



## **Second, FDA Registered, Independent Lab affirms Higher Lead Levels in Herbalife Product, reports Fraud Discovery Institute**

*New Independent Lab, New Herbalife (NYSE: HLF) Product Lot, More Toxic Lead*

For Immediate Release

SAN DIEGO/EWORLDWIRE/May 21, 2008 --- Tests from a second FDA registered, independent lab confirm that Herbalife (NYSE: HLF) products exceed lead levels allowed by California law without proper label disclosure.

"The company does not deny the accuracy of the test results but rather follows three tactics," said Barry Minkow, co-founder of the Fraud Discovery Institute.

"Tactic one is the infamous, 'everyone else is doing it,' when Herbalife executives have made recent public statements to the effect of 'all products have lead in them so this lead thing is a non-issue.' That would be the moral equivalent of me telling my Federal Judge, Dickran Tevriazian, when I was sentenced that 'I may have been a crooked CEO at ZZZZ Best, your honor, but those guys at Enron are way worse,'" added Minkow.

"The second tactic used recently by Herbalife executives is that the company is in compliance with lead level guidelines set by the FDA. However, nutritional expert Christopher Grell has taken this tactic head-on in a memo also posted today on the FDI Web site ('<http://www.frauddiscovery.net>') in which Grell states: 'The FDA has established guidance for only a few of the many products in the market. Moreover, a company making a product can ignore the guidance document since they are not legally binding. California's Prop 65 however, is a binding law that companies are required to follow if they are doing business in California.'

Grell also adds: "Moreover, to ignore lab results from accredited, FDA registered labs that show a clear violation of California law with the spurious claim that your products are safe because they are in compliance with FDA guidelines when no such guideline exist for dietary supplements is an insult to the intelligence of the people of California and demonstrates Herbalife's reckless disregard for the health and safety of the people not just from California but from every other state where Herbalife's products are sold. Contrary to Herbalife's belief, they do not have the right to hide potential hazards and dangers present in their products.

"Thus by stating that 'all products have lead in them' or the repetitive appeal to an FDA 'guideline' for lead levels which has no enforcement authority, appears to be the company's way of calming public fears and assuring the public that they have some kind of immunity from the California law that requires warning labels on products whose lead levels exceed .5 micrograms."

To ensure such tactics do not succeed, the Fraud Discovery Institute has filed a formal complaint with the California Department of Public Health, Food & Drug Branch (FDB). The complaint was also sent to California Attorney General Edmund G. Brown Jr. as well as to Senator Dianne Feinstein, and a copy was posted this morning on the FDI main Web site ('<http://www.frauddiscovery.net>'). The complaint asks that the Department of Public Health, Food & Drug Branch insist that Herbalife products be immediately labeled with lead warnings and removed from public consumption until such lead warnings are issued.

Stated Minkow, "The third tactic the company has used to deal with the debacle of the last six weeks - which includes Spain's Minister of Health's formal warning on the public safety of consuming Herbalife products; President Greg Probert, who was forced to resign after lying on his resume about an MBA; the dismissal of a former director of Venezuela and Colombia who recently came forward after being fired because he tried to report rampant money laundering in those two markets; and the lab reports is to announce yet another stock repurchase."

"There is only one problem with that approach," said Barry Minkow. "Since Herbalife's balance sheet is already filled with debt from previous repurchases, the company is totally reliant on the consumption of products to

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secure the revenue to repurchase more shares - incoming revenue that is presumptuous at best if California law is enforced, as what consumer is in the market for nutritional products with a high lead content?"

To view additional detail and documents, visit '<http://www.frauddiscovery.net>'. To speak with Fraud Discovery Institute's Barry Minkow, call 888-300-8307.

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**KEYWORDS:** Fraud, Minkow, Fraud Discovery Institute, Crime, Investigative, Herbalife, nutritional supplement, pregnancy nutrition, lead, HLF, multi level marketing, multi-level marketing, MLM, scam, investigation, international business, Prop 65, California Department of Public Health, California Attorney General, Senator Dianne Feinstein, lead warning, toxins

**SOURCE:** Fraud Discovery Institute