

# FTC Sends Warning Letters to Ten MLMs about COVID-related Product and Earnings Claims

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Last week, the FTC sent [warning letters](#) to ten multi-level marketing companies alleging that the companies failed to stop their participants from making deceptive product and earnings claims related to COVID-19. The letters request that the companies report within 48 hours what actions they have taken to stop their distributors from claiming their products can treat or prevent COVID-19, that MLM business opportunity participants are likely to earn substantial income, or both.

Six of the letters address both health and earnings claims, three address just earnings claims, and one addresses just health claims. Examples of allegedly deceptive health claims cited in the letters include:

- “Got the coronavirus heebeegeebees? Boost your immunity with this amazing deal!!!!”
- “... 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 cited examples show that the FTC is not looking just at express COVID-19 health claims but also claims that may be implied by any reference to the virus or pandemic, including through hashtags.

Examples of allegedly deceptive earnings claims cited in the letters include:

- “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.”
- “[E]veryone’s getting stimulus checks right now... There is no better investment you could do... Take that money that you’re about to get back... figure out a way to make this happen tonight.”

The letters underscore the difficult question of how MLMs can promote legitimate business opportunities without overpromising a cure-all for economic uncertainty during a global pandemic. Does a claim that otherwise is substantiated and non-misleading become deceptive by a mere reference to “these uncertain times” or some similar acknowledgment of the economic difficulty that many are facing?

As a matter of longtime FTC precedent, the answer should be no, and the warning letters don’t go this far. But, the letters do underscore that the FTC is watching closely for any reference to COVID-19

or the pandemic, and MLMs and their participants should take note.