

# DC AG Sues Amazon for Failing to Deliver Prime Membership Benefits for Certain DC Zip Codes

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DC Attorney General Brian Schwalb recently [filed a lawsuit](#) against Amazon for allegedly deceiving some District residents into paying for Prime delivery benefits they are not receiving, in violation of the Consumer Protection Procedures Act (CPPA). The [complaint](#) alleges Amazon quietly instituted exclusionary practices in its Prime Membership delivery program for certain ZIP codes in DC starting in 2022, while continuing to charge full subscription fees for consumers living in the “excluded” ZIP code areas.

Amazon charges a subscription fee for Prime Membership in exchange for benefits such as expedited delivery options on a number of Prime-eligible items in its online retail store. To fulfill expedited deliveries, Amazon often uses its own in-house, proprietary shipping infrastructure. For the approximately 48,000 Prime members living in DC ZIP codes 20019 and 20020, which historically are lower-income neighborhoods, the DC AG claims Amazon ceased the use of its own delivery infrastructure, instead relying solely on third party delivery services like UPS and USPS to deliver Amazon packages to those areas, which Amazon knew would result in slower delivery times. Amazon allegedly did not disclose the internal policy change or discount the full Prime subscription price for those consumers.

The complaint highlights multiple alleged violations of the CPPA affecting consumers in the excluded areas, including:

- Misrepresenting through advertisements the delivery speed of Prime deliveries
- Misrepresenting and/or using ambiguity in communications with consumers that slower delivery times are one-time occurrences and based on factors other than Amazon’s imposition of a uniform, ongoing delivery exclusion
- Failing to disclose to existing Prime members that when Amazon put the zip code exclusions in place, the rate at which it would meet its delivery speed promises would fall drastically
- Failing to disclose to potential new Prime members the impact of the delivery exclusion on advertised shipping speeds

Amazon does not dispute it made changes in its delivery practices. Instead, the online retailer argues that they ceased service of in-house Amazon delivery trucks to those ZIP codes after alleged reports of targeted carjackings and other criminal acts against Amazon delivery drivers. Amazon denies instituting deceptive practices, stating that the company changed its policy “for the sole reason of

protecting the safety of drivers.” An Amazon spokesperson said in a [statement](#) that the company is “always transparent” during the checkout process on when packages will arrive. While AGs will be sensitive to challenges presented by increasing crime against business (see our previous updates on INFORM Acts [here](#) and [here](#)), that does not supplant a company’s obligation to comply with consumer protection requirements of clear and accurate disclosures in the customer purchasing process. Additionally, AGs may also consider internal company policies that treat customer segments in materially different ways as red flags that deceptive practices may be occurring. Companies should consider offering repeated and conspicuous disclosures at the beginning of and throughout the customer experience, especially for those customers who might experience operational irregularities in the buying process.