



UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION
WASHINGTON, D.C. 20580

Bureau of Consumer Protection
Division of Enforcement

Julia Solomon Ensor
Attorney

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August 11, 2017

VIA FEDEX

James K. Kearney, Esq.
Womble Carlyle Sandridge & Rice, LLP
8065 Leesburg Pike
Tysons Corner, VA 22182-2738

Dear Mr. Kearney:

We received your submission on behalf of your client, Thales e-Security, Inc. ("TeS" or the "Company"). In your submission, you explained that TeS inadvertently made "Made in USA" claims on certain data security products that incorporate significant imported components.

As you acknowledged, the Federal Trade Commission's Enforcement Policy Statement on U.S. Origin Claims provides that unqualified "Made in USA" claims likely suggest to customers that products are "all or virtually all" made in the United States.¹ Accordingly, upon discovering the error, TeS implemented a comprehensive remedial action plan to avoid deceiving consumers. This plan included: (1) changing labeling on all new products to "Assembled in the USA"; (2) relabeling products in inventory; (3) reviewing catalogues, signage, packaging, and social media content to ensure the accuracy of claims for affected products; (4) reviewing online descriptions for all products; (5) implementing a procedure to review regular reports for items whose production has shifted from U.S. to non-U.S. manufacturers; and (6) increasing legal review of the Company's U.S.-origin claims.

Based on your actions and other factors, the staff has decided not to pursue this investigation any further. This action should not be construed as a determination that there was no violation of Section 5 of the Federal Trade Commission Act, 15 U.S.C. § 45. The Commission reserves the right to take such further action as the public interest may require. If you have any questions, you can reach me at (202) 326-2377.

Sincerely,

A handwritten signature in blue ink, appearing to read "J. Ensor".

Julia Solomon Ensor
Staff Attorney

¹ Federal Trade Commission, *Enforcement Policy Statement on U.S. Origin Claims*, 62 Fed. Reg. 63756, 63768 (Dec. 2, 1997).