

FTC Sweep Signals Increased 'Made In USA' Claim Scrutiny

By **Daniel Savrin, Caitlin Zeytoonian and Noah Beckert-McGirr** (June 4, 2026, 1:40 PM EDT)

In April, the Federal Trade Commission announced a coordinated enforcement sweep targeting allegedly deceptive "Made in USA" claims, signaling increased scrutiny of U.S.-origin advertising across industries.

The sweep follows President Donald Trump's March 13 executive order directing the FTC to prioritize enforcement against false or misleading American-origin claims, and comes as companies ramp up patriotic marketing campaigns ahead of the U.S.'s 250th anniversary in July.

"Made in USA" claims, also referred to as U.S. origin claims, are claims that call out or emphasize a brand, product or service's domestic origin, affiliation or presence.[1] Since then, regulatory enforcement and private litigation involving these claims have continued to increase, driven in part by renewed focus on domestic manufacturing, increased regulatory action and the continued prospect of litigation.

On July 1, 2025, FTC Chair Andrew Ferguson declared July as "Made in the USA Month," reiterating the commission's commitment to protecting consumers from deceptive origin claims. That same month, the FTC issued warning letters to companies reminding them to comply with the FTC's "Made in USA" requirements. As noted below, two of those letters proved to be a preview of formal enforcement actions to come.

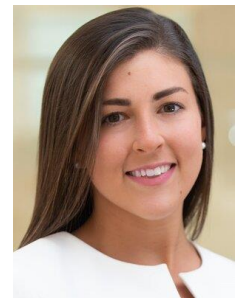
The National Advertising Division has also been active in this space, reviewing challenges and initiating inquiries involving potentially misleading "Made in USA" representations against companies. The NAD's decisions have reinforced the FTC's "all or virtually all" standard, which requires that "all significant parts and processing that go into the product" are of U.S. origin.[2] Under the standard, a product advertised as "Made in the USA" should contain, at most, only negligible foreign content.

On the litigation front, in the landmark April 2025 verdict by the U.S. District Court for the Central District of California in *Banks v. R.C. Bigelow Inc.*, a California jury awarded \$2.36 million in damages to tea buyers in California who brought a class action against a prominent tea manufacturer for labeling its tea products (which are made from imported tea leaves) as "Manufactured in the USA 100%."[3]

New "Made in USA" class actions have continued to be filed at an elevated rate, with more than 20 filed



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in 2025.

At the policy level, on Jan. 13, Trump nominated David MacNeil — founder and CEO of WeatherTech and a longtime advocate for domestic manufacturing — to fill a vacant seat on the commission. The nomination was widely regarded as a signal that "Made in USA" enforcement would remain an FTC priority.

Just two months later, Trump issued Executive Order No. 14392 to combat fraudulent "Made in USA" claims in advertising.[4] The order directs Ferguson to prioritize enforcement against sellers and manufacturers making false or unsubstantiated American-origin claims wherever appropriate.[5]

April's Enforcement Sweep: Overview and Key Takeaways

On April 14, the FTC announced a coordinated enforcement sweep involving three law enforcement actions against companies alleged to have made deceptive "Made in USA" claims.

Of note, two of the companies — Americana Liberty LLC and Three Nations LLC (collectively, Americana Liberty) and Oak Street Manufacturing Company LLC — were recipients of the FTC's July 8, 2025, warning letters.

In each case, the FTC alleged violations of Section 5 of the FTC Act and the Made in USA Labeling Rule — and in one case, additional violations of the Textile Fiber Products Identification Act and rules — on the grounds that the companies made unqualified "Made in USA" claims despite relying on imported components or foreign manufacturing processes.

Each matter was resolved through a stipulated order entered in federal court, pursuant to which the defendants — without admitting or denying the allegations — agreed to injunctive provisions restricting future origin claims, ongoing substantiation and compliance obligations, and monetary relief, including one settlement imposing the largest consumer redress payment to date under the Made in USA Labeling Rule.[6]

This article discusses each in turn below.

TouchTunes Music Company LLC

In *FTC v. TouchTunes Music Co. LLC*, in the U.S. District Court for the Southern District of New York, the FTC alleged that TouchTunes falsely marketed its electronic dartboards as "Made in the USA," despite the fact that many components essential to the products' function — including computer chips, cameras and flat-screen monitors — were manufactured outside the U.S.

Although TouchTunes completed final assembly domestically, the FTC took the position that this did not satisfy the "all or virtually all" standard. The matter was resolved with a stipulated order requiring \$625,000 in consumer redress, the largest ever obtained under the Made in USA Labeling Rule, along with prohibitions on future misrepresentations and a consumer notice requirement.

Americana Liberty

Following its issuance of a July 8, 2025, warning letter, the FTC brought an action against Americana Liberty and Three Nations, as well as their individual principals, alleging that they repeatedly and

prominently advertised American flags, U.S. military flags and patriotic flag display accessories using claims such as "Made in the USA," "All-American Made," "100% Made in the USA," "100% American Made Tough" and "Built by Americans for Americans."

And in *FTC v. Americana Liberty LLC*, in the U.S. District Court for the Southern District of Florida, the FTC alleged that several of the products were wholly imported from China, and others contained significant Chinese-sourced components. The defendants also allegedly violated the Textile Fiber Products Identification Act and rules by failing to include mandatory country-of-origin disclosures on their flag labeling. The matter was resolved with a stipulated order requiring \$167,743 in consumer redress, along with prohibitions on future misrepresentations, a requirement of certain disclosures concerning textile fiber products, and a consumer notice requirement.

Oak Street Manufacturing

The sweep also targeted Oak Street Manufacturing, which, like Americana Liberty, received a July 8, 2025, warning letter concerning its "Made in USA" claims.

In *FTC v. Oak Street Manufacturing Co. LLC*, in the U.S. District Court for the Northern District of Illinois, the FTC alleged that Oak Street deceptively marketed its boots, loafers, moccasins and other footwear as "Handcrafted in the USA," "handcrafted 100%" in the U.S., made "from heel-to-toe, using no pre-assembled components from overseas" and "More than Made in USA."

According to the complaint, Oak Street's products incorporated imported components and foreign manufacturing, including uppers manufactured in the Dominican Republic, outsoles sourced from Brazil, and, for certain products, final assembly performed outside the U.S.

The matter was resolved with a stipulated order requiring \$75,000 in consumer redress, along with prohibitions on future misrepresentations, restrictions on future U.S.-origin and country-of-origin claims, and ongoing compliance obligations.

In addition to the three enforcement actions, the FTC issued closing letters to two companies that had been under investigation for making unqualified "Made in USA" claims without proper substantiation or support. The closing letters serve as a reminder that proactive responsiveness to FTC outreach can, in appropriate circumstances, resolve potential compliance concerns short of formal enforcement.

However, as stated in its April press release, the FTC warned both companies that it "reserves the right to monitor and take further action, including potentially filing a federal lawsuit."^[7]

Key Takeaways

The April enforcement actions reflect a more exacting and increasingly costly approach to "Made in USA" claims. Below are key takeaways for companies to consider.

Component-Level Scrutiny and the Limits of Domestic Assembly

The enforcement actions reinforce that final assembly in the U.S. does not, by itself, support an unqualified "Made in USA" claim. In *TouchTunes*, for example, the FTC alleged that U.S.-assembled electronic dartboards were deceptively marketed as "Made in USA" when key components — including processing hardware, imaging systems and display units — were sourced abroad.

TouchTunes serves as a reminder that domestic final assembly is not a safe harbor. Companies should expect continued scrutiny of supply chains at the component level, particularly where imported inputs are central to the performance or identity of the product.

Warning Letters as a Precursor to Enforcement

The progression from 2025 warning letters to 2026 enforcement actions illustrates the FTC's use of a staged enforcement approach and underscores the potential consequences of failing to respond adequately.

Both Americana Liberty and Oak Street Manufacturing received warning letters months before the formal complaints were filed, and failed to take sufficient corrective action in the interim. Companies that receive FTC warning letters regarding "Made in USA" claims or other conduct should assess claims promptly, evaluate substantiation and take corrective action where necessary.

Individual Liability

Americana Liberty reinforces that the FTC may look beyond the corporate entity when individual owners or officers are alleged to have participated in, directed or controlled the challenged advertising conduct. In addition to pursuing action against the companies, the FTC sought to hold the companies' individual principals liable — alleging that they falsely advertised and labeled patriotic flag displays and related products as "Made in the USA."

Companies should be mindful of individual exposure for officers, owners and other responsible personnel.

Broad Applicability Across Industries

The FTC's sweep spanned three distinct product categories, including consumer electronics, patriotic textiles and footwear. In each case, the FTC challenged representations made through a range of marketing channels, including product labeling, online advertising and digital sales platforms.

The breadth of the sweep highlights that FTC scrutiny is not limited to any particular industry or product type. Any company making U.S.-origin representations in advertising, labeling, product listings, social media or other digital marketing materials may face similar scrutiny, regardless of industry or distribution model.

Escalating Monetary Stakes

The \$625,000 redress obtained in TouchTunes marks the largest consumer redress to date under the Made in USA Labeling Rule, and the approximate \$867,000 in aggregate relief across the three actions reflects a clear willingness by the FTC to pursue meaningful monetary remedies for unsupported origin claims.

These outcomes, coupled with the \$2.36 million jury verdict in Bigelow, underscore that the financial exposure associated with "Made in USA" claims has increased materially across both regulatory and private litigation contexts. Companies should expect that unqualified or inadequately substantiated origin claims may result in parallel enforcement risk, including FTC action and follow-on civil litigation.

Beyond the "Made in USA" Rule

The enforcement actions also confirm that "Made in USA" compliance does not operate in isolation. In *Americana Liberty*, the FTC paired its "Made in USA" allegations with claims under the Textile Fiber Products Identification Act and its implementing rules, based on the failure to include required country-of-origin disclosures on textile products.

This approach reflects a broader enforcement posture in which U.S.-origin claims are assessed alongside other applicable labeling and disclosure requirements. Companies should therefore evaluate "Made in USA" representations in conjunction with product-specific regulatory regimes, particularly where overlapping disclosure obligations may independently require qualification or clarification of origin claims.

Looking Ahead

The FTC's April sweep signals that "Made in USA" enforcement will remain a near-term priority, backed by existing statutory authority, the March executive order, and agency leadership that has demonstrated a continued focus on promoting domestic manufacturing through accurate origin claims.

The agency's willingness to seek monetary relief, coupled with its use of warning letters as part of a broader enforcement pipeline, reflects a more structured and proactive approach to policing U.S.-origin claims.

Companies should expect continued scrutiny of both traditional and digital marketing channels, coupled with sustained focus on supply chain transparency and claim substantiation. As enforcement expectations evolve, companies that proactively reassess their U.S. origin claims, ensure alignment between marketing and manufacturing realities, and implement clear, well-substantiated messaging will be better positioned to mitigate risk in this environment.

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[1] <https://www.morganlewis.com/pubs/2025/05/made-in-usa-claims-compliance-refresher-and-best-practices>.

[2] Fed. Trade Comm'n, Issuance of Enforcement Policy Statement on "Made in USA" and Other US Origin Claims, 62 Fed. Reg. 63756, 63767-78 (Dec. 2, 1997). In determining whether a product is "all or virtually all" made in the United States, the Commission analyzes several factors, including the proportion of the product's total manufacturing costs attributable to US parts and processing, how far removed any foreign content is from the finished product, and the importance of the foreign content or processing to the overall function of the product. See *id.* at 63768-69.

[3] *Banks v. R.C. Bigelow, Inc.*, No. 2:20-CV-06208-DDP-RAOX, 2025 WL 1527373, at *1 (C.D. Cal. May 29,

2025) ("the Court enter judgment in favor of Plaintiffs and the Class and against Bigelow in the amount of the jury verdict of \$2,360,744, plus prejudgment interest of \$983,062 for a total judgment of \$3,343,806.").

[4] <https://www.whitehouse.gov/presidential-actions/2026/03/ensuring-truthful-advertising-of-products-claiming-to-be-made-in-america/>.

[5] The executive order further directs Chair Ferguson to consider new rulemaking that would require online marketplaces to establish procedures for verifying country-of-origin claims made by third-party sellers.

[6] Federal Trade Commission v. TouchTunes Music Co., LLC, No. 1:26-cv-03015 (S.D.N.Y. Apr. 2026) (stipulated order); Federal Trade Commission v. Americana Liberty LLC, No. 26-cv-61085-DSL (S.D. Fla. Apr. 2026) (proposed stipulated order); Federal Trade Commission v. Oak Street Mfg., LLC, No. 1:26-cv-04132 (N.D. Ill. Apr. 2026) (proposed stipulated order).

[7] <https://www.ftc.gov/news-events/news/press-releases/2026/04/ftc-announces-made-usa-sweep-including-three-law-enforcement-actions-protect-american-consumers>.