



For Immediate Release
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MADIGAN JOINS OTHER ATTORNEYS GENERAL IN AGREEMENT OVER MARKETING AND SALES PRACTICES OF DIET SUPPLEMENTS

Chicago – Attorney General Lisa Madigan today said that she and attorneys general of 14 other states and the District of Columbia reached agreement with an Ohio businessman and five companies he once headed to settle alleged violations of consumer protection laws in the marketing and sales of dietary supplements.

One product gained nationwide notoriety for its fictional TV spokesman named “Smiling Bob.”

Madigan’s suit alleged that various companies once owned by Cincinnati businessman Steve Warshak enticed consumers with advertisements promising “free” 30-day trials of their products. When consumers called a toll-free number or visited their Web sites to order, they were asked to provide credit or debit card information to pay shipping and handling charges. However, company representatives failed to tell consumers that they would be automatically billed for additional future shipments beyond the trial shipments. When they attempted to stop the automatic payments for what Warshak’s companies called their “continuity program” or “home delivery plan,” the companies often made it difficult to cancel the subscriptions or obtain refunds.

“Ads that lure consumers with ‘free’ offers and grandiose claims of effectiveness must deliver on these promises in strict compliance with consumer law in Illinois or face the consequences,” Madigan said.

Madigan said Illinois will receive \$375,000 of the \$2.5 million agreement with Warshak, individually and as President of Berkeley Premium Nutraceuticals, Lifekey, Inc., Boland Naturals Inc., Warner Health Care and Warner Nutraceuticals, Inc. The money will be deposited in the Attorney General Court Ordered and Voluntary Compliance Payment Projects Fund that is used by Madigan’s office for consumer enforcement.

Madigan said that if Warshak and the other defendants do not comply with the terms of today’s agreement, the court is prepared to double the \$2.5 million contribution to a \$5 million civil penalty payable to the settling states.

In addition to the monetary payments to the various states, Madigan said Warshak and the other defendants must comply with other settlement terms

that include:

- Stop using the word “free” in advertising unless all the terms and conditions related to the “free” offer are disclosed to the consumer and in compliance with the Illinois Consumer Fraud and Deceptive Business Practices Act, the Illinois Food, Drug and Cosmetic Act and federal laws.
- Stop making health claims the defendants cannot support with scientific evidence.
- Prior to sale, disclose to consumers information about products the companies will deliver as part of a “negative option feature” or membership, and details about refunds and guarantee procedures.
- Record and retain all telemarketing calls for one year.
- Provide restitution to all consumers who have unresolved complaints on file with the Attorney General’s office, the Better Business Bureau (BBB), Berkeley and the other companies on the date the consent judgment and order was filed.
- Provide restitution for all consumers who file complaints with Madigan’s office, the BBB or the companies within 90 days of the filing of the consent judgment and order.

Madigan said attorneys general for several states joined in the action by filing similar settlements in their state courts. The participating states include Arkansas, Florida, Missouri, North Carolina, Ohio, Oregon, Pennsylvania, Virginia, Washington and Wisconsin, as well as the District of Columbia. Other states, including California, Kansas, Mississippi and Vermont, are expected to file similar settlements in their respective state courts soon.

The companies’ dietary supplements include Altovis, Avlimil, Avlimil Complete, Dromias, Enzyte, Mioplex, Ogoplex, Numovil, Pinadol, Prulato, Rogisen, Rovacid, Suvaril, Nuproxi, and Rudofil.

Assistant Attorney General Karen Winberg-Jensen is handling the case for Madigan’s Consumer Protection Division. Consumers can visit Madigan’s Web site for more consumer protection information and to download a consumer complaint form at www.IllinoisAttorneyGeneral.gov or by calling the Consumer Fraud Hotline:

Chicago: 1-800-386-5438 and 1-800-964-3013 (TTY)

Springfield: 1-800-243-0618 and 1-877-844-5461 (TTY)

Carbondale: 1-800-243-0607 and 1-877-675-9339 (TTY)

Spanish-language hotline: 1-866-310-8398

-30-

[Return to March 2006 Press Releases](#)