



**Testimony on House Bill 1594  
Consumer Affairs Committee  
Pennsylvania House of Representatives  
October 6, 2021**

My name is Caroline Joiner, Sr. Manager of Public Policy at Amazon. We're proud to say we've invested \$17 billion in Pennsylvania since 2010, and we've created more than 25,000 jobs.

There are also more than 50,000 Pennsylvania small and medium business sellers growing their businesses with Amazon. At Amazon, supporting small- and medium-sized businesses is a fundamental part of our work and an extension of our customer-centric culture. Today, 60% of physical products sold in our store come from millions of small and medium businesses, and those businesses have created over a million jobs and opportunities in their communities.

Amazon shares the goal of holding bad actors accountable, while also protecting consumers and honest entrepreneurs. However, HB 1594 is not the right approach to fighting organized retail theft. We know that fraudsters will go to extreme lengths to hurt honest entrepreneurs and consumers. That's why Amazon has the processes, technology, and teams in place to protect our sellers and customers by preventing fraudulent activity before it occurs. We leverage advanced technology and expert investigators to verify a potential seller's identity and ensure that only authentic and legal products are sold in our store.

Our seller verification system analyzes hundreds of unique data points to verify a prospective seller's information and identify potential risks, including looking at the seller's IP address to determine whether they are using a private network to hide their location. We also connect with the person one-on-one through live video chat. Once a selling partner is verified, we consistently monitor accounts and require additional documentation to list certain products.

We block accounts belonging to suspected bad actors before they even publish a single listing. In 2020, we stopped more than 6 million attempts to create selling accounts and blocked more than 10 billion suspected bad listings before they were published to our stores. We also continually monitor our store for signs of concern, including the more than 60 million pieces of customer feedback we receive each week.

Amazon has zero tolerance for the listing of stolen goods in our store. We work closely with law enforcement, retailers, and brands to stop bad actors and hold them accountable, including withholding funds, terminating accounts, and making law enforcement referrals. We review every allegation of stolen merchandise provided to us. When evidence is provided to us – such as serial numbers or links to the products/sellers in our store - we are able to assist by verifying the inventory in our Fulfillment Centers or making inquiries to the seller to ask about sourcing of the products.

Instead of targeting bad actors, HB 1594 will hurt honest small businesses by setting up roadblocks for legitimate sellers. The bill's verification requirements are ineffective - and will not stop criminals who by definition will ignore the law. However, a legitimate seller would be suspended from conducting business if they are unable to gather the materials required by this

legislation or if they fail to merely tell Amazon their info has not changed within the bill's stipulated timeframe. The seller verification process in this legislation creates more bureaucracy, not more transparency.

Additionally, displaying more personal information like an email address or a phone number of a seller does not help consumers make more informed shopping decisions. Instead, the bill entices consumers to initiate offline, unmonitored communications that could expose them to fraud and abuse. Our Buyer-Seller Messaging tool, located on each third-party seller's profile page, easily allows customers to connect directly with sellers, while preserving our ability to guard those communications against fraud and abuse and protect seller privacy

We know that law enforcement works tirelessly to stop fraud and abuse online, but they are understaffed and under-resourced. Amazon is committed to stopping fraud and abuse in our store, and on top of our preventive efforts, we believe a more effective way to stop organized retail theft is to increase penalties and provide law enforcement with greater resources to fight organized retail crime.

Thank you for your consideration and the opportunity to testify.