



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

Office of the Director
Bureau of Consumer Protection

July 6, 2026

Via Federal Express

Hemel Engineering Products Inc.
ATTN: Erwin Hemmel, President
6520 Lockport Road,
Niagara Falls, New York 14305

Re: Warning Letter Regarding “Made in the USA” Representations

Dear Mr. Hemmel:

The Federal Trade Commission (“Commission”) is the nation’s consumer protection agency, responsible for protecting Americans from deceptive, unfair, and anticompetitive business practices without unduly burdening legitimate business activity. As part of that mission, the Commission works to educate businesses, industries, and market participants about compliance with the laws and rules it enforces, and where necessary, initiates investigations and enforcement actions.

The Commission is committed to protecting American consumers and businesses from false, misleading, or unsubstantiated “Made in the USA” representations.¹ To this end, the Commission enforces multiple laws and rules that address false, misleading, or unsubstantiated “Made in the USA” representations and similar U.S. origin claims, including Section 5 of the FTC Act,² Section 45a,³ other laws and rules addressing specific product categories,⁴ and the Made in USA Labeling Rule (“MUSA Labeling Rule”).⁵

¹ See Testimony of the Fed. Trade Comm’n, Before the Comm. on Commerce, Science, and Transportation, U.S. Senate, at 28-29 (Apr. 15, 2026), https://www.ftc.gov/system/files/ftc_gov/pdf/p994811-ftc-oversight-testimony-senate-commerce-committee-2026.pdf; see also Press Release, Fed. Trade Comm’n, *FTC Announces “Made in the USA” Sweep, Including Three Law Enforcement Actions to Protect American Consumers and Businesses* (Apr. 14, 2026) (announcing settlements to resolve enforcement actions against electronic dartboard manufacturer, American flag and flagpole retailer, and shoemaker), <https://www.ftc.gov/news-events/news/press-releases/2026/04/ftc-announces-made-usa-sweep-including-three-law-enforcement-actions-protect-american-consumers>; Press Release, Fed. Trade Comm’n, *Federal Trade Commission Chairman Andrew N. Ferguson Issues Statement on ‘Made in the USA’ Month* (July 1, 2025), <https://www.ftc.gov/news-events/news/press-releases/2025/07/federal-trade-commission-chairman-andrew-n-ferguson-issues-statement-made-usa-month>.

² 15 U.S.C. § 45.

³ 15 U.S.C. § 45a; see also Violent Crime Control and Law Enforcement Act of 1994, Pub. L. 103–322, title XXXII, § 320933, Sept. 13, 1994, 108 Stat. 2135.

⁴ See, e.g., Textile Fiber Products Identification Act, 15 U.S.C. §§ 70-70k; Rules and Regulations under the Textile Fiber Products Identification Act, 16 C.F.R. Part 303; Wool Products Labeling Act of 1939, 15 U.S.C. §§ 68-68j; and Rule and Regulations Under the Wool Products Labeling Act of 1939, 16 C.F.R. Part 300.

⁵ 16 C.F.R. Part 323.

Section 5(a) of the FTC Act prohibits unfair or deceptive acts or practices in or affecting commerce.⁶ A representation is deceptive if it is material and would likely mislead consumers acting reasonably under the circumstances.⁷ Under the FTC Act, a product may be advertised as “Made in the USA” (or with other similar statements of U.S. origin) when “‘all or virtually all’ of the ingredients are domestic; that said, the product must contain no more than a *de minimis* amount of foreign content and have ‘been last substantially transformed in the United States.’”⁸ Similarly, it is a violation of the MUSA Labeling Rule and Section 45a to label any product as “Made in the United States” unless the final assembly or processing of the product occurs in the United States; all significant processing that goes into the product occurs in the United States; and all or virtually all ingredients or components of the product are made and sourced in the United States.⁹

Available information obtained by Commission staff suggests that Hemel Engineering Products Inc. (“Hemel Engineering”) promotes certain products, such as coordinate measuring machines (“Product”), as being made in the United States. For example, Hemel Engineering has made unqualified “Made in the USA” or similar U.S. origin claims on the Hemel Engineering website, social media accounts and posts, and product brochures that:

- the Product is “made in USA”;
- the Product is “Precision Built in the USA”; and
- the Product is “designed and manufactured in the USA....”

Based on information Commission staff has reviewed, it has reason to believe that Hemel Engineering may be importing, in whole or in significant part, the Product despite making these unqualified U.S. origin claims. Unless Hemel Engineering can adequately substantiate that “all or virtually all” of the Product is made in the United States, Hemel Engineering’s claims may violate the FTC Act, MUSA Labeling Rule, and/or Section 45a.

While this letter does not reflect a formal determination that Hemel Engineering’s “Made in the USA” claims violate the law, you are advised to immediately come into compliance with the FTC Act, MUSA Labeling Rule, and Section 45a. Violations of these laws and rules enforced

⁶ See 15 U.S.C. § 45(a).

⁷ See Fed. Trade Comm’n, Policy Statement on Deception (1983) (appended to *Cliffdale Assocs., Inc.*, 103 F.T.C. 110 (1984)). Among other requirements, the FTC Act requires that representations be truthful, non-misleading, and adequately substantiated. See *id.*; *FTC v. Direct Mktg. Concepts, Inc.*, 624 F.3d 1, 8 (1st Cir. 2010).

⁸ See *FTC v. Cardiff*, No. 5:18-cv-02104-SJO-PLA, Dkt. #511 at *23 (C.D. Cal. Oct. 9, 2020) (citing Fed. Trade Comm’n, *Issuance of Enforcement Policy Statement on “Made in USA” and Other U.S. Origin Claims*, 62 Fed. Reg. 63756 (Dec. 2, 1997), <https://www.ftc.gov/legal-library/browse/enforcement-policy-statement-us-origin-claims>). The Commission analyzes several factors to determine whether a product is “all or virtually all” made in the United States, including the proportion of the product’s total manufacturing costs attributable to U.S. parts and processing, how far removed any foreign content is from the finished product, and the importance of the foreign content or processing to the overall function of the product. See 62 Fed. Reg. at 63768-69.

⁹ 16 C.F.R. § 323.2; see also 15 U.S.C. § 45a (“To the extent any person introduces, delivers for introduction, sells, advertises, or offers for sale in commerce a product with a ‘Made in the U.S.A.’ or ‘Made in America’ label, or the equivalent thereof, in order to represent that such product was in whole or substantial part of domestic origin, such label shall be consistent with decisions and orders of the Federal Trade Commission issued pursuant to section 45 of this title.”)

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by the Commission could subject Hemel Engineering to legal action and court injunctions. In addition, violations of the MUSA Labeling Rule could result in an enforcement action in which the Commission seeks payment of redress to injured American consumers and/or the imposition of civil penalties of up to \$53,088 per violation.¹⁰

This letter is not intended to be a comprehensive statement of concerns that may exist with Hemel Engineering's "Made in the USA" claims for the Product. As always, it is Hemel Engineering's responsibility to comply with all requirements of federal law, including Section 5 of the FTC Act, MUSA Labeling Rule, Section 45a, and other laws and rules enforced by the Commission. You should immediately review your "Made in USA" representations, labeling, and advertising for the coordinate measuring machines, and cease and desist any conduct that could violate these legal requirements.

Thank you for your attention to this matter. Within five (5) business days of receipt of this letter, please contact Adrienne Jenkins (ajenkins@ftc.gov) to discuss Hemel Engineering's plan to come into compliance with the FTC Act, MUSA Labeling Rule, and Section 45a.

Respectfully,



Christopher G. Mufarrige
Director, Bureau of Consumer Protection

¹⁰ 15 U.S.C. § 57b(a)(1), (b).