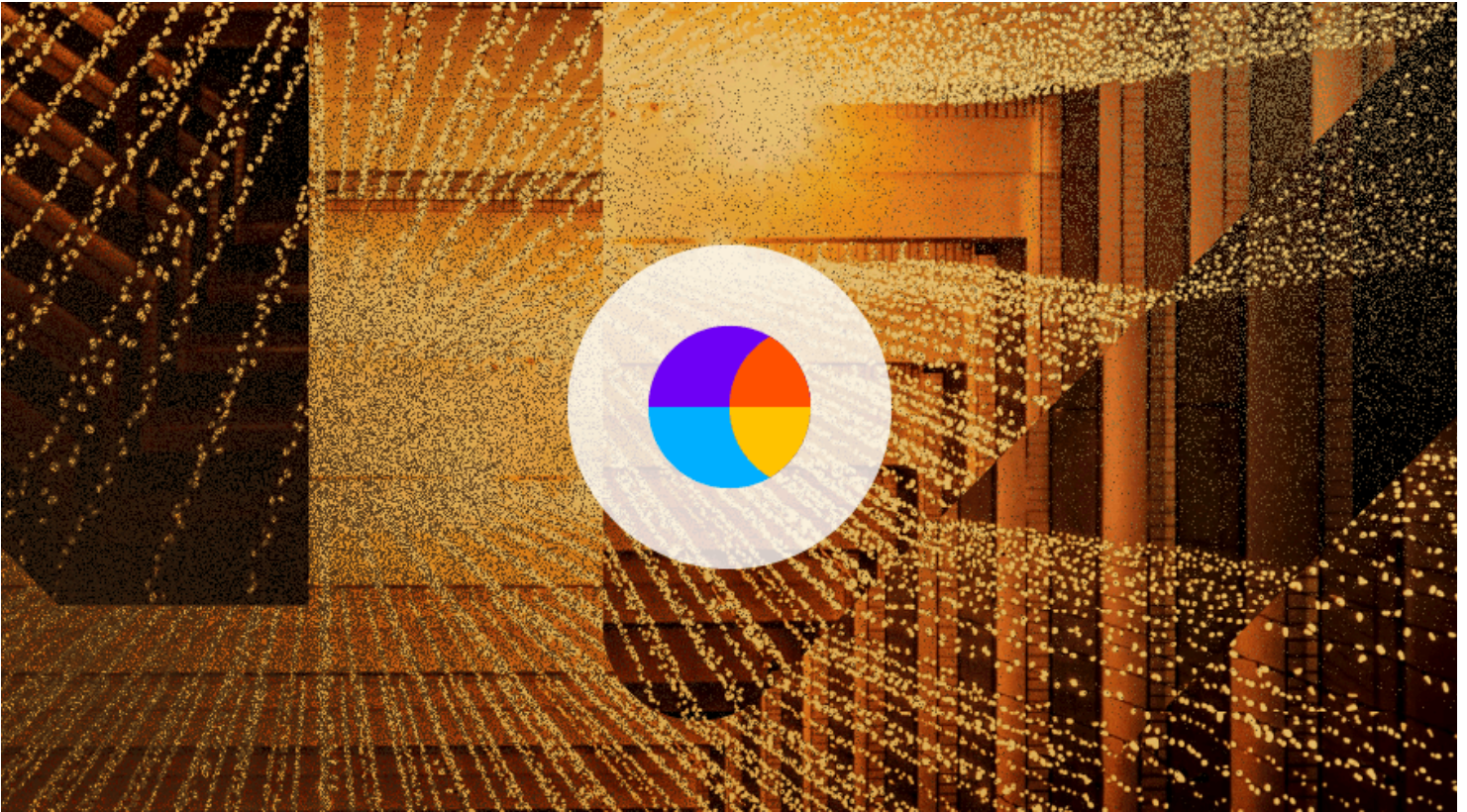


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Case #258-2026: Monitoring Inquiry – Enagic USA, Inc.

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Direct Selling Self-Regulatory Council

Case #258-2026: Monitoring Inquiry – Enagic USA, Inc.

Company Description

Enagic USA, Inc. (or the “Company”) is a direct selling company founded in 2003 and headquartered in Torrance, California, that distributes water ionization systems, including its Kangen Water machines. It operates under a marketing model in which products are sold by independent distributors, often called independent business owners, who earn commissions from sales.

Basis Of Inquiry

The Direct Selling Self-Regulatory Council (“DSSRC”) is a national advertising self-regulation program administered by BBB National Programs. This matter was initiated through DSSRC’s independent monitoring efforts, which review marketing and promotional claims disseminated by direct selling companies and their salesforce members.

This inquiry involved 18 earnings-related claims disseminated by Company salesforce members on YouTube, Facebook, and Instagram. DSSRC was concerned that these claims conveyed the impression that a typical Enagic salesforce member could achieve substantial income and rewards through participation in the Company’s business opportunity.

The representative claims that formed the basis for DSSRC’s inquiry are set forth below.

Earnings Claims

1. “Unlock Financial Freedom with the Enagic Kangen Water Business Opportunity”
2. “When I found Enagic, I didn’t just find a product — I found a business that makes REAL numbers possible. I’m talking \$900... \$1,800... \$4,500... even \$10k+ in a single day depending on the sale you make.” (November 2025)
3. “One Investment Can Change Your Entire Life. Imagine making a single decision that unlocks a world of possibilities—better health, financial freedom, and a sustainable future for you and your family. #FinancialFreedom” (January 2025)
4. “👉 A patented comp plan-which allows you to earn on multiple levels and build long-term, scalable income.” (September 2025)
5. “Creating Legacy income with Enagic’s patented compensation plan is about building a sustainable financial future while making a meaningful impact on others. Here’s why someone would want to do it: 1. Financial Independence & Generational Wealth #FinancialFreedom” (March 2025)
6. “This post isn't about becoming a millionaire, but it is about mindset, going after your dreams, and making them happen. At Enagic, we meet you where you're at. Enagic is a 50 year old company that has a proven system that addresses not only your personal well-being, but also your financial security and quality of life.” (March 2025)
7. “Enagic’s compensation plan provides mamas with a high income—receiving up to \$5K in commission from a single sale, that my dear friends is TRULY LIFE CHANGING” (March 2025)
8. “Wasn't expecting this check today, it's not much but it's just totally free money, a bonus check .I'm now waiting on my bigger checks. Enagic I love so much, it's so nice to get checks when you haven't done anything.” (August 2025)
9. “From helping families drink the purest water to building a business that gives you time freedom and financial independence, this model is proof that you can create the life you’ve always imagined. 💧🏠 #FinancialFreedom” (August 2025)
10. “#FinancialFreedom” (October 2025)
11. “Joining Enagic as an independent distributor has opened doors to financial freedom. Be your own boss with a very healthy life.” (November 2024)
12. “Learn how you could generate thousands by getting started for LESS than \$100 a week, with no overheads like a traditional brick and mortar business! What would \$3200 do for you and your family?” (October 2024)
13. “So it’s within OUR best interests to help those below us make sales not just for financial gain, but because we want to see them make \$2920 each time a sale is made AND move through the ranks to gain those extra bonuses too!” (October 2023)
14. “In summary, Enagic's compensation plan offers Distributors a great opportunity to achieve financial freedom and improve their quality of life.” (May 2023)
15. “#freedom #timefreedom #financialfreedom #legacy #healthfreedom” (June 2024)
16. “dedicated to helping others achieve not just financial freedom but also time freedom and personal growth.” (November 2024)
17. “Want to improve your health and achieve financial freedom?”
18. “#FinancialFreedom” (February 2025)

Company’s Position

In response to DSSRC’s Notice of Inquiry, Enagic expressed its appreciation to participate in the direct selling industry self-regulatory forum and emphasized that it strives to maintain transparent and accurate marketing practices across its salesforce.

The Company explained that it employs ongoing monitoring efforts through a third-party vendor, which reviews content across multiple languages, including English, French, Spanish, and Vietnamese. Enagic represented that these monitoring efforts had been effective, with the majority of identified incidents resolved within a relatively short period. The Company further noted that it had established a compliance committee to oversee distributor conduct, particularly in cases involving more serious or repeat violations, and to ensure consistent enforcement of disciplinary measures.

With respect to the specific claims identified by DSSRC, the Company represented that it contacted or attempted to contact the salesforce members responsible for disseminating the subject claims and requested that the posts be removed or modified to comply with applicable standards.

Enagic informed DSSRC that it successfully removed 12 of the 18 claims at issue. The Company also indicated that several of the remaining posts originated outside of the United States and have been referred to the appropriate international affiliates, including Enagic

Europe and Enagic Australia, for further action.¹ Enagic further noted that in limited instances where the distributor could not be identified or the content was no longer accessible, it documented its efforts and, where possible, posted corrective comments.

Additionally, the Company stated that it had taken disciplinary action where appropriate, including issuing warning letters to distributors who failed to comply with Company policies. Enagic maintained that these actions demonstrated its commitment to enforcing its policies and ensuring that distributor marketing aligned with applicable advertising standards.

Enagic explained that its compliance team provides ongoing training, guidance, and oversight to help ensure that salesforce members' marketing activities align with Company policies and applicable laws and regulations. The Company further represented that it remained committed to continuous improvement of its compliance processes and would continue to monitor distributor activity, provide training and guidance, and take prompt corrective action when non-compliant claims were identified.

Analysis

DSSRC appreciated the Company's efforts to address the concerns raised in this inquiry, including its actions to facilitate removal of 12 of the 18 identified social media posts. DSSRC also recognized that Enagic contacted the salesforce members responsible for the claims and requested that the posts be removed or modified to comply with applicable standards. Such actions are consistent with DSSRC's expectation that direct selling companies take reasonable steps to monitor and address non-compliant claims disseminated by their salesforce.

Notwithstanding these efforts, DSSRC remained concerned regarding the ongoing accessibility of several earnings claims. Specifically, DSSRC determined that claims referencing the ability to earn "a full time income" (e.g., "A little extra income to pay that bill or maybe to replace a full time income?"), "unlimited income" (e.g., "In our local areas and in our social communities, thousands of Jordies gather for Spa Bars and enjoy unlimited income!"), and statements such as "Make the money you want" reasonably convey that typical participants in the Company's business opportunity can achieve significant or uncapped income.

Consistent with guidance from the Federal Trade Commission (FTC), earnings claims in the direct selling context must be truthful, not misleading, and substantiated. More specifically, the FTC's Business Guidance Concerning Multi-Level Marketing ("FTC Guidance") states that representations about income must accurately convey the earnings that the typical participant can general expect to achieve through the direct selling business opportunity and has warned that claims emphasizing the possibility of substantial income may be misleading if they suggest results that are not representative of the experience of most participants and are not accompanied by appropriate qualifying information.² FTC Guidance also notes that claims depicting atypical earnings or lifestyle outcomes must be supported by reliable evidence showing that such results are representative for typical participants in the Company's business opportunity. If a company cannot substantiate that the stated results are typical, and the claims are not accompanied by clear and conspicuous disclosures regarding the amount of income that participants generally earn, such representations will give consumers a misleading impression of the business opportunity.³

Similarly, DSSRC's Earnings Claims Guidance for the Direct Selling Industry provides that broad, unqualified claims of significant or unlimited income—such as those identified in this inquiry—are inherently problematic because they can create unrealistic expectations regarding the financial success of typical salesforce members.⁴

DSSRC recognized that certain of the identified claims originated from social media accounts associated with individuals located outside of the United States and, therefore, may fall outside the Company's direct control. DSSRC has previously acknowledged that, in such circumstances, a company's ability to effectuate removal may be more limited. Nevertheless, DSSRC expects that direct selling companies will make bona fide, good faith efforts to address non-compliant claims and notes that Enagic has already referred such matters to the appropriate international affiliates.

In addition, in the event the individuals responsible for disseminating the remaining posts are unresponsive or cannot be contacted, DSSRC recommends that the Company take further reasonable steps, where feasible, to address the remaining content by contacting the relevant social media platforms to advise them that the posts are unauthorized and request their removal.

While DSSRC acknowledges the Company's efforts to reconcile many of the claims identified in this inquiry, it determined that additional measures are necessary to address those claims that remain publicly accessible.

Conclusion

DSSRC appreciated the Company's good faith efforts to address the majority of the claims at issue, including the removal of 12 of the 18 posts. DSSRC determined that these actions were consistent with the Company's obligation to ensure that its salesforce disseminates truthful and non-misleading advertising. Notwithstanding, DSSRC remained concerned about the continued availability of certain earnings claims that convey the message that participants can achieve significant or unlimited income.

Accordingly, DSSRC recommends that the Company take additional reasonable steps, within its control, to facilitate the removal of the remaining claims by contacting the relevant social media platforms to advise that the posts are unauthorized and request their removal.

DSSRC will continue to monitor the Company’s efforts to ensure compliance with applicable standards.

Company Statement

“Enagic USA, Inc. (Enagic) appreciates the guidance provided by the DSSRC and shall adhere to the recommendations in the report, including the methods for dealing with the remaining issues cited in the report. Enagic is working closely with our distributors to educate them about and ensure adherence to fact-based, truthful marketing of our products and business opportunities. In furtherance of our goals, we are developing new compliance training and monitoring for Enagic and our distributors and we are coordinating our efforts with Enagic entities in other countries.”

(Case #258, closed on 4/21/26)

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[1] For example, Enagic USA confirmed that Enagic Australia followed up on a DSSRC-related matter and posted a response addressing the identified claim.

[2] *See* Fed. Trade Comm’n, Business Guidance Concerning Multi-Level Marketing, Section 13 (April 2024)
<https://www.ftc.gov/business-guidance/resources/business-guidance-concerning-multi-level-marketing#deceptive>.

[3] *Id.*

[4] *See* Direct Selling Self-Regulatory Council, Guidance on Earnings Claims for the Direct Selling Industry, Section 6(A)(2022) and DSSRC Case #51-2023: LifeWave, Inc. (June 2023).

May 15, 2026

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