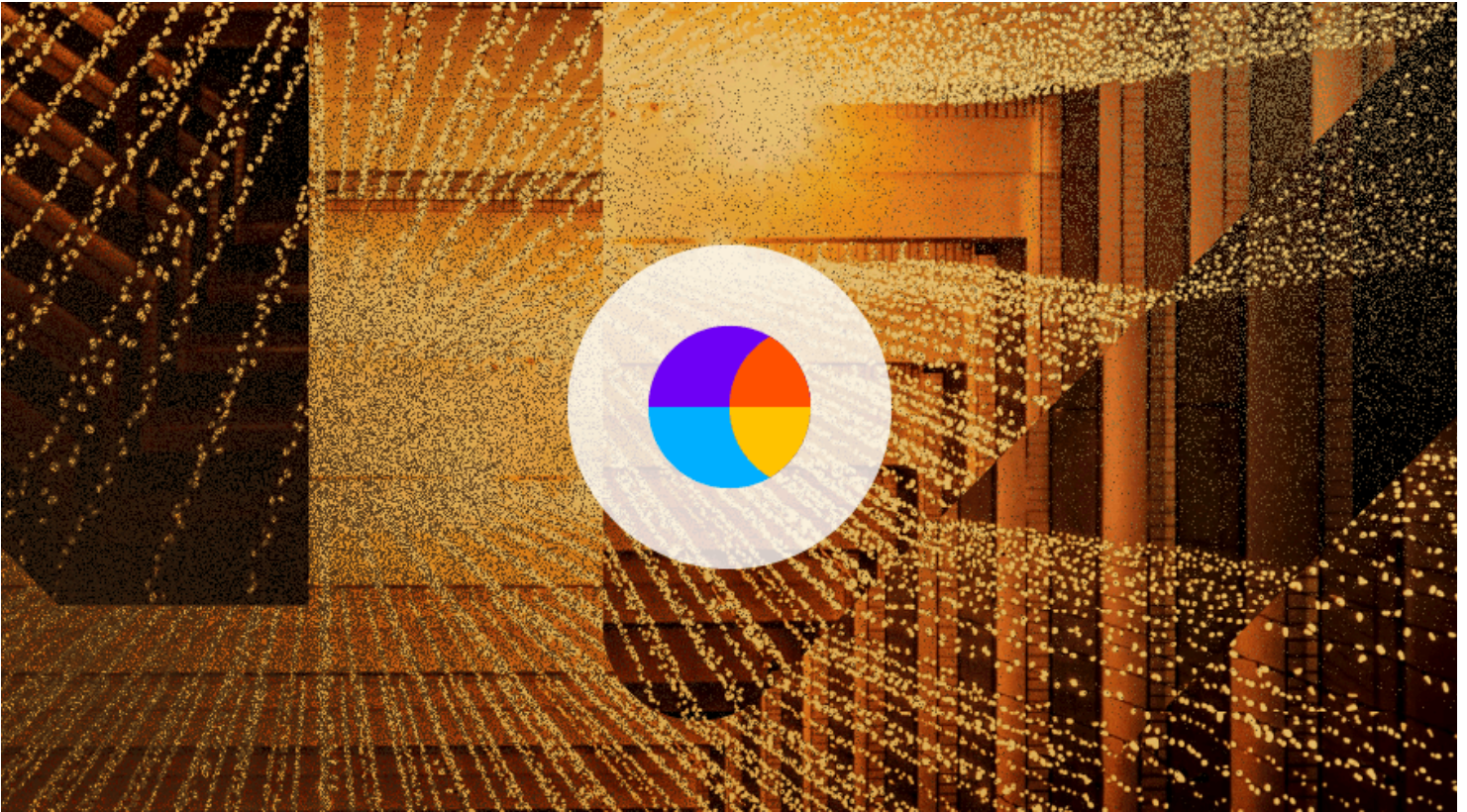


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BBB NATIONAL PROGRAMS

Direct Selling Self-Regulatory Council

Case #255-2026: Administrative Closure – Herbalife International of America

Company Description

Herbalife International of America, Inc. (“Herbalife” or the “Company”) is a U.S.-based direct-selling company founded in 1980 and headquartered in Los Angeles, California. The Company’s product line focuses on health and wellness — including items such as weight-management products, nutrition and dietary supplements (protein shakes, vitamins, minerals, and herbal products), sports and fitness nutrition, and personal-care products.

Basis of Inquiry

The Direct Selling Self-Regulatory Council (“DSSRC”) is a national advertising self-regulation program under the administration of BBB National Programs. This inquiry arose pursuant to DSSRC’s routine, independent monitoring activities, through which it reviews promotional and marketing claims made by direct selling companies and their independent salesforce participants.

This inquiry pertained to earnings claims disseminated on Facebook, Instagram, TikTok and a description of an Apple podcast by members of Herbalife’s independent salesforce. DSSRC expressed concern that the income-related representations reviewed in this inquiry could lead consumers and potential salesforce members to believe that the typical Herbalife participant is likely to achieve substantial earnings through involvement in the company’s business model.

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

Earnings Claims

1. ““Wellness + Financial Freedom = A Better You” (September 2025)
2. “I’ll show you exactly how you can start your journey to financial freedom today! #Financialfreedom” (September 2025)
3. “#financalfreedom” (October 2025)
4. Screenshot showing rank & revenue “Herbalife is ranked #2 with over \$5 BILLION in revenue for 2024!” (September 2025)
5. “If you don’t need financial freedom that is great, but perhaps you need time freedom, or maybe you dislike the people you work alongside with and just want a different community.” (April 2025)
6. “Want better health, financial freedom, and personal growth? #FinancialFreedom”
7. “you also get the chance to build a business and unlock financial freedom. 🙌” (September 2025)
8. “Gain financial freedom, become independent, and afford the lifestyle you deserve - all by joining Herbalife” (August 2025)
9. “He is a partner with Herbalife Nutrition where he developed a business that helped him attain financial freedom on the way to helping people get results.”
10. “🌟Qualify for fully paid vacations and business trips.
🌟earn back your time and financial freedom” (April 2025)
11. “With the support of Herbalife Nutrition, she not only reclaimed her health (📉 200lbs 🔥) but unlocked a path to financial freedom and generational wealth.” (April 2025)
12. “Imagine a world where every healthy choice opens the door to financial freedom.” (March 2025)
13. “Then let’s do this together & make 2025 the year of financial freedom & less stress! 🙌🌟” (March 2025)
14. Join us today & take the first step toward financial & wellness freedom! #FinancialFreedom” (Feb. 2025)
15. “The journey to financial freedom never looked so good!” (October 2025)

Company’s Position

Herbalife expressed its appreciation for the opportunity to participate in the industry’s self-regulatory forum. Upon receipt of the Notice of Inquiry, the Company promptly conducted a thorough review of the identified social media posts and initiated corrective action consistent with its compliance policies and procedures. Herbalife agreed with the majority of DSSRC’s findings, although it requested clarification with respect to one of the identified posts as noted separately.

In addressing DSSRC’s concerns, Herbalife created case files for the 16 identified posts and initiated outreach to the respective salesforce members to secure removal or appropriate modification.

The Company informed DSSRC that seven of the posts at issue were disseminated by U.S. salesforce members. Herbalife worked with the distributors to secure correction or removal of the five outstanding posts.

In addition, Herbalife noted that the remaining posts identified by DSSRC originated from salesforce members located outside of the U.S. and were referred to the appropriate regional compliance teams. Three matters had open case files, and the company collaborated with those salesforce members to facilitate removal or modification.

With respect to the post referencing Herbalife’s annual sales revenue and industry ranking, Herbalife contended that the statement was neither false nor misleading. It was the Company’s position that the claim accurately reflected the Herbalife’s publicly reported 2024 revenue and industry ranking and was therefore accurate. Moreover, Herbalife maintained that the post did not reference or imply specific earnings of salesforce members but rather highlighted the overall scale and financial stability of the Company. As such, it was Herbalife’s position that the statement did not constitute an earnings claim under DSSRC guidance.

In addition, as part of the Company's established claims review process, the salesforce members responsible for the posts at issue received individualized compliance education through phone outreach and/or written communications. These communications reinforced the Company's policies regarding accurate and non-misleading business opportunity and earnings representations.¹

Herbalife explained to DSSRC that it maintains an active monitoring and enforcement program and used this opportunity to review and strengthen its internal processes. Specifically:

- The Company identified that certain keyword monitoring activities had been paused during September and October while compliance resources were focused on monitoring claims related to a new brand launch; and
- Herbalife also identified certain limitations associated with Facebook's search functionality, including prioritization of posts containing multiple keywords and algorithmic reordering of search results based on engagement and relevance, which may have impacted detection.

To address these issues, the Company implemented the following enhancements:

- Reinforced internal procedures to ensure that day-to-day monitoring remained active and prioritized, even during major product launches or other high-volume initiatives.
- Updated monitoring protocols to incorporate varied keyword combinations and expanded hashtag searches to improve post identification.
- Strengthened documentation and oversight procedures to close identified process gaps.

Herbalife reaffirmed its commitment to ensuring its salesforce members complied with applicable advertising standards and DSSRC guidance and continued working to resolve the one remaining post while enhancing its compliance infrastructure to prevent similar issues in the future.

Administratively Closed Resolution

DSSRC acknowledged Herbalife's efforts to remove or appropriately modify 15 of the 16 online earnings claims identified during this inquiry. Rather than seeking to substantiate the representations with supporting data, the Company elected to focus on eliminating or revising the claims to bring them into alignment with applicable standards.

The Federal Trade Commission's 2024 *Business Guidance Concerning Multi-Level Marketing* ("FTC Guidance") reiterates that MLM companies and their representatives must have a reasonable basis for any income-related representations made to prospective or current participants.² Under the FTC Guidance, a "reasonable basis" requires credible, empirical evidence—not personal testimonials, isolated experiences, or subjective beliefs. Income claims conveyed without such support are considered deceptive.³

In this inquiry, DSSRC expressed its concern that the posts at issue suggested that the typical Herbalife salesforce member could achieve financial freedom or earn substantial income through participation in the Company's business opportunity. In the absence of data demonstrating that such results are generally attainable by the typical participant, DSSRC agreed that Herbalife's decision to pursue removal or modification of these claims was warranted.

The FTC Guidance further cautions that representations implying career-level income, job-replacement earnings, debt elimination, or significant supplemental income are deceptive when such outcomes are not typical or when the direct selling company lacks objective data to support those results.⁴ DSSRC's own *Guidance on Earnings Claims for the Direct Selling Industry* likewise identifies certain phrases as inherently problematic when used in broad promotional contexts. Examples include "quit your job," "be set for life," "unlimited income," "full-time income," "career-level income," "replacement income," and other language implying unrealistic or unsubstantiated financial success.⁵

DSSRC has also consistently raised concerns regarding the use of terms such as "financial freedom" and "financial independence." These phrases—commonly understood to indicate the ability to meet one's financial obligations without ongoing secondary income—carry a significant risk of misleading consumers when presented as typical earnings in the direct selling context.⁶

Notwithstanding the Company's genuine effort to remedy the one social media post that remains publicly accessible, DSSRC remained concerned about the statements in the post suggesting that salesforce members can generally expect to achieve "financial freedom," and "unprecedented earnings potential" from the Company's business opportunity. Herbalife has provided written documentation to DSSRC demonstrating that it has attempted to contact the individual responsible for disseminating the post requesting that it be modified or discontinued and has confirmed that their account has been suspended as a result of their failure to respond to the request.

The Company has also contacted Facebook to advise the platform of the unauthorized claim and requested that it be removed.

Lastly, with respect to the post identified by DSSRC containing the statement, "Herbalife is ranked #2 with over \$5 BILLION in revenue for 2024!," DSSRC agreed with the Company that the statement did not convey a message regarding the level of income that could

generally be expected by Herbalife salesforce members. Rather, DSSRC concluded that the post accurately referenced the Company’s publicly reported 2024 revenue and its ranking within the industry. In reviewing the statement in context, DSSRC determined that the language would not reasonably be interpreted by consumers as a representation about the earnings of individual salesforce members. Nevertheless, DSSRC appreciates the Company’s commitment to the self-regulatory process.

Conclusion

Based on Herbalife’s actions to remove or significantly modify 15 of the 16 claims identified in this inquiry and its ongoing good-faith efforts to remediate the final outstanding post, DSSRC has administratively closed this inquiry.

Company Statement

“Herbalife is fully committed to truthfulness and transparency when promoting our products and business opportunity. Our favorable reputation with consumers and industry peers alike is a source of great pride for us and something we endeavor to protect. We will continue to identify and act on opportunities to provide further compliance training and tools to our sales force, to ensure that they are well-trained to accurately describe the amazing benefits of both our products and business opportunity.”

(Case #255, closed on 2/10/26)
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[1] In addition, Herbalife explained that U.S. distributors were assigned mandatory claims training as part of Herbalife’s continuing compliance education program.

[2] FTC Business Guidance Concerning Multi-Level Marketing, FTC Staff, Section 15 (Apr. 30, 2024).

[3] *Id.*

[4] *Id.*

[5] See DSSRC Guidance on Earnings Claims, section 6 at [dssrc_guidanceonearningsclaimsforthedirectsellingindustry.pdf](#).

[6] See – Thrive Life, LLC, Case #220-2025; Total Life Changes, LLC Case #217-2025; Tranont, Case # 214-2025.

April 22, 2026

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