

Friday, July 10, 2020

BY [JASMINE AGUILERA](#) AND [ABBY VESOULIS](#)

## How Multilevel Marketing Distributors Are Taking Advantage of the Pandemic

A year ago this month, I was crammed shoulder-to-shoulder with thousands of others in Indianapolis' Lucas Oil Stadium. The gathering—unthinkable in the time of coronavirus—wasn't for a football game or concert, but a summit for Beachbody, a multilevel marketing (MLM) company specializing in personal fitness.

The crowd was mostly made up of “Beachbody coaches,” independent sellers who sign up to hawk the company's protein beverages, nutritional products and workout video subscriptions and who get paid by commission. They also get bonuses for recruiting friends, family members and others to join their sales teams.

Beachbody boasts that being a coach “means earning an income while you help yourself and others live healthier.” But most people who sign up don't earn much of anything—57% of Beachbody coaches earned \$0 in commission and bonuses in 2019, according to the company's latest income disclosure statement. Payouts across the MLM industry as a whole are even worse: a staggering 99% of people who participate in the field actually wind up losing money (by purchasing inventory before making sales, signing up for pricey conferences and more), according to the Consumer Awareness Institute, a research group.

While MLMs have been around for decades, the pandemic has given them a new window of opportunity to advertise and recruit. Many people, after all, are desperate for anything that might keep the virus at bay. And the many millions of Americans out of work are also eager for a financial lifeline. “Worried about the Coronavirus?,” reads a Facebook post from Young Living, an essential-oils MLM distributor, touting its “Thieves” line of products. “Thieves kills germs!” Another post, from nail polish MLM firm Color Street, encourages people to “invest some of that stimulus check in yourself and start making money instantly.” TIME found dozens of similar claims made on social media over the last several weeks.

Government regulators, spearheaded by the U.S. Federal Trade Commission, are working to clamp down on MLMs' misleading health and financial promises. Since the pandemic began, the agency has sent 16 warning letters to various MLMs urging them to address their unproven or exaggerated claims. Those who don't abide could eventually find themselves in court.

As the pandemic stands to make MLMs' products and promises more appealing, those who have fallen prey to the schemes before are encouraging people to steer clear. José Vargas, a 39-year-old Connecticut man, lost an estimated \$10,000 while trying to grow his Herbalife Nutrition operation

before walking away in 2014. “What they promise,” he says of MLM distributors, “is very undeliverable.”

[Read more here.](#)

— *Abby Vesoulis*

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## TODAY'S CORONAVIRUS OUTLOOK

### The Global Situation

More than 12.2 million people around the world had been sickened by COVID-19 as of 1 AM eastern time this morning, and nearly 555,000 people had died.

Here is every country with over 200,000 confirmed cases: Beds and medical oxygen are [running low](#) in South Africa's Gauteng province, the epicenter of the outbreak there. More than 81,000 cases have been reported in Gauteng as of July 9, [according](#) to the National Department of Health South Africa, accounting for nearly 35% of the country's total cases. The uptick comes after South Africa, which had one of the world's strictest lockdowns, began to loosen regulations in June.

A pair of World Health Organization officials are [heading](#) to China today to begin investigating the pandemic's origins. “The process is an evolving endeavor which may lead to further international scientific research and collaboration globally,” the WHO said in a [statement](#) earlier this week.

Hong Kong schools will [close](#) starting Monday and remain shuttered over summer vacation, the region's education minister said today. The news, which comes after a recent spike in cases in the area, underscores the difficulty of safely opening schools even in an area where the virus is generally under control. Hong Kong [reported](#) 38 more cases today and 42 new cases yesterday.

As of today, travelers arriving in the United Kingdom from 75 other countries and territories no longer have to quarantine themselves for two weeks upon entry. The United States, however, is not on that list.

### The Situation in the U.S.

The U.S. recorded more than 3.1 million coronavirus cases as of 1 AM eastern time this morning. More than 133,000 people have died as of that time.

On July 9, there were 63,247 new cases and 990 new deaths confirmed in the U.S.

As the debate over opening U.S. schools intensifies, one major teacher's union—the United Teachers of Los Angeles—is calling for area campuses to remain closed as cases rise. “It is time to take a stand against [U.S. President Donald] Trump's dangerous, anti-science agenda that puts the lives of our members, our students, and our families at risk,” UTLA President Cecily Myart-Cruz said in a [statement](#). California has recorded nearly 300,000

cases as of yesterday, more than 118,000 of which have been in Los Angeles County.

Michigan Governor Gretchen Whitmer is putting new muscle behind her mask-wearing regulations, [announcing](#) today that people can be fined up to \$500 for failing to wear facial coverings in public indoor spaces or crowded outdoor locations. Businesses must also deny entry to anyone not wearing a mask or risk losing their license.

The pandemic has caused untold financial devastation for millions of Americans—even some lawmakers. Take, for example, New Mexico State Representative Linda Trujillo, who announced her resignation yesterday, citing the economic toll of the outbreak. “The virus has impacted every aspect of our lives, including finances,” Trujillo [told](#) the AP. “And we’re not alone. My neighbors are hurting. I have family members who are having a very difficult time making ends meet.” New Mexico’s state legislators don’t earn a salary from the job.

*All numbers unless otherwise specified are from the Johns Hopkins University Center for Systems Science and Engineering, and are accurate as of July 10, 1 AM eastern time. To see larger, interactive versions of these maps and charts, [click here](#).*

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## WHAT ELSE YOU SHOULD KNOW

### **The Company That Makes Remdesivir Says It Considerably Reduces COVID-19 Deaths**

Scientists at Gilead Sciences, maker of antiviral drug remdesivir, found that patients taking the treatment experienced lower mortality rates and better recovery times compared to others. [Read more here](#).

### **Remembering Lisa Burhannan, Local Activist**

Those who knew Burhannan, who died at 50 on June 11 due to the virus, say she was the definition of a survivor and a leader. After overcoming domestic abuse and the loss of her child to gun violence, Burhannan became a pillar for the Harrisburg, Pa. community, mentoring young women and helping formerly incarcerated people transition back into outside life. [Read more here](#).

### **How U.S. Immigration Officials Helped Spread the Virus**

A joint investigation from The New York *Times* and The Marshall Project demonstrates how U.S. immigration law has fostered viral spread around the world, a threat that international aid organizations have long feared. [Read more here](#).

### **Nelson Henry Jr. Was a Beacon of Perfectionism**

U.S. Army veteran Nelson Henry Jr., who died of COVID-19 in May at 96, spent the better part of his life fighting to reverse the less-than-honorable discharge he received after more than two years of service during World War II. He finally won that battle in 2019, righting a wrong that seemed confusing at best, and racist at worst. [Read more here](#).

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*Thanks for reading. We hope you find the Coronavirus Brief newsletter to be a helpful tool to navigate this very complex situation, and welcome feedback at [coronavirus.brief@time.com](mailto:coronavirus.brief@time.com).*

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*Today's newsletter was written by Jasmine Aguilera and Abby Vesoulis, and edited by Alex Fitzpatrick.*