

## UNITED STATES OF AMERICA Federal Trade Commission WASHINGTON, D.C. 20580

April 24, 2020 Via Electronic Mail

doTERRA International, LLC c/o Mark A. Wolfert, General Counsel 389 South 1300 West Pleasant Grove, Utah 84062

## Warning Regarding Health and Earnings Claims Related to Coronavirus Disease 2019 (COVID-19)

Dear Mr. Wolfert,

FTC staff has reviewed social media posts made by doTERRA International, LLC ("doTERRA") business opportunity participants or representatives that unlawfully advertise that certain products treat or prevent Coronavirus Disease 2019 (COVID-19) and misrepresent that consumers who become doTERRA business opportunity participants are likely to earn substantial income. This letter is to provide you with information about laws and regulations enforced by the Federal Trade Commission ("FTC") that may bear upon your business activities, including the activities of your business opportunity participants and representatives.

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

- "... If interested to learn more or obtain oils or rollers Let me know A little extra protection can help #doterra #NursesCOVID19 #Dialysis #ImmunityBoosters #ImproveRespiratoryFunction" The text accompanied an image titled "Grocery Store Clerks, Truck Drivers, Medical Responders, Teachers, Small Businesses, Mamas, and EVERYONE else" followed by a message composed of text and images of doTERRA-brand essential oil bottles.
- An image of doTERRA-brand peppermint and lemon essential oil bottles, accompanied by the hashtags "#covid #prevention."
- "This is to inform us all that the pH for corona virus varies from 5.5 to 8.5.... All we need to do, to beat corona virus, we need to take more of an alkaline foods that are above the above pH level of the Virus. Some of which are: Lemon... Lime... Tangerine... Orange... #covid... #doterra #doterraph #doterraphillapines." The text accompanied an image of lemon, lime, tangerine, wild orange, and ginger doTERRA-brand essential oil bottles.

Some examples of earnings claims made by your business opportunity participants or representatives include:

- "For those of you working from home now, who says you ever have to go back? With a little education and a lot of uplifting support... you can take your health and your career future into your own hands."
- "Need to make extra money? Find it difficult to pay your bills? Were you laid off/ #fired? Be your own Boss w/doTERRA essential oils. Msg me to achieve financial independence #laidoff #unemployed #cantpaymybills #cantpaymyrent #student #sales #sidehustle #makemoney #stayathomemom."

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, including, when appropriate, well-controlled human clinical studies, 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 coronavirus-related prevention or treatment claims regarding such products are not supported by competent and reliable scientific evidence. You must immediately cease making all such claims.

Additionally, representations about a business opportunity, including earnings claims, violate Section 5 of the FTC Act, 15 U.S.C. § 41 *et seq.*, if they are false, misleading, or unsubstantiated and material to consumers. Express and implied earnings claims must be truthful and non-misleading to avoid being deceptive, which means that claims about the potential to achieve a wealthy lifestyle, career-level income, or significant income are false or misleading if business opportunity participants generally do not achieve such results. Even truthful testimonials from participants who do earn significant income or more will likely be misleading unless the advertising also makes clear the amount earned or lost by most participants. Your business opportunity participants and representatives must immediately cease making all express and implied earnings claims that would be false or misleading to current or prospective participants.

You are responsible for the claims of your business opportunity participants and representatives. As the FTC stated in the January 2019 <u>Business Guidance Concerning Multi-Level Marketing</u>, 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."

You are advised to review all claims relating to your products and business opportunity and immediately cease, and require your business opportunity participants and representatives to cease, making claims that are not supported by the evidence or substantiation described above.

Within 48 hours, please send reply via email to COVID-19-Task-Force@ftc.gov
describing the specific actions you have taken to address the FTC's concerns. If you have any
questions regarding compliance with the FTC Act, please contact us at COVID-19-Task-
Force@ftc.gov.

Sincerely,

Federal Trade Commission Staff