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## PRESS RELEASE

# Massachusetts AG's Office Joins FTC Lawsuit Against Amazon For Illegally Maintaining Monopoly Power

Alleges Amazon's ongoing pattern of illegal conduct blocks competition, allowing it to wield monopoly power to inflate prices, degrade quality, and stifle innovation for consumers and businesses

FOR IMMEDIATE RELEASE:

9/26/2023

Office of the Attorney General

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**BOSTON** — Attorney General Andrea Joy Campbell today announced her office has joined the Federal Trade Commission (FTC) and 16 other state attorneys general in [suing Amazon.com, Inc.](#) ([/doc/ftc-v-amazon-complaint-ecf-1-092623pdf/download](#)), alleging that the online and technology company is a monopolist that uses a set of interlocking anticompetitive and unfair strategies to illegally maintain its monopoly power.

The FTC and states allege that Amazon's practices have inflated prices for consumers through, among other practices, charging exorbitant rates for sellers to successfully use its platform while punishing sellers for offering lower prices elsewhere, so that consumers across the internet are effectively charged an Amazon tax.

"Amazon has become dominant as an online superstore. But - out of view from the average person, family, or business - Amazon has used that dominance to inflate prices, coerce third-party sellers, and stifle competition," **said AG Campbell**. "We are joining today's lawsuit against Amazon to make clear that the AG's Office will always take on corporate greed and protect consumers."

"Our complaint lays out how Amazon has used a set of punitive and coercive tactics to unlawfully maintain its monopolies," **said FTC Chair Lina M. Khan**. "The complaint sets forth detailed allegations noting how Amazon is now exploiting its monopoly power to enrich itself while raising prices and degrading service for the tens of millions of American families who shop on its platform and the hundreds of thousands of businesses that rely on Amazon to reach them. Today's lawsuit seeks to hold Amazon to account for these monopolistic practices and restore the lost promise of free and fair competition."

The FTC and states allege Amazon's anticompetitive conduct occurs in two markets—the online superstore market that serves shoppers and the market for online marketplace services purchased by sellers. These tactics include:

- While taking nearly 50% of many sellers' total revenue through fees, Amazon also employs anti-discounting measures that punish sellers and deter other online retailers from offering lower prices elsewhere, raising prices for products across the internet. For example, if Amazon discovers that a seller is offering lower-priced goods elsewhere, Amazon can bury discounting sellers so far down in Amazon's search results that they become effectively invisible.
- Conditioning sellers' ability to obtain "Prime" eligibility for their products—a virtual necessity for doing business on Amazon—on sellers using Amazon's costly fulfillment service, which negatively affects their ability to offer products for sale on other platforms. This unlawful coercion has in turn limited competitors' ability to effectively compete against Amazon.

Amazon's illegal, exclusionary conduct makes it impossible for competitors to gain a foothold, even where those competitors would charge far less than Amazon's sky-high fees. With its amassed power across both the online superstore market and online marketplace services market, Amazon extracts enormous monopoly rents from everyone within its reach. This includes:

- Degrading the customer experience by replacing relevant, organic search results with paid advertisements—and deliberately increasing junk ads that worsen search quality and frustrate both shoppers seeking products and sellers who are promised a return on their advertising purchase.
- Biasing Amazon's search results to preference Amazon's own products over ones that Amazon knows are of better quality.
- Charging costly fees on the hundreds of thousands of sellers that currently have no choice but to rely on Amazon to stay in business. These fees range from a monthly fee sellers must pay for each item sold, to advertising fees that have become virtually necessary for sellers to do business. Combined, all of these

fees force many sellers to pay close to 50% of their total revenues to Amazon. These fees harm not only sellers but also shoppers, who pay increased prices for thousands of products sold on or off Amazon.

The Massachusetts Attorney General's Office and FTC, along with additional state partners, are seeking a permanent injunction in federal court that would prohibit Amazon from engaging in its unlawful conduct and pry loose Amazon's monopolistic control to restore competition.

In addition to Massachusetts, Connecticut, Delaware, Maine, Maryland, Michigan, Minnesota, New Jersey, New Hampshire, New Mexico, Nevada, New York, Oklahoma, Oregon, Pennsylvania, Rhode Island, and Wisconsin joined the Commission's lawsuit.

This matter is being handled by Michael MacKenzie, Deputy Chief, and Will Matlack, Chief of AG Campbell's Antitrust Division.

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