FTC's COVID-19 Response: Latest Developments



Last week, the FTC sent another <u>50 warning letters</u> related to COVID-19 advertising claims, adding to the growing list of FTC warnings and actions intended to address false and deceptive marketing during the pandemic.

The latest round of letters targets companies advertising their products and services as effective in preventing or treating COVID-19 without adequate scientific support, including acupuncture, intravenous (IV) therapies, ozone therapy, stem cell treatments, sound frequencies, air-purifiers, and immune-defense supplements. The FTC has been actively monitoring and taking action regarding a variety of COVID-19-related advertising, including:

- **Prior Warning Letters for Prevention and Treatment Claims:** In addition to last week's 50 warning letters, the FTC sent 45 warning letters in early May, 10 warning letters in April, and seven warning letters in March (jointly with the FDA) related to unsupported COVID-19 prevention and treatment claims.
- Enforcement Against Whole Leaf Organics: As covered in a <u>prior post</u>, the FTC announced a preliminary order in a civil enforcement action related to Whole Leaf marketing of its "Thrive" product as an "anti viral wellness booster" that treated, prevented, or reduced the risk of COVID-19.
- Warning Letters to Multi-Level Marketing (MLM) Companies: The FTC sent 10 warning letters to MLMs regarding COVID-19 prevention and treatment claims, emphasizing that "MLMs and other companies that distribute their products through networks of distributors are responsible for the product and earnings claims those distributors are making."
- Warning Letters Regarding Misleading Coronavirus Relief Loan Marketing: The FTC and Small Business Administration (SBA) sent <u>letters</u> to two companies alleging that the marketing misled small businesses seeking SBA loans by communicating a false affiliation with SBA.
- Warning Letters to VoIP Providers: The FTC and FCC issued 15 warning letters related to routing, transmitting, assisting and/or facilitating illegal coronavirus-related scam robocalls (see <a href="here">here</a>, and <a href="here">here</a>, and <a href="here">here</a>).

• Ongoing Collection of Complaints: Finally, the FTC continues to collect and track consumer complaints related to businesses potentially exploiting the pandemic through its Complaint Assistant and provides updated data.

The above activities and the FTC's dedication of significant resources related to COVID-19 demonstrate that protecting consumers and small businesses against unsupported and deceptive advertising claims continues to be a regulatory priority for the agency during the pandemic. **Key Takeaways:** 

- The FTC continues to closely monitor COVID-19 advertising claims and will continue to take action against companies making false or misleading claims related to COVID-19.
- Marketers must ensure that they have competent and reliable scientific evidence to support any COVID-19-related advertising and labeling claims about the health benefits of the products before such claims are made. Practically speaking, marshalling such evidence is very difficult at this time because much remains unknown about the virus responsible for COVID-19 and effective treatments for the disease.

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