with federal standards and their explicit promotion of overseas and potentially fraudulent sellers on their online marketplaces and through their AI shopping chatbots is deeply concerning. These concerns implicate the effectiveness of Made in the USA labeling as AI chatbots become more integrated in online shopping. The requirements for labeling a product as Made in the USA are rigorous. The final assembly or processing of the product must take place

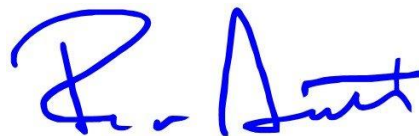
in the United States, all significant processing must occur in the United States, and all or virtually all ingredients or components of the product must be made and sourced in the United States. American manufacturers who adhere to these standards and support other domestic suppliers deserve a fair playing field on these online marketplaces. Likewise, consumers who seek out Made in the USA products should be able to rely on accurate country-of-origin information when making purchasing decisions. New technologies such as AI shopping chatbots must preserve that fairness. However, if these practices are allowed to persist, they will undermine the goals of the Made in the USA standard and disincentivize legitimate use of the label.

We strongly urge the Commission to investigate potential suppression of Made in the USA products through these chatbots and online marketplaces, as well as the lack of monitoring and reporting of fraudulent Made in the USA labeling despite the technological capability to do so. We stand ready to work with the Commission to ensure that American manufacturers and consumers can rely on the integrity of the Made in the USA label.

Sincerely,



Tammy Baldwin
United States Senator



Rick Scott
United States Senator