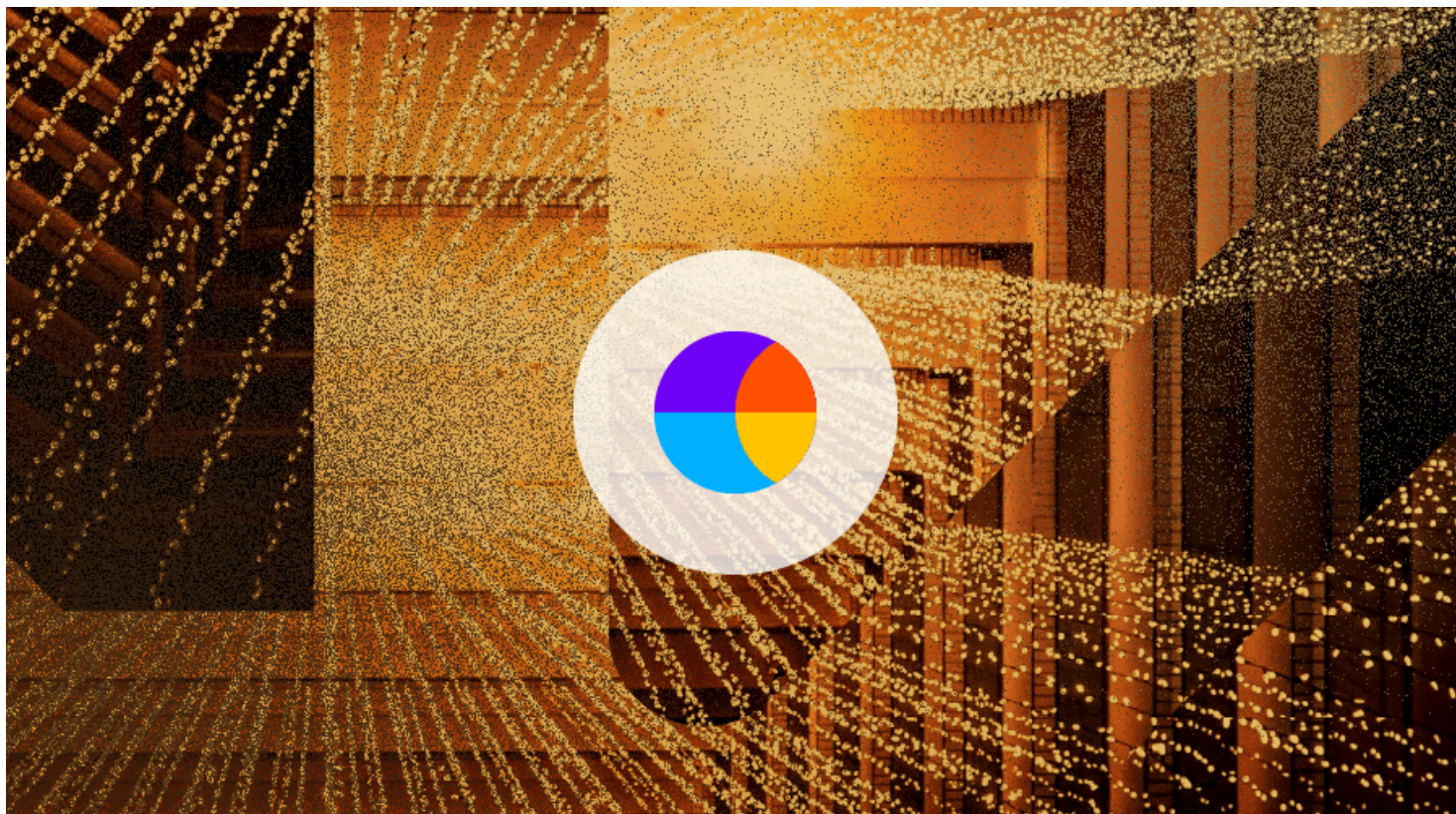


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# Case #216-2025: Administrative Closure - Enagic USA, Inc.

## BBB NATIONAL PROGRAMS

Direct Selling Self-Regulatory Council

Case #216-2025: Administrative Closure - Enagic USA, Inc.

## Company Description

Enagic USA, Inc., (“Enagic” or the “Company”) is a direct selling company founded in 2003 and headquartered in Torrance, California. The Company markets and distributes water ionization and filtration systems, primarily under the Kangen Water brand. These machines are designed to produce different types of water through electrolysis.

## Basis of Inquiry

The Direct Selling Self-Regulatory Council ("DSSRC") is a national advertising self-regulation program administered by BBB National Programs.

This inquiry was commenced by DSSRC pursuant to a consumer complaint and DSSRC's ongoing independent monitoring of advertising in the direct selling marketplace and pertains to earnings claims and product claims disseminated by Enagic and its salesforce members.

The representative claims, which were disseminated on Facebook, YouTube, and salesforce member websites, formed the basis of this inquiry and are set forth below:

### *Earnings Claims*

1. "Mike and I just received our Bonus Checks for last month which totalled over \$300,000.00 🤑 That's with NO Paid Ads, NO Leads, NO Buyers and NO Direct Sales. 🚫"

\$300K in ONE MONTH!! 🤑🤑

THAT is the power of TRUE RESIDUAL and PASSIVE INCOME. 🌟🌟  
(May 2024)

2. "We were also awarded \$415,000.00 dollars in title incentive bonuses for achieving these high ranks. 💰💰💰💰"

On top of our regular monthly bonus, that's well over half a million Canadian dollars we earned this month. 🎤🔊  
(October 2024)

3. "Boom!!! Another \$16,500 sale just going in today for one of my beautiful business partners!!! God is good 🙏🙏"

(January 2025)

4. "I've never felt better, ever! I no longer experience neuropathy or joint pain. My face is clear, and my brain is functioning. It has helped with my daughters depression, and my other daughters eczema! I've made over \$25,000 in less than three months!"

(June 2024)

5. "From \$0 to \$300,000 - Brandon Brown not only allowed me leave my corp high paying job, but also create MSI's and grow my business.

From \$0 to \$20,000 -The training from the six seven and eight figure earners here in this space is top notch. From \$0 to \$100,000 In A Few Short Months -"Brandon & Jen have built 7 & 8 Figure businesses online & inside of this powerful training you'll get to copy the same strategies that took them from struggling to pay bills to a life over flowing with time freedom, and abundance."

6. "We are currently one of the fastest growing teams in Enagic and we are practically a brand new team!! Over \$12,000,000 in sales JUST in 2024."

(June 2024)

7. Person standing in front of red sports car with copy stating "I thank You for the favor and privilege You have bestowed upon me. Through my Enagic business, I have had the opportunity to share with my team how I work with patients, demonstrating love and understanding. Together, we strive to achieve all things for Your glory!"

(December 2024)

8. "This is not a 'get rich quick scheme'. This is an alternative way to earn income that gives you back time, but it still requires the work. The difference to a conventional job though is that this work brings uncapped income, time-leveraged automation, oodles of support structures and a beautiful community."

9. "Unlock Financial Freedom with Enagic's Direct Sales Compensation Plan! 🏆💡💰"

Whether you're looking for extra income or a full-time career, Enagic® provides the tools and support you need to succeed...  
#FinancialFreedom"

10. "Ready to learn how you can build a second stream of income so you can be present for your family & provide while creating a generational wealth? It's a quick process, about 3 minutes, and it's meant for those who are genuinely committed to discovering how to become part of the 'Financial Freedom' and attain the life-changing freedom you've been yearning for."

11. Video depicting money, luxury vacations, and luxury vehicles with caption stating "Ever wondered how the ultra-successful live a life of luxury, constantly jet-setting 🌐 and cruising in sleek sports cars 🚗💨 ? It's not just about luck; it's about all-in, massive

action 🌟 coupled with boundless persistence 🙌. #FinancialFreedom”

(September 2024)

## 12. “Unlock Financial Freedom & Better Health with Enagic! ✨

Are you tired of the 9-to-5 grind and dreaming of a flexible lifestyle that lets you spend more time with your loved ones? Or maybe you're looking for a way to improve your health while earning a great income? If so, I've got something exciting for you! 🚀

Join my Enagic team and discover:

- 💧 The incredible health benefits of Kangen Water.
- 💰 A lucrative affiliate marketing opportunity that fits into your life.
- 🌐 The freedom to work from anywhere, anytime.
- 👨‍👩‍👧‍👦 More quality time with your family.

As a mum who transitioned from a traditional job to full-time affiliate marketing, this journey has been a game-changer! The potential for financial freedom and the flexibility to live life on your terms are within reach. #FinancialFreedom”  
(August 2024)

### Product Performance Claims

1. “... they extolled the virtues of kangen water as a superior product in a variety of different illnesses ranging from gastrointestinal disorder to rheumatoid arthritis and to other skin diseases and many other types of human ailments...” AND “...my own life has been markedly enriched by the ingestion of kangen water. I feel better, I have more energy, my aches and pains and arthritic fingers which is a common course of surgeons of my age has gone away.”(February 2022)
2. Youtube video referencing the use of kangen water instead of pain medication (vicodin) post surgery(June 2023)
3. Youtube video titled “Weight loss, looking younger, cancer and gallbladder problems” – “I had gone to the doctor, they wanted to remove my gallbladder...after I started drinking [the water] immediately, I like within ten to nine days lost like about eight pounds like I instantly dropped the weight where I think was actually inflammation in my body...every time I drank the water I had no pain...” AND “... two weeks into drinking the water he started shedding all these kidney stones.” (May 2021)
4. Image with copy stating “Kangen Water Benefits: Boosts Your Immune System; Keeps Your Kidneys Healthy; Improves Circulation; Improves Digestion; Helps Maintain Normal Bowel Function; Detoxifies; Give Muscle Relief; Help Control Calories; Improves your SKIN; Energizes; Makes You Look And Feel Younger”(September 2020)
5. “9 Great Reasons to Drink Kangen Water

- Heart Healthy; Lowers your risk of a heart attack by 41%
- Digestive Problems; Kangen Water helps solve over acidic stomach problems
- Cancer Risk; Kangen Water can reduce risk of colon & bladder cancer by 50%”  
(May 2020)

6. Image of doctor holding Kangen Water machine with copy stating “Don’t Waste Your Hard-Earned Money on Hospitals”(January 2025)
7. “Robert G.Wright ,Director of "AMERICAN ANTI-CANCER INSTITUTE - THE INTERNATIONAL WELLNESS AND RESEARCH CENTRE"...

Suggesting 'kangen water by Enagic' for cancer cure  
Change your waterchange your life”  
a. Photo with words “Killing Cancer not People”

8. “Meet Mr. Edward Onato from Quezon Province, a colon cancer survivor. His life was saved through drinking 1 Gallon of Kangen Water Everyday! Until now he is a living testimony and a power speaker in Enagic PHILIPPINES office. Find out how he became Cancer Free just by changing the water he drinks. Open and Free For ALL!

Pls. bring your tumbler/glass for the Free and Unlimited Drink of Kangen Water.  
CHANGE YOUR WATER, CHANGE YOUR LIFE!”

9. Graphic w/ Text: “**Alkaline Water Benefits – Helps Fight Cancer:** Alkaline water is useful because it keeps the acid in the body neutral. For a healthy body, a pH level of 7.0 to 7.2 should be maintained. Drinking alkaline water can help you maintain those levels. Alkaline water is also effective in preventing the growth of cancer cells.”

#Enagic #waterfiltration #kangenwater #atomi #kangen #skincare #sanitizer #kangendevise #alkaline #ionizedwater #Acidicwater #cancer #immunebooster

10. “Many of us have suffered a loss of a loved one due to the terrible illness known as cancer, for me, it was my amazing mother. Did you know that our Kangen Water Machines can help the fight against cancer? Our strong kangen water(11.5pH) should be drunk

while in chemotherapy! The high alkalinity reduces metabolic acidosis!! You can also rub 11.5pH water on chemo burns to help in healing of them! Kangen Water Machines really are life changing!! Isn't it time to change your life for the better?"  
 #kangenwatermachines #strongkangenwater #enagic #theawakening #changeyourwaterchangeyourlife #kangenwater...(December 2023)

11. Video: "What's the number one thing we tell cancer patients to do. No, we don't tell them to do anything. The number one thing that we recommend that we would do if we had cancer, like someone, gotta be careful with this stuff, is Kangen water."(November 2023)
12. "There are several incredible health benefits to drinking alkaline water that have been scientifically proven and we are here to share them with you.  
 Improve Bone Health. ...  
 Soothe Acid Reflux. ...  
 Reduce High Blood Pressure, Blood Sugar, and Cholesterol. ...  
 Enhance Hydration. ...  
 Increase Longevity."(July 2023)
13. "I just wanted to explain to anyone how this Kangen machine water works.

If one of your family has any one of these symptoms such as arthritis, pains inside your heart ❤️, asphyxia when you drink the

Kangen water 💧 nose running

Trouble breathing. All of this symptoms will go away within six months..

it can even cure some of the cancer inside you body also control your diabetes,

However, if inside you body do have infections occur took one dose of penicillin with Kangen water 💧 it will go away completely.

All the above are true"

(April 2018)

### Company's Position

In its response to DSSRC, Enagic reiterated its commitment to upholding transparency and accuracy in its commercial representations. The Company informed DSSRC that a majority of the claims identified in this inquiry originated from old social media accounts of salesforce members located overseas. Enagic did not attempt to provide support for the claims at issue but, instead, elected to implement remedial measures, including the removal and modification of the posts and claims, to address the concerns raised. As an initial step, and to facilitate DSSRC's review of its response efforts, the Company submitted a comprehensive Excel spreadsheet outlining the specific actions taken to address the issues identified in the inquiry.

Accordingly, Enagic removed 11 of the posts communicating earnings claims and made significant modifications to the other income-related post. Enagic also facilitated the removal of 11 of the 13 posts that communicated product performance claims and substantively modified the two remaining posts to address DSSRC's concerns regarding the claims at issue. The Company informed DSSRC that one of the social media posts that remained publicly accessible was disseminated in December 2023 by a former Australian salesforce member. The Company confirmed that it reached out to the former salesforce members to request that the post be removed and also alerted Instagram to the unauthorized post and requested that it be disabled. Instagram was not responsive to Enagic's request. Notwithstanding, the Company included a remark in the comment section of the post stating that: *"This post contains unauthorized, unfounded health claims associated with the supposed preventative/curative and therapeutic powers of Kangen Water."* The second post that was not removed in its entirety originated outside of the United States from an individual not associated with Enagic. Nevertheless, the individual removed the claim identified by DSSRC.

### Administrative Closing Resolution

DSSRC recognized Enagic's voluntary, good faith efforts to remove or significantly modify all of the social media posts identified in the inquiry and for engaging constructively with its affiliates overseas to resolve the issues raised. DSSRC concluded that the Company's actions were warranted.

### Earnings Claims

With respect to the earnings representations at issue, DSSRC determined that the social media posts reviewed in this case created a net impression that the typical Enagic salesforce member could reasonably expect to earn a substantial income (e.g., "\$25,000 in less than three months," "\$0 to \$100,000 in a few short months," "uncapped income," "earning great income," and similar statements) from the Company's business opportunity.

According to the Federal Trade Commission (FTC), advertisers bear responsibility not only for the messages they aim to communicate, but also for all reasonable interpretations that consumers may derive from those messages. Under the FTC's 1983 Policy Statement on Deception, advertising claims are evaluated from the standpoint of a reasonable consumer. This means that if a reasonable consumer could interpret a claim in a particular way, the advertiser must be prepared to substantiate that interpretation—regardless of whether it was

intended. Accordingly, in order to remain compliant with Section 5 of the FTC Act, advertisers must ensure they possess adequate support for each plausible consumer takeaway from their advertising content.

Moreover, the FTC's *Business Guidance for Multi-Level Marketing* ("the FTC Guidance") makes clear that any representation regarding income or financial success must accurately reflect what a typical participant in the program is likely to earn. The FTC Guidance underscores that claims implying significant or extraordinary earnings are rarely reflective of the average participant's outcomes. As such, portraying the business opportunity as a path to "financial freedom" or substantial income—without substantiated evidence—risks misleading prospective salesforce members. Under FTC standards, any income representation must be supported by a reasonable basis, which means having credible, data-driven evidence showing that the earnings depicted are achievable by a majority of individuals in the target audience. Absent such substantiation, the claim is presumptively deceptive.<sup>1</sup>

In addition, the *DSSRC Earnings Claims Guidance for the Direct Selling Industry* (the "DSSRC Guidance") provides clear direction on language that is inappropriate when addressing a general audience of current or prospective salesforce members. Specifically, Section 6 of the DSSRC Guidance identifies a range of statements that are considered impermissible due to their inherent risk of misleading consumers. These include claims such as "quit your job," "be set for life," "make more money than you ever have imagined or thought possible," "unlimited income," "full-time income," "replacement income," "career-level income," and other similar representations. The DSSRC Guidance further emphasizes that certain terms, including "financial freedom," pose an especially high risk of deception when used without proper context or substantiation, and should be avoided in broad marketing communications.<sup>2</sup>

### *Product Performance Claims*

According to the FTC's *Health Products Compliance Guidance*, "competent and reliable scientific evidence" refers to research, testing, or analysis that meets rigorous scientific standards. Specifically, such evidence must be conducted and assessed objectively by qualified experts in the relevant field and must be widely recognized within the scientific community as producing dependable and accurate results. Moreover, the body of evidence must be both quantitatively and qualitatively robust—aligned with accepted methodologies in the pertinent scientific disciplines—and must support the truthfulness of the claim when viewed in the context of all relevant and reliable scientific data available.<sup>3</sup>

In the absence of competent and reliable scientific evidence, advertisers must avoid making any claims that suggest their products offer health or safety benefits. This includes, in particular, any representations implying that a product is effective in preventing, treating, or alleviating diseases, medical conditions, or any physical or mental impairments that interfere with normal bodily functions.

Furthermore, implying that a product has therapeutic or disease-related benefits without proper substantiation not only misleads consumers but also poses serious public health concerns. Such unsupported claims can result in individuals forgoing medically-approved treatments in favor of unproven alternatives, potentially leading to delayed care or worsening of health conditions. Advertisers bear a heightened responsibility when promoting health-related products to ensure that all messaging is truthful, evidence-based, and aligned with applicable regulatory standards to protect consumers from deceptive or harmful misinformation.

DSSRC concluded that the administrative closure of this matter was predicated on Enagic's actions to resolve the product performance concerns identified in the inquiry.

### **Conclusion**

Enagic successfully removed or materially revised all earnings and product claims identified in the inquiry. Given the Company's demonstrated good faith efforts to address the concerns raised, DSSRC administratively closed its inquiry.

### **Company Statement**

"Enagic USA, Inc. (Enagic) strives to meet the highest standards for fact-based, truthful marketing of our products and business opportunities and to ensure that our distributors adhere to our standards. We have redoubled our efforts to improve our compliance efforts so as to enhance our relationship with our distributors, customers and the public at large. In furtherance of our goals, we are developing new compliance training and monitoring for Enagic and our distributors."

(Case #216, Closed on 5/14/25)  
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[1] *See* FTC Business Guidance Concerning Multi-Level Marketing, Section 13 (April 2024) <https://www.ftc.gov/business-guidance/resources/business-guidance-concerning-multi-level-marketing#deceptive>.

[2] DSSRC Guidance on Earnings Claims for the Direct Selling Industry (2022) section6.  
dssrc\_guidanceonearningsclaimsforthedirectsellingindustry.pdf.

[3] Fed. Trade Comm’n, Health Products Compliance Guidance, Section B. Substantiating Claims, 12.  
[https://www.ftc.gov/system/files/ftc\\_gov/pdf/Health-Products-Compliance-Guidance.pdf](https://www.ftc.gov/system/files/ftc_gov/pdf/Health-Products-Compliance-Guidance.pdf)

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