

FTC Brings Action Against Motocross and ATV Parts Manufacturer for False “Made in USA” Product Claims

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The FTC [announced](#) a settlement with Cycra, Inc., a manufacturer of motocross and ATV parts, and the company’s owner for falsely claiming their products were made in the USA while importing parts from Asia and Europe. The proposed [consent order](#) imposes an \$872,577 judgment and requires the respondents to comply with the FTC’s requirements for marketing products as made or assembled in the United States.

The FTC’s [complaint](#) alleges that Cycra made several false statements between 2019 and 2022 on its website, social media, and product packaging indicating that its products are made in the USA. These misrepresentations allegedly included a web banner claiming that Cycra’s products are manufactured in Lexington, North Carolina and images of the American flag on its product labels. The FTC claims that Cycra imported at least 30 shipments of parts or accessories from Asia and Europe between March 2019 and August 2022, including at least two shipments of finished products from Taiwan that were falsely packaged or ready to be packaged with “Made in USA” labels.

Under the consent order, Cycra and James are prevented from making unqualified U.S.-origin claims for their products unless they can show that the final assembly or processing—and all significant processing—of the products occurred in the United States using all or virtually all U.S.-sourced components. The order also requires that they clearly disclose the extent to which a product contains foreign parts, ingredients, or processing if making a qualified “Made in USA” claim. Cycra and James also are prohibited from claiming a product is assembled in the United States unless the product was last substantially transformed in the U.S., its principal assembly takes place in the U.S., and U.S. assembly operations are substantial. Cycra must notify all consumers who purchased any Cycra product imported from Taiwan and labeled as “Made in the USA” or “USA” on or after March 1, 2019 and provide the FTC with customer information necessary to aid the agency in administering consumer redress.

This case provides yet another recent [example](#) of the FTC’s crackdown on allegedly false and misleading “Made in the USA” claims. Companies marketing their products as “Made in USA” should consult the FTC’s [Enforcement Policy Statement on U.S. Origin Claims](#) and its 2021 [Made in USA Labeling Rule](#) to ensure compliance with FTC requirements.

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