

# BBB National Programs Actions in Response to COVID-19

### What is BBB National Programs?

BBB National Programs is a non-profit organization that develops and delivers cost-effective third-party industry self-regulation and dispute resolution programs to foster trust, innovation, and competition in the marketplace.

### **Advertising's System of Industry Self-Regulation**

The National Advertising Division (NAD) is the flagship of the U.S. advertising industry's system of self-regulation. NAD, a division of BBB National Programs, monitors the advertising industry to enforce high standards of truthfulness and accuracy in national advertising claims, efficiently resolving disputes to build consumer trust and create a fair and level playing field for businesses in the marketplace.

Although participation in advertising self-regulation is voluntary, over 90% of companies participate and agree to comply with NAD's recommendations.

The Direct Selling Self-Regulatory Council (DSSRC), another division of BBB National Programs, provides this same style of impartial monitoring, enforcement, and dispute resolution for product claims or income representations (including lifestyle claims) disseminated by direct-selling companies and their salesforce members.

The robust challenge processes of these two divisions also include the opportunity for a company to appeal a decision. In the case of NAD, appealed cases are seen before a panel of the National Advertising Review Board (NARB), 85 professionals representing national advertisers, advertising agencies, and the public sector chosen for their stature and experience in their respective fields.

#### **Our Focus on COVID-19**

The global coronavirus pandemic has led to an increased focus on NAD and DSSRC monitoring efforts to identify false and misleading claims about a product's ability to treat or prevent COVID-19. This targeted effort comes as both the FDA and Federal Trade Commission (FTC) are issuing dozens of warning letters to companies making such claims.

In a continued commitment to ensure consumers are not deceived during this pandemic, primarily across social media, NAD and DSSRC's monitoring efforts include the identification and enforcement of both express and implied claims for a wide gamut of products promising to treat or prevent COVID-19, as well as misleading earnings claims in the direct selling industry implying that salesforce members can earn significant income as a result of the company's business opportunity.

## COVID-19 Snapshot

Cases, Statistics, & Public Actions

Data as o January 27, 2022

### **Most Common Type**

Claims on social media platforms

### **Most Common Industry**

Dietary supplement manufacturers

### **Most Common Claim**

Product will boost immunity to provide protection against COVID-19

152

Cases

10

Referrals to FTC or FDA

In all closed cases the advertisers have agreed to discontinue the challenged advertising. Four cases were referred to the FDA and FTC—the parties in two cases have now agreed to participate in NAD's self-regulatory process.

Access all public announcements of case decisions on the <u>BBB National Programs website</u>. For DSSRC Administrative Closures, visit <u>DSSRC Cases and Closures</u>. You can also <u>subscribe</u> to receive BBB National Programs weekly Case Decision Digest email to receive summaries of that week's case decisions in your inbox.

### Press Releases

BBB National Programs' Direct Selling Self-Regulatory Council Applauds Federal
Trade Commission's Warning Letters on Coronavirus Claims

BBB National Programs' Direct Selling Self-Regulatory Council and Direct-Selling Association Urge Caution Regarding Health-Related Product Claims

See more at <a href="mailto:bbbprograms.org/Newsroom">bbbprograms.org/Newsroom</a>