

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

June 5, 2020 Via Electronic Mail

Isagenix International LLC, c/o Justin Powell, General Counsel 155 E. Rivulon Boulevard Gilbert, Arizona 85297

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

Dear Mr. Powell,

FTC staff has reviewed social media posts made by Isagenix International LLC ("Isagenix") 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 Isagenix 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.

An example of Coronavirus prevention or treatment claims made by your business opportunity participants or representatives include:

• "In the fight against COVID-19 – Keep moving every day and eating healthy! Isagenix shakes boost your immunity 500%!"

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

- "The last 1 1/2 months of this covid-19 pandemic has made me even more GRATEFUL.... We have been able to put [our daughter] through 4 years of college @ MSU and give her a head start in her next chapter of life with no college debt.... It breaks my heart to see families struggling nutritionally and financially, especially when we have such an amazing and LIFE CHANGING SOLUTION to help them on all fronts. RESIDUAL INCOME IS A GAME CHANGER, and if you are just OPEN to listening, it can change your family's life too."
- "Will you get a stimulus check? [W]ould a extra \$4,100 change your family lifestyle? Well my firm is offering that and more so who is this firm . . . Text Isagenix to [5 digit SMS text number]."

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