

Glue Company Fined 1.2 Million Dollars

The FTC fined Chemence Inc., a chemical company that manufactures glue, 1.2 million dollars for making deceptive claims about their glue products' US origins; this is the highest monetary judgment ever for a Made in USA case.¹ The 1.2 million dollar settlement follows 2016 charges against the same glue manufacturing company for other misleading 'Made in USA' claims after the FTC alleged approximately 55% of the chemical inputs used to make their glue products were attributed to imported chemicals.² Chemence Inc. continued to violate the 2016 stipulated order the FTC filed against them. According to the more recent 2020 FTC complaint, Chemence claimed that the products were made in the USA even though "in numerous instances, foreign materials accounted for more than 80 percent of the materials costs and more than 50 percent of the overall manufacturing costs for these products." The products falsely labeled include Master Super Glue, JB WELD SuperWeld, Stick Fast Instant CA Adhesive, Pink Gel Nail Glue, SAATI Ultrafix CA – MV, and Kiss Maximum Speed Nail Glue.

According to the FTC, in order for a company to claim a product is made in the USA, product must be "all or virtually all" made in the U.S; "all or virtually all" means that all significant parts and processing that go into the product must be of U.S. origin. This means that the product should contain no — or negligible — foreign content.³ Companies are allowed to make qualified claims that indicate the product is not completely of US origin, such as "60% U.S. content," or "Made in USA of U.S. and imported parts."

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¹

<https://www.ftc.gov/news-events/press-releases/2020/12/ftc-order-stops-manufacturer-superglues-company-president-again>

²

<https://www.ftc.gov/news-events/press-releases/2016/02/ftc-charges-manufacturer-kwik-frame-kwik-fix-krylex-glues-making>

³ <https://www.ftc.gov/tips-advice/business-center/guidance/complying-made-usa-standard>