

October 19, 2015

VIA EMAIL AND OVERNIGHT MAIL

Jessica Rich, Director, Bureau of Consumer Protection Mary Engle, Associate Director, Division of Advertising Practices Lois Greisman, Associate Director, Division of Marketing Practices Federal Trade Commission 600 Pennsylvania Ave. N.W. Washington, D.C. 20580

Re: Deceptive Marketing for Jeunesse Business Opportunity and Products

Dear Ms. Rich, Ms. Engle, and Ms. Greisman:

I write to inform you of the findings of a recent Truth in Advertising (TINA.org) investigation of Jeunesse Global, LLC ("Jeunesse"), a multilevel marketing company headquartered in Florida that sells and markets, among other things, a variety of skin care products and supplements. TINA.org's investigation revealed a host of issues, including, among other things, an emphasis on recruitment over product sales, and claims made by the company, as well as its medical advisory board, that its products can manipulate human genes and cells to slow the aging process.¹ In this letter, we highlight two of the deceptive marketing issues.

First, TINA.org found that Jeunesse and its distributors are using deceptive income claims regarding the financial gains consumers will achieve by becoming distributors. For example, Jeunesse advertises that those who sign-up for its business opportunity can make over \$26,000 per week. Its distributors also make unrealistic financial promises, such as being able to make millions of dollars per year. The problem is that the vast majority of these income claims contain no disclosure, let alone a legally appropriate one.² TINA.org

¹ See TINA.org's What You Should Know About Jeunesse Global, published on October 7, 2015, available at <u>https://www.truthinadvertising.org/what-you-should-know-about-jeunesse-global/</u>.

² Jeunesse admits that making over \$26,000 per week is "not typical and represent[s] the maximum weekly income based on Team Commissions cap." *See*

<u>http://winwithkenny.jeunesseglobal.com/docs/JeunesseFinancialRewardsPlanUS.pdf</u>. This disclosure, however, is not found in the overwhelming majority of Jeunesse marketing materials boasting exorbitant financial rewards and is therefore easily overlooked.

has compiled over 60 instances of these types of income claims, which are all available at <u>https://www.truthinadvertising.org/jeunesse-income-claims-database/</u>.

Second, TINA.org found that Jeunesse distributors are using a multitude of unsubstantiated health and treatment claims about Jeunesse products, such as being able to cure cancer and other serious illnesses, in order to market the Jeunesse business and its product lines. TINA.org has compiled over 150 instances in which Jeunesse distributors have either made or referenced claims that the Jeunesse product lines can treat, cure, alleviate the symptoms of, prevent, or reduce the risk of developing diseases and disorders. These examples are available at https://www.truthinadvertising.org/jeunesse-health-claims-database/.

Based on this information, we contacted the company on September 25, 2015 notifying it of TINA.org's findings of inappropriate income and health claims made by Jeunesse and/or its distributors, and asked that the company remedy the deceptive marketing immediately.³ While the company admitted that "misrepresentations of the kind that [TINA.org] allege[s] clearly are prohibited by our rules of conduct"⁴ and indicated that it "is in the process of adding new fulltime employees to the compliance group in the coming weeks,"⁵ over three weeks have past since TINA.org's initial warning and the majority of examples of deceptive health and income claims published in our databases – including marketing materials created by the company itself – are still up on the Internet.⁶

TINA.org therefore urges the FTC to immediately commence an investigation of the claims being made by Jeunesse and its distributors and take prompt and appropriate enforcement action against those found to be violating the law.⁷

⁵ Jeunesse's October 9, 2015 letter to TINA.org is available at <u>https://www.truthinadvertising.org/wp-content/uploads/2015/10/Oct-9-letter-from-Jeunesse.pdf</u>. This letter was sent in response to TINA.org's September 30, 2015 letter to Jeunesse, which is available at <u>https://www.truthinadvertising.org/wp-content/uploads/2015/10/Sept-30-reply-from-TINA-to-Jeunesse.pdf</u>.

⁶ As of October 19, 2015, approximately two-thirds of the health claim examples and approximately threequarters of the income claim examples published in TINA.org's databases are still on the Internet. However, as explained above, the database is merely a sampling of the types of claims at issue. In other words, there are other deceptive health and income claims being used in marketing materials that are not in TINA.org's databases and not addressed by the company.

⁷ TINA.org has also sent a complaint letter to the Attorney General of Florida, where Jeunesse is headquartered. Of note, Jeunesse's Chief Executive Officer, Randy Ray, and another company that he has headed as CEO, Fuel Freedom International, LLC, were the subjects of a Florida Attorney General investigation that resulted in an Assurance of Voluntary Compliance that prohibits Mr. Ray, "whether acting directly or through any corporation," from violating Florida and FTC laws and rules that prohibit false and misleading advertising, among other things. *See* In the Matter of Fuel Freedom International, LLC, et al., AG Case Numbers L06-3-1090 and L08-3-1028, February 2009 Assurance of Voluntary Compliance, available at https://www.truthinadvertising.org/wp-content/uploads/2015/10/Fuel-Freedom-International-Executed-AVC.pdf. Mr. Ray is currently violating this AVC.

³ TINA.org's September 25, 2015 letter to Jeunesse is available at <u>https://www.truthinadvertising.org/wp-content/uploads/2015/10/Sept-25-letter-from-TINA-to-Jeunesse.pdf</u>.

⁴ Jeunesse's September 28, 2015 letter to TINA.org is available at <u>https://www.truthinadvertising.org/wp-content/uploads/2015/10/Sept-28-ltr-from-Jeunesse-to-TINA.pdf</u>.

Sincerely,

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Laura Smith, Esq. Legal Director Truth in Advertising, Inc.

Bonnie Patten, Esq. Executive Director Truth in Advertising, Inc.

Cc: Randy Ray, Chief Executive Officer, Jeunesse Global, LLC Greg Hogenmiller, Deputy General Counsel, Jeunesse Global, LLC