



UNITED STATES OF AMERICA
Federal Trade Commission
WASHINGTON, D.C. 20580

June 5, 2020
Via Electronic Mail

Melaleuca Inc.
c/o Jay Cobb, Senior Counsel
4609 West 65th South,
Idaho Falls, Idaho 83402

Warning Regarding Earnings Claims Related to Coronavirus
Disease 2019 (COVID-19)

Dear Mr. Cobb:

FTC staff has reviewed social media posts made by Melaleuca Inc. (“Melaleuca”) business opportunity participants or representatives that unlawfully misrepresent that consumers who become Melaleuca business opportunity participants are likely to earn substantial income. This letter is to provide you with information about laws and regulations enforced by the Federal Trade Commission (“FTC”) that may bear upon your business activities, including the activities of your business opportunity participants and representatives.

Some examples of earnings claims made by your business opportunity participants or representatives include:

- “[B]efore you say ‘ that’s not enough money’, please consider EVERY DIRECTOR at Melaleuca has been getting a paycheck through this entire pandemic/crisis!... If everybody is spending \$100/month... @ 20% = \$20/customer x 20 customers = \$400/month income – FOREVER.... This income will NEVER go away!”
- “Need money? Have you considered shareholders of big retail stores are not missing a paycheck bc you are still shopping with them? Want to bank some of those profits for yourself? Let’s do it! Initial investment about \$20!... Don’t think this is a good investment? This company has survived the recession of ‘08 and has now grown to a \$2 Billion per year in sales! It is recession proof bc you need and use everything you buy! You need 8 friends that want to make money. You earn \$500 next month - doesn’t sound like much BUT you will get another paycheck every month when those same friends/family shop again - residual income! Private message me to learn more. This is a huge opportunity for the common man to bank some of those shareholder profits!”

to avoid being deceptive, which means that claims about the potential to achieve a wealthy lifestyle, career or significant income are false or misleading if business opportunity participants generally do not achieve such results. Even truthful testimonials from participants who do earn significant income or more will likely be misleading unless the opportunity participants can report details on participating to you or the sponsoring participants.

You are responsible for the claims of your business opportunity participants and representatives. As the FTC stated in the January 2019

Business Guidance Concerning Multi-

Level Marketing

create incentives for its participants to make certain representations to current or prospective participants. “As a consequence, an MLM should (i) direct its participants not to make false, misleading, or unsubstantiated representations and (ii) monitor its participants so they don’t make false, misleading, or unsubstantiated representations.”