

Orion Research, LLC

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According to a Team Beauty Distributor in Puerto Rico, Transformation Participants Must Become Herbalife Members and Spend as Much as \$113 on Herbalife Products, in Violation of the FTC Order



We asked a researcher to visit a Nutrition Club run by Herbalife President’s Team member Sujaila Toro in Puerto Rico where Herbalife distributors operate Team Beauty transformations. Several Herbalife distributors provided details about the Team Beauty program including 1) the need to sign up with Herbalife and 2) the requirement to buy up to \$113 of Herbalife Products to participate in the program.

Team Beauty, as explained by the distributors in Puerto Rico, violates several aspects of a Consent Order imposed on Herbalife’s business by the Federal Trade Commission in July 2016. It imposes minimum purchases (**Subsection I.F.1**) and causes ineligible commissions to be paid on those purchases (**Subsection I.A.5**). The program also interferes with the FTC Order (**Subsection 1.E**) by likely inflating the average monthly purchases of Preferred Members, which are used to determine certain commissions.¹

Below are excerpts from notes our researcher submitted the following the December 15 visit to the Nutrition Club:

“While Herbalife is optional to the gym membership, in order to participate in any of the Team Beauty Challenges

¹ For more details on how the imposition of minimum product purchases violates the FTC Order, see “Herbalife Fitness Transformations are Used to Impose Minimum Purchases, Violating and Interfering with the FTC Order.”

you must first become a Member of Herbalife, be it for personal consumption or distribution.”

“One chooses Herbalife for either Person Consumption or as a Vender Distributors – can change at any time.”

“Choose between two packages to start off: Package 1 - \$113: Shake, Teas, Vitamins, Activator, Lift Off and Package 2 - \$67 – Bars, Soup, Samples.