

United States of America FEDERAL TRADE COMMISSION Washington, D.C. 20580

December 9, 2021

CEASE AND DESIST DEMAND

VIA EMAIL TO <u>hirano@enagic.com</u>

Enagic USA, Inc. c/o Keishi Hirano, CEO 4115 Spencer St. Torrance, CA 90503-2419

Re: Unsubstantiated Claims for Coronavirus Prevention and Treatment

Dear Mr. Hirano:

This is to advise you that FTC staff has reviewed social media posts made by Enagic's business opportunity participants or representatives in December 2021. We have determined that Enagic is unlawfully advertising that its Kangen Water products treat or prevent Coronavirus Disease 2019 ("COVID-19").

Some examples of COVID-19 prevention or treatment claims made by your business opportunity participants or representatives include:

- "Let's not keep counting, whether deaths or becoming positive with this COVID. Prevention is better than cure (Coach Cynthia), Kangen water maybe [sic] just simple to hear (it's water) but much to know of it's [sic] importance." [Posted to Facebook on September 5, 2021.]
- "If worried about covid maybe it's time to look into one of these amazing machines..... Just saying! Couldn't hurt right? #kdunlifestyle #legacybuilders #enagic" [Posted to Facebook on August 30, 2021.]
- "A natural prevention method for COVID-19. . . #KangenWater #Enagic" [Posted to Twitter on December 8, 2020 at twitter.com/CGeniusNOW/status/1336439174203891712/photo/1]

It is unlawful under the FTC Act, 15 U.S.C. § 41 *et seq.*, to advertise that a product can prevent, treat, or cure human disease unless you possess competent and reliable scientific evidence substantiating that the claims are true at the time they are made. For COVID-19, no such study is currently known to exist for the products identified above. Thus, any COVID-19-related prevention or treatment claims regarding such products are not supported by competent and reliable scientific evidence. You must immediately cease and desist making all such claims.

You are also advised to review all other claims for your products and immediately cease and desist claims that are not supported by competent and reliable scientific evidence.

You are responsible for the claims of your business opportunity participants and representatives. As the FTC stated in the January 2019 Business Guidance Concerning Multi-Level Marketing, the compensation structure of a Multi-Level Marketing entity ("MLM") may create incentives for its participants to make certain representations to current or prospective participants. "As a consequence, an MLM should (i) direct its participants not to make false, misleading, or unsubstantiated representations and (ii) monitor its participants so they don't make false, misleading, or unsubstantiated representations."

Violations of the FTC Act may result in legal action seeking a Federal District Court injunction. In addition, pursuant to the COVID-19 Consumer Protection Act, Section 1401, Division FF, of the Consolidated Appropriations Act, 2021, P.L. 116-260, marketers who make deceptive claims about the treatment, cure, prevention, or mitigation of COVID-19 are subject to a civil penalty of up to \$43,792 per violation and may be required to pay refunds to consumers or provide other relief pursuant to Section 19(b) of the FTC Act, 15 U.S.C. § 57b(b).

Within 48 hours, please send a message to Kati Daffan (Assistant Director) via electronic mail at <u>kdaffan@ftc.gov</u> certifying that you and your participants and representatives have ceased making unsubstantiated claims for the products identified above. If you have any questions regarding compliance with the FTC Act, please contact Suzanne Barth at 202-326-3317 or Melissa Dickey at 202-326-2662.

Very truly yours,

/s/ Lois C. Greisman

Lois C. Greisman Associate Director Division of Marketing Practices

cc: Facebook *via email to* <u>consumerpolicy@fb.com</u> Twitter *via email to* <u>dc-help@twitter.com</u>