



## **Herbalife, Instead of Cooking the Books, potentially Cooked the Batch, as Fresh Lab Lead Tests affirm, reports Fraud Discovery Institute**

*FDI hires international lab with a presence in 30 countries to do rush lead test on Herbalife (NYSE:HLF) key product which show a lead level result which exceeds, by 296%, the amount of lead allowed under Prop 65 without warning label*

For Immediate Release

SAN DIEGO/EWORLDWIRE/June 10, 2008 --- In response to an abrupt, Sunday afternoon press release from Herbalife Ltd. (NYSE: HLF) in which the company proclaimed to the world that two independent labs confirmed that Herbalife is not in violation of California Proposition 65, the Fraud Discovery Institute Inc. (FDI) immediately engaged an international, publicly traded lab to once again test Herbalife's popular, Shapeworks Formula 1, nutritional shake mix (Lot Number 607738SOO).

The results showed that if taken as directed by Herbalife, the shake contains almost 4 times or 296 percent more lead than the amount allowed per day, per product, under Proposition 65 without a warning label for health risk based on excessive lead content (<http://www.frauddiscovery.net/herbalife7/106258Report12.pdf>).

"This is no joke," said Barry Minkow, co-founder of the San Diego-based Fraud Discovery Institute. "Someone is lying here because, according to the law of non-contradiction, two contradictory views cannot be true simultaneously. Either Herbalife products tested by us today have lead levels exceeding by almost four times the amount allowed under Prop 65, or they do not - it's just that simple.

"How is it that an above reproach lab, which won't lie for a convicted felon or anyone else - especially since the lab received less than \$1,000 for this rush lead test - came to such a materially different conclusion on lead levels when testing the same products? In this instance, when testing the popular Herbalife Shapeworks drink, at the same time - within 24 hours of Herbalife's public release, manufactured by the same company - showing lead levels almost 4 times the legal amount allowed without a disclosure under Prop 65?"

"At this point, this situation goes far beyond lead," added Minkow. "The serious student of fraud investigation knows that for Herbalife, credibility is a key factor because of the company's track record of embarrassing revelations. For example, the exposure of Nobel prize winner Dr. Louis Ignarro, who was secretly being paid by Herbalife to the tune of over \$1,000,000 while publically endorsing Herbalife products; the more recent, secret resignation of Mario Z. Rosenberg, M.D., former Herbalife Medical Advisory Board member now indicted on 47 felony counts of health care fraud and whose appointment to the Herbalife Medical Advisory Board was accompanied by a press release but whose embarrassing indictment had no press release; or the very recent resignation of Herbalife President Gregory Probert for lying on his resume about a non-existent M.B.A.

"In each of these cases, the most critical fact more than the actual deed was Herbalife's lack of transparency, as all of these instances were forced out of Herbalife and were not freely disclosed by Herbalife. I submit as someone who knows about concealing lies that this track record lends credibility to the conclusion that fraud is exactly what is happening now with the lead issues. After all, what suspects of any wrongdoing in possession of exculpatory evidence that would vindicate them - in this case, Herbalife's unabridged and itemized lead test results from two labs - would even in their public release fail to corroborate their all-clean conclusion?"

According to the Fraud Discovery Institute, there are only three possibilities on how FDI lead tests from multiple, FDA registered, independent labs continue to show excessive lead levels while Herbalife labs appear to find no lead issues in the products tested:

### **Possibility One.**

Herbalife did not release the detail that supported the all-clean conclusion the company cited in its press release because it lied and results - if released in their entirety, without cherry picking - would reveal a clear violation of Proposition 65.

Possibility Two.

Herbalife reformulated or cooked the batch sent for testing and therefore received a predictable result.

Possibility Three.

Herbalife is betting that despite the easy access to the company's products that have left its control and exist worldwide and the relatively inexpensive cost associated with specific lead testing at accredited labs, that no individual or media outlet will take either FDI or Herbalife to task and get to the truth of the matter by conducting their own tests.

"My hope is that Herbalife bet wrong on possibility number three," said Minkow.

To reach Barry Minkow for additional detail, call 888-300-8307.

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**SOURCE:** Fraud Discovery Institute