

# FTC Acts Against Online Sellers That Falsely Promised Fast Delivery of Facemasks and Other Personal Protective Equipment

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Suits are part of FTC's ongoing enforcement actions against companies that are taking advantage of consumers during the COVID-19 pandemic

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The Federal Trade Commission filed suit against three online merchandisers for failing to deliver on promises that they could quickly ship products like face masks, sanitizer, and other personal protective equipment (PPE) related to the coronavirus pandemic.

The lawsuits allege that the companies violated the FTC's Mail, Internet and Telephone Order Rule (Mail Order Rule), which requires that companies notify consumers of shipping delays in a timely manner and give consumers the chance to cancel orders and receive prompt refunds.

"When online merchants lie about the availability of personal protective equipment or about the ability of products to prevent and treat COVID-19, it's a significant safety concern, and it's illegal," said Andrew Smith, Director of the FTC's Bureau of Consumer Protection. "The FTC will take aggressive action to stop such troubling conduct."

The cases are part of the FTC's <u>ongoing enforcement actions</u> against companies who are taking advantage of consumers during the global pandemic.

QYK Brands, doing business as Glowyy; Dr. J's Natural, LLC; Rakesh Tammabattula; and Jacqueline Thao Nguyen:

In its case against the operators of the online store Glowyy, the <u>FTC's complaint</u> alleges that the company began advertising sanitizer, masks, face shields, and other products online in March, saying the products were in stock and

would ship the same day they were ordered. The FTC alleges that, through March, April, and May, the company continued to make explicit promises about shipping dates and times, but consumer complaints show they repeatedly failed to make good on those promises.

The FTC also alleges that the company would create USPS shipping labels shortly after an order was received, but would fail to actually give the product to the post office for shipping for weeks or months. The complaint alleges that the company failed to offer refunds to consumers or allow them to consent to the delay as required by the Mail Order Rule.

In addition, the FTC alleges that Glowyy's operators made unfounded claims about the ability of a product called "Basic Immune IGG" to treat or prevent COVID-19. Specifically, in videos posted online, the company claimed that the product could prevent transmission of COVID-19 and had been approved by the U.S. Food and Drug Administration for that purpose.

This case was filed in the U.S. District Court for the Central District of California.

## Zaappaaz, Inc, also doing business as wrist-band.com, WBpromotion.com, Custom Lanyard.net and WB Promotions; and Azim Makanojiya:

In its case against the operators of wrist-band.com and other online store fronts, the FTC alleges that the company made numerous promises that face masks, face shields, thermometers, and gloves were "in stock" and "GUARANTEED TO SHIP TODAY" as early as March. According to the complaint, the defendants regularly waited weeks to ship products and failed to inform consumers of the delays, in violation of the Mail Order Rule.

The complaint cites numerous examples of customers whose orders were not delivered by the promised date and who were told by the company that no refunds were available. The complaint also cites examples of consumers who were eventually promised refunds that the company never provided.

In addition, the complaint cites multiple instances when consumers were delivered incorrect or defective products and were told that they were not eligible for a refund.

This case was filed in the U.S. District Court for the Southern District of Texas.

#### American Screening, LLC, Ron Kilgarlin Jr., and Shawn Kilgarlin:

The <u>FTC's complaint</u> against American Screening alleges that the company, which markets PPE in bulk to local governments, hospitals, and nursing homes, promised on its website that items would be shipped "within 24-48 hours" and that products were "in stock" and available to ship.

According to the complaint, the company failed to follow the requirements laid out in the Mail Order Rule for delayed shipments. Even now, while the company's website includes a disclaimer that some products may not be available, the site still expressly states that numerous PPE items are in stock and available to ship.

One consumer report cited in the complaint notes that an order of protective gowns for essential workers, totaling more than \$10,000 placed in late March, had not arrived more than six weeks later, with no word of any kind from the company about its status.

This case was filed in the U.S. District Court for the Eastern District of Missouri.

The Commission votes authorizing the staff to file the complaints were 4-0-1, with Commissioner Rebecca Kelly Slaughter recorded as not participating.

**NOTE:** The Commission files a complaint when it has "reason to believe" that the named defendants are violating or are about to violate the law and it appears to the Commission that a proceeding is in the public interest. The case will be decided by the court.

The Federal Trade Commission works to promote competition and to <u>protect and educate consumers</u>. You can <u>learn</u> <u>more about consumer topics</u> and report scams, fraud, and bad business practices online at <u>ReportFraud.ftc.gov</u>. Like the FTC on <u>Facebook</u>, follow us on <u>Twitter</u>, get <u>consumer alerts</u>, read our <u>blogs</u>, and <u>subscribe to press releases</u> for the latest FTC news and resources.

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