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Case #111-2023: Administrative Closure – Shaklee Corporation

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The Direct Selling Self-Regulatory Council

Case Number 111-2023: Administrative Closure – Shaklee Corporation

Company Description

Shaklee Corporation (“Shaklee” or the “Company”) is a direct-selling company founded in 1956 and based in Pleasanton, CA. The Company markets natural nutritional supplements, beauty products, and household products.

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 its ongoing independent monitoring process, which monitors advertising and marketing claims disseminated by direct selling companies and its salesforce members.

This inquiry concerned six earnings claims disseminated by Company salesforce members. The representative claims that formed the basis of this inquiry were communicated on Facebook and YouTube. Those claims are set forth below:

Earnings Claims

- “Unlimited income potential”
- “... He was blown away that when I retire, my residual income will keep paying to infinity and then eventually continue to pay my kids and their kids.”
- [01:55] “... whether you want to work this many hours and make this much income or you want to work a lot more and create a full-time income.”
- “An extra \$1000 on the side, or a new career”
- “Earned 9 ALL- expenses paid trips to exotic and fun places 🌴🌴 ”
- [02:50] “\$1,000 in guaranteed income, earn \$20k in 2020.”

DSSRC was concerned that the above representative social media posts would imply to a reasonable consumer that the typical salesforce member of the Company could generally expect to earn significant or substantial income, pay off significant debt, or earn a full-time income from the Company’s business opportunity.

Company’s Position

Shaklee promptly responded to DSSRC’s Notice of Inquiry. The Company did not attempt to substantiate the representative claims at issue in this inquiry but rather informed DSSRC that five of the six social media posts identified in DSSRC’s Notice of Inquiry had been removed from circulation on social media.

As for the last remaining posts, the Company has informed DSSRC that it has been updated to remove the earnings claims at issue.

Administrative Closing Summary

DSSRC acknowledged and appreciated that the Company promptly removed and/or modified the social media posts at issue to address DSSRC’s concerns.

Pursuant to Section 6(c) of the DSSRC Guidance on Earnings Claims for the Direct Selling Industry, it is stated that “Some words or phrases carry a particularly high risk of being misleading to consumers when communicated in a general context. Such words and phrases include but are not limited to “financial freedom,” and “time freedom.” Accordingly, DSSRC determined that the remedial actions taken by Shaklee were necessary and appropriate.

Based upon Shaklee’s good faith actions, DSSRC administratively closed its inquiry.

(Case 111, closed on 4/5/23)
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4.14.23

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