

FTC Sues Companies Over Fake News Sites and False Claims

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SPECIAL: TODAY'S DIET TIP: 1 TRICK TO LOSE YOUR "BELLY" THIS SUMMER

No, we won't share our tips to help you lose your belly this summer. But we will share some tips to help you stay out of court.

Last week, the FTC sued a group of companies and their executives for false advertising, alleging that they used deceptive tactics to sell their Pure Green Coffee weight loss supplement. The case involves three hot topics at the FTC: health claims; native advertising; and endorsements.

The companies advertised that the supplement could help consumers lose 17 pounds in 12 weeks, without diet or exercise. According to the FTC, however, the study underlying the claims was fundamentally flawed and falls far short of the standard necessary for health claims.

To advertise the supplements, the companies created seemingly independent "news" sites that featured mastheads of fictitious organizations, such as Women's Health Journal. According to the FTC, these sites were designed in a way that made it "impossible for people to know whether they were seeing news or an ad."

The companies also featured endorsements from purportedly independent consumers throughout the sites. The FTC claims, however, that the endorsers didn't purchase the supplement and that they weren't independent. Instead, the individuals had been paid \$200 and received a free 30-day supply of the supplement in exchange for the endorsements.

Diet and health claims have been a longtime focus of the FTC. If you make these types of claims, you should work closely with your legal team to ensure you have the necessary support. As we've noted in previous posts, the FTC has also been taking a close look at native advertising and endorsements. The key in these areas is transparency. Consumers should be able to distinguish between news and ads, and should be informed when an endorsement has been sponsored.