

# 2025 Activity Report

**2025 Activity Report  
for the Direct Selling  
Self-Regulatory Council**

# Introduction

The 2025 Activity Report of the Direct Selling Self-Regulatory Council (DSSRC) highlights the organization's key efforts during the year, with a focus on oversight of advertising and marketing practices in the direct selling channel, enforcement activity, and ongoing educational outreach.

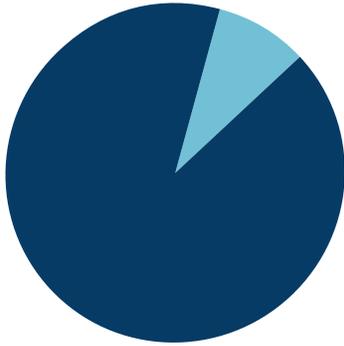
Throughout 2025, DSSRC actively monitored product performance and business opportunity claims made by direct selling companies and their independent salesforce members. During the year, DSSRC opened its 600th case inquiry and worked closely with numerous companies to provide direction on compliant earnings and product claim practices, underscoring the importance of effective internal compliance monitoring. Beyond its case-related work, DSSRC delivered educational presentations on its self-regulatory framework and engaged in dialogue with state and federal regulators regarding its cooperative role within the direct selling marketplace.

# DSSRC Casework

DSSRC continued its active oversight of direct selling marketing practices, prioritizing the identification of unsubstantiated or misleading representations regarding the income prospects of salesforce participants. DSSRC also closely evaluated product-related statements that directly or indirectly overstate or distort product performance, particularly as they pertain to health and safety. This level of scrutiny reflects the broader regulatory environment, including recent agency guidance and the Federal Trade Commission's (FTC) ongoing evaluation of potential rulemaking aimed at curbing deceptive or unfair earnings-related marketing practices.

During 2025, DSSRC opened 46 new case inquiries and continued to address 13 matters that remained open from the prior year. Over the course of the year, DSSRC issued 51 case decisions and one administrative closing summary, all of which were posted on the BBB National Programs website, including reports stemming from inquiries initiated in 2024. A DSSRC matter may be resolved through an administrative closure when a direct selling company agrees, within 15 business days of receiving a Notice of Inquiry, to cease or substantially revise the claims at issue. If such a commitment is not made, the inquiry proceeds to a formal case review process.

- ◆ All 46 inquiries initiated by DSSRC in 2025 were a result of program monitoring.
- ◆ 11 of the inquiries involved member companies of the Direct Selling Association (DSA).
- ◆ The remaining 35 inquiries involved non-member companies.
- ◆ DSSRC referred five matters that included patterns of business opportunity claims to the FTC and to State Attorneys General offices in Illinois, Utah, Georgia, Ohio, and Florida.
- ◆ DSSRC brought 608 claims to the attention of direct selling companies through its inquiries, including 48 product claims and 560 business opportunity/earnings claims, including those with lavish lifestyle depictions.



## Claims Brought to the Attention of Direct Selling Companies

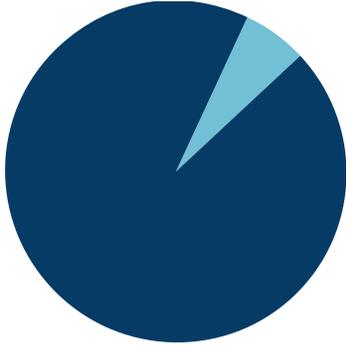
- 560 business opportunity/earnings claims
- 48 product claims

Although DSSRC identifies specific representative claims in its Notices of Inquiry, it also requests that direct selling companies review and address similar claims appearing elsewhere in their marketing materials beyond those expressly cited.

The majority of earnings-related inquiries involved broad, unqualified representations (such as promises of “financial freedom”) or the absence of adequate disclosures accompanying atypical earnings claims. DSSRC emphasized that any qualifying information must be presented in a manner that is readily noticeable, easy to understand, and positioned in close proximity to the related claim. To resolve these matters, companies typically chose to remove the identified claims or to revise them so they more accurately conveyed the level of earnings that would be generally expected in the context presented.

With respect to bonus and incentive representations, direct selling companies have adopted comparable compliance measures by incorporating qualifying information that clarifies how many participants, or what proportion of the salesforce, actually earn those rewards. Enforcement efforts often extended to contacting individual salesforce members to require the removal of noncompliant social media posts or the addition of appropriate disclosure language. In line with DSSRC’s recommendations, companies have also made increased use of platform-level reporting tools to seek the removal of noncompliant content in its entirety.

In 2025, approximately 94% of the claims in DSSRC inquiries originated from direct selling company and salesforce member social media accounts (e.g., Facebook, Instagram) and video-sharing platforms such as YouTube. The remaining claims reviewed by DSSRC appeared on company websites and blogs.



### Claims Found on Digital Media

- 94% social media accounts
- 6% on company websites and blogs

Apart from the five case referrals, all of the direct selling companies that were the subject of DSSRC inquiries were responsive and participated in the self-regulatory forum (i.e., a 91% participation rate). Following receipt of the DSSRC Notice of Inquiry, companies contacted DSSRC and engaged in telephone/video calls to discuss the process, often expressing support for voluntary industry self-regulation.

# DSSRC Monitoring

DSSRC conducts independent oversight of earnings and product-related representations by reviewing a representative cross-section of claims made by direct selling salesforce members on social media, as well as content published on the websites of U.S.-based direct selling companies. Throughout 2025, DSSRC maintained its partnership with two external monitoring firms with expertise in understanding the nuances of the direct selling space. DSSRC evaluates the insights and findings generated through this monitoring to determine whether the claims identified may raise concerns under applicable FTC rules and regulations.

DSSRC's monitoring data showed that references to salesforce members earning a "full-time income" through a direct selling opportunity were the most frequently identified type of earnings-related representation, most often conveyed through express claims. Other commonly observed unqualified income expressions included assertions of life-changing earnings, claims of making substantial income or "good money," statements suggesting unlimited income, representations of

## From January 1 through December 15, 2025, DSSRC monitoring identified:

- ◆ Approximately **526,401** Unique URLs
- ◆ Unique URLs Reviewed as Potential Incidents Included:
  - ◆ **2,644** Facebook Posts
  - ◆ **471** Instagram Posts
  - ◆ **293** YouTube Videos
  - ◆ **194** TikTok Videos
  - ◆ **20** Twitter Posts
  - ◆ **89** LinkedIn Posts
  - ◆ **115** Company Website Claims
- ◆ **792** Health-Related Product Posts
- ◆ **2,966** Business Opportunity/Income Posts

significant earnings used to pay off debt, and references to six-figure income. DSSRC also again observed a marked reduction in claims related to financial freedom and financial independence.

With regard to product-related representations, claims suggesting dramatic weight loss—frequently presented through express statements or before-and-after imagery—once again comprised the largest share of identified product claims. These were followed by representations asserting that direct selling products could alleviate or treat conditions such as anxiety, acne, immune deficiencies, inflammation, elevated cholesterol, and arthritis. DSSRC also detected a meaningful number of claims involving serious health conditions, including cancer, COVID, diabetes, and depression.

In 2025, Facebook remained the social media platform where DSSRC identified the greatest number of potential claims, and the volume of activity on that platform rose compared to the previous year. DSSRC also recorded incremental increases in claims appearing on Instagram and LinkedIn, while the number of claims identified on YouTube and TikTok decreased. Consistent with past monitoring, salesforce members continued to disseminate claims across multiple social media platforms in addition to company-operated websites.

Overall, DSSRC’s monitoring efforts expanded on a year-over-year basis, reflected in an increased number of distinct URLs reviewed and a related uptick in business opportunity and income-related representations, while the level of health-related product claims remained largely unchanged.

# Socializing the Industry's Commitment to Advertising Self-Regulation

Throughout 2025, DSSRC engaged on multiple occasions with state and federal regulators, as well as key industry stakeholders, to highlight the direct selling industry's commitment to independent self-regulatory oversight. In these engagements, DSSRC described its role in offering direction and educational support to direct selling companies on the responsible use of product performance and earnings-related claims.

In February, DSSRC Vice President Peter Marinello addressed members of the DSA's General Counsel and Compliance Officer Committees during meetings hosted by USANA Health Services, Inc. in Salt Lake City. In his remarks, Peter outlined the growing complexity of the regulatory landscape, pointing to increased FTC attention on earnings representations, recent enforcement activity, and proposed rulemaking that signals a narrowing tolerance for unqualified income representations. He also described DSSRC's role in advancing compliance through its monitoring efforts, case development, and collaborative engagement with direct selling companies. Peter noted that earnings-related representations shared by salesforce members on social media — particularly older content that remains publicly available — continue to account for a significant share of identified compliance concerns. He underscored the need for companies to take proactive steps, including robust distributor education and the remediation of legacy content, and encouraged participants to view DSSRC as a strategic partner to mitigate regulatory risk and strengthen industry self-regulatory practices as regulatory expectations continue to evolve.

Later that month, Peter participated as a panelist at the 2025 Direct Selling Channel event in Salt Lake City in a session titled "That's What She Said: Best Practices for Effective IDS and Other Substantiation Materials." Moderated by Brent Kugler, the panel also featured industry professionals Vanessa Pierce and Larry Steinberg. The discussion focused on the critical role that well-developed Income Disclosure Statements and supporting substantiation play in the direct selling channel, emphasizing how thoughtfully constructed materials can enhance compliance while fostering credibility with prospective salesforce members. Panelists addressed applicable legal standards, practical best practices, and strategic approaches for developing disclosures and substantiation that both support direct selling claims and align with consumer expectations.

In March, Peter authored an article for Social Selling News titled “Amid FTC Uncertainty, Self-Regulation Is Direct Selling’s Best Defense.” The piece examined how ongoing uncertainty at the FTC has elevated self-regulation as a critical safeguard for the direct selling industry. Peter discussed how changes in agency leadership, inconsistent enforcement patterns, and ongoing legal challenges have contributed to a less predictable regulatory environment, heightening compliance risk for companies. Within this context, he positioned DSSRC as an important source of stability, advancing responsible marketing practices, accurate claim substantiation, and industry accountability. He concluded that a strong commitment to self-regulation not only helps mitigate regulatory exposure but also strengthens consumer confidence and supports the industry’s long-term reputation, regardless of future regulatory shifts.

In April, Peter convened a meeting of the BBB National Programs Consumer Sales Committee that centered on recent regulatory, policy, and self-regulatory developments impacting the direct selling industry. The discussion focused on shifts within the FTC, current DSSRC initiatives, and emerging areas of compliance risk. BBB National Programs staff provided an overview of recent regulatory indicators, including public statements from FTC officials and findings from the FTC’s income disclosure report, and reviewed DSSRC’s six-year history of monitoring and addressing deceptive income and product claims through enforcement actions, guidance, and educational outreach.

Committee members also considered proposed updates to the DSSRC framework, including the introduction of a potential anonymous competitor challenge process and a draft industry code of conduct addressing the responsible application of artificial intelligence. The meeting concluded with forward-looking insights from BBB National Programs Executive Vice President of Policy, Mary Engle, regarding anticipated FTC developments under the incoming administration, along with an update from the DSA on its priorities for 2025. Participants were encouraged to share perspectives and feedback to help reinforce and advance effective self-regulatory practices across the industry.

In May, Peter spoke at the Direct Selling Compliance Roundtable, where he described DSSRC’s function as an independent self-regulatory body within BBB National Programs. He outlined DSSRC’s core activities, including monitoring, case enforcement, and the issuance of guidance addressing earnings and product-related representations, with particular attention to claims made on social media. Peter also discussed the reasons regulators have increased scrutiny of income claims, influencer and affiliate marketing practices, and lifestyle-based representations, referencing recent FTC and state enforcement actions—such as the International Markets Live matter—as illustrative examples.

In addition, he addressed the regulatory uncertainty surrounding the FTC’s proposed Earnings Claim Rule and recent agency leadership transitions, noting that in an environment of regulatory ambiguity, strong self-regulatory engagement, comprehensive compliance programs, and careful oversight of third-party marketing efforts remain the most effective means of reducing legal and reputational exposure.

Later that month, Peter joined Annie Ugurlayan, Associate Director at BBB National Programs' National Advertising Division as a speaker at the 2025 Advanced Training Boot Camp for Advertising Review and Investigations, hosted by Better Business Bureau North Central Texas. In his presentation, Peter explained the various ways DSSRC matters are initiated, including referrals from consumers, competitors, non-governmental organizations, the BBB, and DSSRC's own monitoring activities. He outlined the program's focus on fundamental advertising principles, such as claim substantiation, the proper use of testimonials and typical results, health and safety representations requiring competent and reliable scientific evidence, before-and-after imagery, lifestyle and incentive messaging, and disclosures that are clear, conspicuous, and consistent with the overall consumer takeaway. Drawing on recent case examples — including matters involving supplement performance claims, disease-related representations, and earnings and Income Disclosure Statements — Peter emphasized that advertisers are accountable for all reasonable interpretations of their claims and must possess adequate support before claims are made public.

He concluded by stressing that effective self-regulation, supported by comprehensive training and compliance oversight, plays a critical role in safeguarding consumers, limiting regulatory exposure, and reinforcing confidence in the direct selling industry.

In June, Peter attended the Republican Attorneys General Association (RAGA) Summer National Meeting held in New York City. This conference was part of RAGA's ongoing series of national gatherings designed to convene state attorneys general for discussion of policy priorities, relationship-building, and evolving legal and enforcement issues affecting their offices. During the same period, Peter worked with the DSA to help develop comments opposing Delaware House Bill 162, proposed legislation that raised significant concerns within the direct selling and network marketing community. Opponents of the bill, including the DSA, contended that the measure would introduce overly restrictive and unprecedented obligations for multi-level marketing companies, potentially disrupting legitimate business operations and limiting independent distributors' opportunities to earn income.

In August, Peter and several colleagues from BBB National Programs met with Christopher Mufarrige, Director of the FTC's Bureau of Consumer Protection. During the discussion, Peter provided an overview of DSSRC's purpose and impact, describing it as an independent, monitoring-based self-regulatory program focused on encouraging accurate product and earnings representations within the direct selling sector. He explained that DSSRC was established in response to longstanding concerns raised by regulators and consumer advocates and is intended to operate alongside FTC enforcement by conducting active marketplace reviews, administering transparent case processes, and publishing public decisions.

Peter noted that, because a significant portion of industry advertising originates from independent salesforce members on social media, DSSRC places particular emphasis on timely oversight of income and health-related claims, supported by a strong educational

component. He concluded by explaining that DSSRC's integrated approach—combining monitoring, enforcement, and education—helps reduce consumer harm, promotes compliance, especially among smaller companies, and fosters greater confidence in the direct selling marketplace.

In September, Peter returned to present before the DSA Board of Directors, emphasizing that a well-funded, independent self-regulatory framework is critical to maintaining the direct selling industry's credibility, effectiveness, and long-term sustainability. He reviewed DSSRC's performance since its launch in 2019, pointing to its extensive case activity, the removal of thousands of unsubstantiated earnings and product claims, strong voluntary compliance oversight, and sustained engagement with both federal and state regulators. Peter also stressed that regulators have consistently recognized the benefits of independent self-regulation, provided that such programs are adequately resourced to function with the necessary rigor and independence.

In October, Peter participated in the Hot Topics in Advertising and Marketing Law program hosted in Salt Lake City by BBB National Programs in partnership with Foley & Lardner LLP. The event featured keynote remarks from Utah Attorney General Derek Brown. During his presentation, Peter outlined how the U.S. advertising self-regulatory system functions as an independent, industry-driven framework that works alongside government enforcement to advance truthful, well-substantiated advertising and promote early, voluntary compliance.

He highlighted the work of BBB National Programs' self-regulatory units, including the National Advertising Division, the Children's Advertising Review Unit, and DSSRC, describing the types of claims they review and how their work is coordinated with the FTC and state attorneys general through established referral processes. Turning specifically to DSSRC, Peter detailed its mission, monitoring and case-handling activities, and its effectiveness in addressing misleading earnings and product representations, underscoring the role of robust self-regulation in safeguarding consumers, fostering fair competition, and sustaining confidence in the marketplace.

Later in the month, Peter served as moderator for two panel discussions at the American Advertising Federation's Ethics in Advertising conference in Los Angeles. The event convened leaders from across the advertising ecosystem to examine how brands, agencies, and content creators address issues of trust, transparency, and accountability in an increasingly dynamic media environment. The panels led by Peter focused on themes such as the role of self-regulation, ethical considerations in influencer marketing, and best practices for identifying and elevating ethical concerns within organizations.

## The Journal Of Direct Selling Research

# “Strengthening Trust And Credibility In The Direct Selling Channel: The Importance Of Industry Self- Regulation”

In the inaugural edition of the Journal of Direct Selling Research, Peter contributed an article examining the long-standing role of industry self-regulation as a cornerstone of ethical business conduct in the direct selling channel. He traces the industry’s historic commitment to accountability through the DSA’s Code of Ethics and explains how trust in direct selling has traditionally been cultivated through transparent, substantiated marketing practices rather than imposed solely through government regulation.

The article positions self-regulation as an essential mechanism for preserving consumer confidence and supporting sustainable entrepreneurial opportunity, particularly in an era where digital advertising and social media amplify both innovation and risk.

Peter also details how industry self-regulation is organized and implemented through BBB National Programs, focusing on DSSRC as a contemporary, independent oversight framework established in collaboration with the DSA in 2019. He explains that DSSRC conducts proactive, marketplace-wide monitoring of earnings and product representations throughout the U.S. direct selling channel, works directly with companies to achieve voluntary compliance, and refers unresolved matters to government authorities when appropriate. The article underscores that effective self-regulation is grounded in four core principles—*independence, transparency, accountability, and consistent standards of review*—and demonstrates how DSSRC reinforces these values through publicly available case decisions, continuous monitoring efforts, and active coordination with federal and state regulators.

Using data-driven analysis and outcomes from enforcement matters, the article illustrates how well-functioning self-regulation produces tangible advantages for consumers, businesses, and regulators. Peter points to evidence showing that DSSRC's efforts have led to the correction or removal of thousands of unsupported claims, strengthened compliance practices across participating companies, and helped shift industry norms away from exaggerated earnings representations. He concludes that strong, properly funded self-regulatory programs do not replace government oversight, but instead play a vital supporting role by identifying issues early, encouraging fair marketplace conduct, and bolstering consumer confidence.

As the direct selling channel continues to adapt and grow, the article emphasizes that ongoing commitment to independent self-regulation is critical to preserving industry credibility, reducing regulatory exposure, and sustaining long-term integrity.

# DSA Code Administrator Work

Throughout 2025, DSSRC remained responsible for independently administering and evaluating complaints brought under the DSA Code of Ethics. In fulfilling this role, DSSRC reviewed allegations of potential Code violations and applied consistent, established criteria to encourage ethical behavior among DSA member companies. The Code of Ethics functions as a cornerstone of responsible conduct within DSA, reinforcing marketplace trust while helping protect both consumers and independent salesforce members.

In carrying out its administrative responsibilities, DSSRC reviewed complaints to assess whether the conduct in question aligned with the standards set forth in the DSA Code of Ethics. This work involved examining pertinent facts, evaluating adherence to the applicable Code provisions, and providing prompt guidance on questions related to how the Code should be interpreted and applied. Throughout this process, DSSRC prioritized transparency, consistency, and fairness to ensure an even-handed resolution of Code-related matters.

Throughout the year, DSSRC partnered closely with the DSA to support the timely and impartial handling of matters arising under the Code. This coordinated approach helped ensure that issues were addressed efficiently while providing all parties with a fair opportunity to be heard. Through ongoing communication and adherence to established protocols, DSSRC strengthened confidence in the administration of the DSA Code and reinforced the industry's dedication to ethical, self-regulatory oversight.

# Case Reporting Transparency

In 2025, DSSRC further advanced its emphasis on transparency by enhancing the depth of information included in its administratively closed cases and collaborating with direct selling companies to make additional details about those inquiries available to industry stakeholders. By increasing visibility into how compliance issues are flagged, assessed, and resolved, DSSRC helps build trust in the self-regulatory process among consumers, businesses, and regulators alike.

DSSRC case reports published on the BBB National Programs website now include more comprehensive detail about all DSSRC inquiries, such as the name of the company under review, the particular claims examined, and the timing and online platforms where those claims appeared. The reports also outline how companies responded to DSSRC's outreach and the steps taken to address identified concerns. In addition, each report explains the legal and regulatory principles DSSRC relied upon in its analysis, providing clearer insight into the standards used to evaluate claim support and compliance. This expanded reporting is designed to enhance transparency, promote consistency, and strengthen confidence among stakeholders in the self-regulatory system.

A transparent and clearly articulated resolution process strengthens DSSRC's integrity and accountability, while reinforcing the direct selling industry's overarching commitment to ethical practices, responsible claim support, and adherence to recognized standards. By providing clear explanations of how matters are evaluated and resolved, DSSRC enables stakeholders to better grasp the considerations underlying administratively closed cases and the reasoning behind their conclusions, thereby increasing understanding of the industry's self-regulatory framework and expectations.

Transparency also plays a meaningful role in deterrence. Awareness that case findings may be publicly disclosed encourages companies to align their conduct with ethical norms and implement compliant practices before issues arise. By publicly describing how matters are resolved, DSSRC can showcase constructive self-regulatory efforts and offer concrete examples of effective compliance approaches that other companies can emulate, reinforcing a broader culture of responsibility and ongoing improvement across the industry.

## About the Direct Selling Self-Regulatory Council

The Direct Selling Self-Regulatory Council (DSSRC), a division of BBB National Programs, provides independent, impartial monitoring, dispute resolution, and enforcement of product claims and income representations made by direct selling companies and their salesforce members across digital platforms. The DSSRC seeks to establish high standards of integrity and business ethics for all direct selling companies in the marketplace.

## About BBB National Programs

BBB National Programs, a non-profit organization, is the home of U.S. independent industry self-regulation, currently operating more than 20 globally recognized programs that have been helping enhance consumer trust in business for more than 50 years. These programs provide third-party accountability and dispute resolution services that address existing and emerging industry issues, create fair competition for businesses, and a better experience for consumers. BBB National Programs continues to evolve its work and grow its impact by providing business guidance and fostering best practices in arenas such as advertising, child-and-teen-directed marketing, data privacy, dispute resolution, automobile warranty, technology, and emerging areas. To learn more, visit [bbbprograms.org](https://bbbprograms.org).