



Court Orders Internet Marketers of Acai Berry Weight-Loss Pills and "Colon Cleansers" to Stop Deceptive Advertising and Unfair Billing Practices

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Ads Feature Phony Endorsements Attributed to Oprah Winfrey, Rachael Ray

FOR RELEASE

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At the request of the Federal Trade Commission, a U.S. district court has ordered the marketers of acai berry supplements, "colon cleansers," and other products to temporarily halt an Internet sales scheme that allegedly scammed consumers out of \$30 million or more in 2009 alone through deceptive advertising and unfair billing practices. The FTC will seek a permanent prohibition. Since 2007, victimized consumers have flooded law enforcement agencies and the Better Business Bureau with more than 2,800 complaints about the company.

Acai berry supplements, derived from acai palm trees that are native to Central and South America, have become popular in recent years. Last year, the Better Business Bureau named fake "free" trial offers – including those for acai supplements offered by the defendants in this case – as one of the "Top 10 Scams and Rip Offs of 2009."

"Too many 'free' offers come with strings attached," said David Vladeck, Director of the FTC's Bureau of Consumer Protection. "In this case, the defendants promised buyers a 'risk free' trial and then illegally billed their credit cards again and again – and again. We estimate that about a million people have fallen victim to this scam. As if that weren't enough, there were fake endorsements from celebrities like Oprah Winfrey and Rachael Ray for a product that didn't work in the first place."

The court order halts the allegedly illegal conduct of Central Coast Nutraceuticals, Inc., imposes an asset freeze, and appoints a temporary receiver over CCN and several related companies, while the FTC moves forward with its case to stop the company's bogus health claims and other deceptive and unfair conduct.

The FTC charged CCN, two individuals, and four related companies with multiple violations, including deceptively advertising AcaiPure, an acai berry supplement, as a weight-loss product, and Colopure, a colon cleansing supplement, as an aid for preventing cancer.

The FTC complaint alleges that to sell AcaiPure, the marketers made dramatic claims on their website, including:

“WARNING! AcaiPure Is Fast Weight Loss That Works. It Was Not Created For Those People Who Only Want To Lose A Few Measly Pounds. AcaiPure was created to help you achieve the incredible body you have always wanted ...USE WITH CAUTION! Major weight loss in short periods of time may occur.”

In pitching Colopure, the defendants cited frightening statistics about colon cancer, while promising that their product would get rid of consumers’ “excess weight and toxic buildup.”

The marketers also deceived consumers about their purported “free” or “risk free” trial offers, and about the charges and refund terms consumers could expect, according to the FTC’s complaint. The FTC also alleges that the marketers made numerous additional unauthorized charges to consumers’ credit and debit card accounts.

The alleged deceptive practices include:

Falsely claiming that using AcaiPure could lead to rapid and substantial weight loss. Consumers were told that “[m]ost consumers taking AcaiPure report weight loss anywhere from 10-25 pounds in the first month.”

Making unproven claims that AcaiPure’s weight-loss claims are backed by “double-blind, placebo-controlled weight loss studies.”

Deceptively claiming that Colopure could help prevent colon cancer because it would “cleanse your entire system,” “detoxify your organs,” and break down and remove “toxic waste matter which may have been stuck in the folds and wrinkles of your digestive system for years and years.”

Falsely claiming that celebrities including Oprah Winfrey and Rachael Ray have endorsed products marketed by Central Coast Nutraceuticals, Inc. In marketing AcaiPure, the defendants declared on their homepage, “Acai Berry rated #1 SUPERFOOD by Rachael Ray.” A photo of Oprah appeared on the homepage, next to a quote that read in part, “Studies have shown that this little berry is one of the most nutritious and powerful foods in the world!” In fact, in declarations to the FTC, both celebrities denied endorsing AcaiPure.

Deceptively claiming that the marketers will provide full refunds to all consumers who request them, and that consumers who paid a nominal fee for a “free” trial supply of supplements would incur no risks or obligations. In fact, many consumers found it all but impossible to avoid paying full price for the products, typically \$39.95 to \$59.95.

Failing to adequately disclose that consumers would be automatically enrolled in a membership program and charged for additional monthly supplies of a product.

Failing to adequately disclose that consumers would be automatically charged for items other than the trial product unless they opted out.

Failing to adequately disclose the terms and conditions of trial programs, membership programs, and additional charges.

Making numerous unauthorized charges to consumers’ credit and debit card accounts.

Debiting consumers’ bank accounts on an automatic, recurring basis, without obtaining proper preauthorization. The unauthorized debits violated the FTC Act as well as the Electronic Fund Transfer Act and Regulation E, according to the complaint.

“Visa is committed to ensuring that consumers trust digital currency when they shop online by protecting them from deceptive merchant marketing practices,” said Martin Elliott, Senior Business Leader, Payment System Risk, Visa Inc. “Deceptive merchant practices hurt the economy by eroding trust in e-commerce and undermining the vast majority of ethical merchants who deal and compete fairly. We have tightened enforcement of our rules against banks whose merchants generate excessive levels of cardholder disputes because of deceptive marketing. We also make it a priority to partner with law enforcement and agencies like the Federal Trade Commission and support their investigations such as this case.”

The FTC would like to thank the Better Business Bureau of Central, Northern & Western Arizona and Visa, Inc. for their invaluable assistance in this investigation.

The Commission vote authorizing the staff to file the complaint and seek a temporary restraining order was 5-0. The FTC filed its complaint and requested a temporary restraining order against the defendants from the U.S. District Court for the Northern District of Illinois, Eastern Division. On August 6, 2010, the court granted the request for the temporary restraining order.

The complaint also names as defendants Graham D. Gibson and Michael A. McKenzy, and four companies affiliated with Central Coast Nutraceuticals, Inc. – iLife Health and Wellness LLC; Simply Naturals LLC; Health and Beauty Solutions LLC; and Fit for Life LLC.

NOTE: The Commission files a complaint when it has reason to believe that the law has been or is being violated, and it appears to the Commission that a proceeding is in the public interest. The complaint is not a finding or ruling that the defendants have actually violated the law.

The Federal Trade Commission works for consumers to prevent fraudulent, deceptive, and unfair business practices and to provide information to help spot, stop, and avoid them. To file a complaint in English or Spanish, visit the FTC's online [Complaint Assistant](#) or call 1-877-FTC-HELP (1-877-382-4357). The FTC enters complaints into Consumer Sentinel, a secure, online database available to more than 1,800 civil and criminal law enforcement agencies in the U.S. and abroad. The FTC's website provides free information on a variety of [consumer topics](#).

(FTC File No. 1023028)
(CC Nutraceuticals NR.wpd)

PRESS RELEASE REFERENCE:

[FTC Sends Refund Checks Totaling nearly \\$6 Million to Consumers Who Bought Dietary Supplements](#)
[Court Orders Internet Marketers of Acai Berry Weight-Loss Pills and "Colon Cleansers" to Stop Deceptive Advertising and Unfair Billing Practices](#)

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