



June 26, 2015

The Honorable Edith Ramirez
Chairwoman
Federal Trade Commission
600 Pennsylvania Avenue, Northwest
Washington, D.C. 20580

Dear Chairwoman Ramirez:

I am writing to follow up on a letter from December 2014, and one from my predecessor, Alma Morales Riojas, in August 2013, regarding the nutritional supplement company Herbalife's deceptive business practices. Since that time, Herbalife's business practices have been scrutinized and several regulatory agencies, including the Federal Trade Commission (FTC), have opened investigations into its operations. As a national organization that advocates for Latina women, concentrating on leadership development and community service as a means to strengthen our community, we remain concerned that Herbalife continues to prey disproportionately on Hispanics for the purposes of selling products that have not been evaluated by federal agencies to verify any health benefits.

Despite those investigations, Herbalife continues to use deceptive business practices to intentionally prey on the most economically vulnerable members of the Latino and minority communities with their purported business opportunity. I echo the recent sentiments expressed by fellow consumer advocate and Executive Director of the National Consumers League, Sally Greenberg, in her [statement following the settlement hearing for the Dana Bostick v. Herbalife case](#). Herbalife should not be allowed to continue operating under intentionally deceptive business pretenses without having to openly answer basic questions about its operations and misleading compensation structure. Consumers looking to get involved with Herbalife deserve to know the facts about this alleged business opportunity, not the disingenuous pitch about life-changing wealth and a lavish lifestyle resulting from a home-based, part-time business. The unfortunate reality is that too many consumers have already fallen prey to this fallacy without ever knowing that 89 percent of Herbalife distributors make \$0, and 90% will quit after one year. Many of them lose thousands of dollars chasing after the mechanism they are trained to believe yields the most profit: a nutrition club. This requires a significant investment by distributors and more often than not only results in working long hours for no pay in what is likely a violation of both the Fair Labor Standards Act and state labor laws.

With Herbalife victims validating that the true focus of the company is recruitment - not selling a retail product - I am increasingly concerned about the fate of unknowing consumers who believe this "business opportunity" is an opportunity to realize the American Dream. The lack of response from Herbalife when asked basic questions about operations and the compensation structure is appalling. Answering such questions would show, once and for all, that Herbalife is not operating as an illegal pyramid scheme. Legitimate multi-level marketing companies are eager to answer such questions and disassociate themselves from pyramid schemes.

Unfortunately, most of the recent focus in the media has centered on the ongoing battle between Bill Ackman and Herbalife, instead of the adverse impact that Herbalife has on unknowing consumers. I hope the FTC can see past this smokescreen and focus on the urgent issue of consumer deception. On behalf of Latinas, minority consumers and all others taken by Herbalife, particularly those who are afraid to come forward - we urge you to work expeditiously to protect consumers and prevent Herbalife from selling an empty dream to hard-working, low-income Hispanic Americans and immigrants.

I trust you and your team will provide the public with a timely and just outcome based on your research and investigation. I thank you for your continued leadership on this and other important consumer protection issues.

Sincerely,

A handwritten signature in black ink that reads "Amy R. Hinojosa". The signature is written in a cursive, flowing style.

Amy Hinojosa
President and CEO
MANA, A National Latina Organization