



Office of the City Clerk

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Legislation Text

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WHEREAS According to the Federal Trade Commission, Latinos are statistically more vulnerable than any other ethnic group to fall victim to financial fraud and pyramid schemes; and

WHEREAS Latinos face a number of cultural and language barriers or legal status concerns preventing them from coming forward and seeking assistances on financial fraud scams; and

WHEREAS Between 300,000 and 400,000 Latinos cycle through Herbalife, Inc., every year, meaning that 3 to 4 million people will be exploited by Herbalife over the next decade; and

WHEREAS In Illinois there are 17,127 distributors of which 15,072 receive \$0 from Herbalife, and over 15,414 drop out in year one alone; and

WHEREAS Due to numerous Illinois consumer complaints alleging the company is a pyramid scheme that targets minorities, Illinois Attorney General Lisa Madigan joined state and federal regulators by launching an investigation into the company's business practices on April 17th, 2014; and

WHEREAS Herbalife distributors use Nutrition Clubs to recruit thousands of poor and unsophisticated persons, tricking them into buying into Herbalife's business with the hopes of making big fortunes and instead lose their life savings; and

WHEREAS Herbalife's Nutrition Clubs do not contribute to the economic vitality of commercial strips where clubs are located; but benefit from the enhancements and improvement costs borne by other legitimate retailers; and

WHEREAS Herbalife's Nutrition Clubs violate numerous laws and regulations promulgated by the Illinois Department of Health and the Chicago Department of Health, as well as other federal, state, and local laws; now therefore,

BE IT RESOLVED That we, the Mayor and members of the City Council gathered together this July 29th, 2015 do hereby urge Attorney General Lisa Madigan to conclude her investigation of Herbalife and seek relief for the victims that have been negatively affected.

BE IT FURTHER RESOLVED That a suitable copy of this resolution be prepared and presented to Illinois Attorney General Madigan. -\

Alderman George Cardenas, 12th Ward