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1850 M Street, NW Twelfth Floor Washington, DC 20036 Phone: (202) 326-6000 http://www.naag.org/ October 22, 2019

Scott Schenkel eBay Interim Chief Executive Officer 2025 Hamilton Avenue San Jose, California 95125

Mr. Schenkel:

Social media and digital platforms have become interwoven into the fabric of our society. Consumers have become increasingly dependent on the broad access to goods for sale through these mediums. Unfortunately, the nearunlimited access to goods has increasingly exposed consumers, including minors, to unlicensed sales of alcohol and counterfeit products. We are seeking your assistance to address some of the challenges to consumer protection associated with online marketplaces and to improve the legitimacy of these sales.

We are aware of the occurrence of unlicensed, unregulated, and untaxed alcohol sales through digital platforms. Some of the products sold in this manner may be counterfeit, mislabeled, or fraudulent. The consumer may not know that this method of alcohol sales is illegitimate, or that these blackmarket products could pose health risks. Bad actors may exploit the anonymity of a digital platform to evade regulation, law enforcement, taxation and responsibility.

The 21<sup>st</sup> Amendment to the U.S. Constitution firmly invests the right to regulate the sale of alcoholic beverages with each state. Each online content company operating within the United States has a legal obligation to comply with federal and state law. But that is simply a legal obligation. We believe that everyone has an ethical and moral responsibility to protect consumers, especially those who are most vulnerable to fraud. Self-regulation and self-policing to prevent illegal and unfair trade practices and ensure consumer safety are minimum responsibilities for your respective companies. You have the technical prowess and power to accomplish basic protections against illegal sales.

Today, we call upon you to join us in this shared responsibility to protect our youth, the Constitution and the integrity of the digital marketplace. Toward this goal, we ask your companies to undertake some initial steps to address this shared problem:

1. Review the current content posted to your companies' websites and remove illegal postings for the sales and/or transfer of alcohol products.

2. Develop and deploy programming to block and prevent your platform users from violating state law by posting content for the sale and distribution of alcohol products on your websites.

We also invite you to join with us to establish a workgroup with stakeholders from industry and government. Together, this group can discuss and establish realistic and effective protocols for internet platforms and content providers related to illegal and unlicensed alcohol sales via digital platforms.

Thank you for your prompt attention to this matter. We would appreciate hearing from you about the actions your company has taken, or will take, to protect consumers in the online marketplace. We know that by working together we can harness the great power of your platform and the great responsibility invested in our offices to address these harmful and illegal activities.

Sincerely, Jeff Landry

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