



# NEWS RELEASE

Attorney General Mike Hilgers

FOR IMMEDIATE RELEASE

August 31, 2026

## **Attorney General Hilgers Joins FTC Lawsuit Against Amazon for Deceptive Advertising Prices Harming Small Businesses**

Today, Attorney General Mike Hilgers joined a coalition of 22 states and the Federal Trade Commission in suing Amazon, alleging that the company secretly inflated prices in its online search advertising auctions. The complaint claims that, for over seven years, Amazon covertly increased the costs more than one million brands and sellers paid to advertise on its platform, extracting tens of billions of dollars from its advertising customers.

The FTC and attorneys general allege Amazon imposed undisclosed surcharges on its advertising customers, including over 500,000 small and medium-sized businesses. The auctions, which determined ad placement on Amazon's website and app, were described by Amazon as "second price" auctions, where winners would pay only slightly more than the next highest bid. In reality, the complaint alleges Amazon routinely charged advertisers their own winning bid, effectively running first-price auctions and sharply raising costs.

The complaint alleges that in 2019 Amazon began adding hidden surcharges, known internally as "soft reserve prices", leading to substantially higher ad costs. These costs were especially prominent during high-traffic events like Prime Day and Black Friday. Amazon executives acknowledged this as an "incredibly effective way to drive revenue" in internal documents.

Amazon concealed these changes and increased surcharges before major shopping events while misleading advertisers about advertising prices. By 2024, advertisers paid their full bid about 80% of the time, a sharp increase from previous years.

Amazon's leadership knowingly gave false and misleading answers to advertisers asking about auction changes to avoid eroding trust and revenue. The alleged scheme allowed Amazon to increase prices for advertisers without detection.

###

Suzanne Gage  
Director of Communications  
Nebraska Attorney General's Office  
Office: 402-471-2656  
Mobile: 402-560-3518  
[Suzanne.gage@nebraska.gov](mailto:Suzanne.gage@nebraska.gov)