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FTC Halts Deceptive Marketing of Bogus Weight-Loss Products

Sale Slash Charged With Using “Fake News” Websites, False Weight-Loss Claims, Phony Celebrity Endorsements, and Spam Email to Sell Their Unproven Dietary Supplements

The Federal Trade Commission has obtained a court order temporarily halting a Glendale, California, operation that allegedly used millions of illegal spam emails, along with false weight-loss claims and fake, unauthorized endorsements from celebrities like Oprah Winfrey, to market its unproven diet pills.

The court order halts the defendants’ illegal conduct, freezes their assets, and appoints a temporary receiver over the corporate defendants. The Commission ultimately is seeking to recover money from the defendants that would be used to provide refunds to consumers who bought the defendants’ diet pills.

The FTC’s complaint charges that the defendants behind Sale Slash violated the FTC Act and the CAN-SPAM Act. According to the complaint, the defendants used affiliate marketers to send illegal spam emails and post banner ads online that led consumers to fake news sites designed to appear as if an independent consumer reporter, rather than a paid advertiser, had reviewed and endorsed the products. The complaint alleges that these fake news sites made false weight-loss claims and used phony celebrity endorsements to promote the defendants’ diet pills.

“Sale Slash is a fraud trifecta,” said Jessica Rich, Director of the FTC’s Bureau of Consumer Protection. “The company made outlandish weight-loss claims for its diet pills using fake news sites, phony celebrity endorsements, and millions of unwanted spam emails.”

Since 2012, the defendants allegedly have marketed and sold a variety of products nationwide, including supposed weight-loss supplements such as Premium Green Coffee, Pure Garcinia Cambogia, Premium White Kidney Bean Extract, Pure Forskolin Extract, and Pure Caralluma Fimbriata Extract.

According to the complaint, the defendants’ affiliates used stolen email user accounts to blast the users’ contacts with spam containing brief messages like: “Breaking news...,” and “Hi! Oprah says it’s excellent,” followed by hyperlinks. Because the messages were sent to the “contacts” of hacked accounts, they appeared to be coming from a friend or family member instead of defendants’ affiliates. The spam often contained no information about how consumers could opt out of getting future emails. Sale Slash’s affiliate marketers also placed banner ads making claims like, “1 Tip for a tiny belly,” “Cut down on a bit of your belly every day following this 1 old weird tip,” and “Garcinia Cambogia Exposed – Miracle Diet or Scam?”

Sale Slash paid its affiliate marketers a commission whenever consumers clicked through from a fake news website to one of the defendants’ sites and bought their supplements, according to the complaint.

The defendants named in the case include: Sale Slash, LLC; Purists Choice, LLC; Artur Babayan, individually and as an owner and manager of the two companies; and Vahe Haroutounian, individually and doing business as Prisma Profits.

For consumer information about avoiding fake news websites, see [Trusting Your Sources](#).

The Commission vote approving the complaint was 5-0. It was filed in the U.S. District Court for the Central District of California on April 27, 2015.

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 case will be decided by the court.

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 2,000 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. Like the FTC on Facebook ([link is external](#)), follow us on Twitter ([link is external](#)), and subscribe to press releases for the latest FTC news and resources.

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