FEDERAL TRADE COMMISSION

[File No. 992 3027]

Efamol Nutraceuticals, Inc.; Analysis To Aid Public Comment

AGENCY: Federal Trade Commission.

ACTION: Proposed consent agreement.

SUMMARY: The consent agreement in this matter settles alleged violations of federal law prohibiting unfair or deceptive acts or practices or unfair methods of competition. The attached Analysis to Aid Public Comment describes both the allegations in the draft complaint that accompanies the consent agreement and the terms of the consent order—embodied in the consent agreement—that would settle these allegations.

DATES: Comments must be received on or before June 12, 2000.

ADDRESSES: Comments should be directed to: FTC/Office of the Secretary, Room 159, 600 Pennsylvania Ave., NW, Washington, DC 20580.

FOR FURTHER INFORMATION CONTACT: Matthew Gold or Linda Badger, Federal Trade Commission, Western Region, 901 Market St., Suite 570, San Francisco, CA 94103. (415) 356–5276 or 356–5275.

SUPPLEMENTARY INFORMATION: Pursuant to Section 6(f) of the Federal Trade Commission Act, 38 Stat. 721, 15 U.S.C. 46 and § 2.34 of the Commission's Rules of Practice (16 CFR 2.34), notice is hereby given that the above-captioned consent agreement containing a consent order to cease and desist, having been filed with and accepted, subject to final approval, by the Commission, has been placed on the public record for a period of thirty (30) days. The following Analysis to Aid Public Comment describes the terms of the consent agreement, and the allegations in the complaint. An electronic copy of the full text of the consent agreement package can be obtained from the FTC Home Page (for May 11, 2000), on the World Wide Web, at ''http://www.ftc.gov/ftc/formal.htm.'' A paper can be obtained from the FTC Public Reference Room, Room H–130, 600 Pennsylvania Avenue, NW, Washington, DC 20580, either in person or by calling (202) 326–3627.

Public comment is invited. Comments should be directed: FTC/Office of the Secretary, Room 159, 600 Pennsylvania Ave., NW, Washington, DC 20580. Two paper copies of each comment should be filed, and should be accompanied, if possible, by a 3½ inch diskette containing an electronic copy of the comment. Such comments or views will be considered by the Commission and will be available for inspection and copying at its principal office in accordance with Section 4.9(b)(6)(ii) of the Commission's Rules of Practice (16 CFR 4.9(b)(6)(ii)).

Analysis of Proposed Consent Order To Aid Public Comment

The Federal Trade Commission has accepted, subject to final approval, an agreement containing a consent order from Efamol Nutraceuticals, Inc., (''Efamol''). Efamol is a marketer of dietary supplement products, all of which contain essential fatty acids.

The proposed consent order has been placed on the public record for thirty (30) days for receipt of comments by interested persons. Comments received during this period will become part of the public record. After thirty (30) days, the Commission will again review the agreement and the comments received, and will decide whether it should withdraw from the agreement or make final the agreement's proposed order.

This matter involves alleged misleading representations for Efalex and Efalex Focus, two of Efamol's dietary supplement products. The advertisements claimed that these products can mitigate or cure the effects of Attention Deficit Disorder or Attention Deficit Hyperactivity disorder (''ADD/ADHD'').

The proposed complaint alleges that Efamol could not substantiate the following claims: (1) The Efalex and Efalex Focus can cure, prevent, treat or mitigate ADD/ADHD or its symptoms; and (2) that Efalex and Efalex Focus are effective in reducing attention and behavioral problems. Part I of the proposed order would address these misrepresentations by prohibiting Efamol from making the claims in the future unless it possesses and relies upon competent and reliable scientific evidence that substantiates the claim.

Part II of the proposed order requires Efamol to possess competent and reliable scientific evidence for any claim about the health benefits, efficacy or safety of any food, drug or dietary supplement that contains essential fatty acids. Because all of Efamol's products contain essential fatty acids, this provision would apply to the company's entire current product line.

Part III of the proposed order contains language permitting Efamol to make drug claims that have been approved by the FDA pursuant to either a new drug application or a tentative final or final standard. Part IV states that Efamol would be permitted to make claims that the FDA has approved pursuant to the Nutrition Labeling and Education Act of 1990.

Parts V–VII of the proposed order contain requirements that Efamol keep copies of relevant advertisements and materials substantiating claims made in the advertisements; provide copies of the order to certain of its current and future personnel; and notify the Commission of changes in the corporate structure that might affect compliance with the order. Part VIII requires Efamol to file one or more reports detailing compliance with the order. Part IX provides that the order will terminate after twenty (20) years under certain circumstances.

The purpose of this analysis is to facilitate public comment on the proposed order, and it is not intended to constitute an official interpretation of the agreement and proposed order or to modify in any way their terms.

By direction of the Commission.

Donald S. Clark,

Secretary.

[FR Doc. 00–12381 Filed 5–16–00; 8:45 am]

BILLING CODE 6750–01–M

FEDERAL TRADE COMMISSION

[File No. 972 3234]

J&R Research Corp., et al.; Analysis To Aid Public Comment

AGENCY: Federal Trade Commission.

ACTION: Proposed consent agreement.

SUMMARY: The consent agreement in this matter settles alleged violations of federal law prohibiting unfair or deceptive acts or practices or unfair methods of competition. The attached Analysis to Aid Public Comment describes both the allegations in the draft complaint that accomplishes the consent agreement and the terms of the consent order—embodied in the consent agreement—that would settle these allegations.

DATES: Comments must be received on or before July 12, 2000.

ADDRESSES: Comments should be directed to: FTC/Office of the Secretary, Room 159, 600 Pennsylvania Ave., NW, Washington, DC 20580.

FOR FURTHER INFORMATION CONTACT: Matthew Gold or Linda Badger, Federal Trade Commission, 901 Market St., Suite 570, San Francisco, CA. 94103. (415) 356–5276 or 356–5275.

SUPPLEMENTARY INFORMATION: Pursuant to Section 6(f) of the Federal Trade Commission Act, 38 Stat. 721, 15 U.S.C. 46 and Section 2.34 of the Commission's Rules of Practice (16 CFR 2.34), notice

is hereby given that the above-captioned consent agreement containing a consent order to cease and desist, having been filed with and accepted, subject to final approval, by the Commission, has been placed on the public record for a period of sixty (60) days. The following Analysis to Aid Public Comment describes the terms of the consent agreement, and the allegations in the complaint. An electronic copy of the full text of the consent agreement package can be obtained from the FTC Home Page (for May 11, 2000), on the World Wide Web, at ''http://www.ftc.gov /ftc/formal.htm.'' A paper copy can be obtained from the FTC Public Reference Room, Room H–130, 600 Pennsylvania Avenue, NW, Washington, DC 20580, either in person or by calling (202) 326–3627.

Public comment is invited. Comments should be directed to: FTC/Office of the Secretary, Room 159, 600 Pennsylvania, Ave., NW, Washington, DC 20680. Two paper copies of each comment should be filed, and should be accompanied, if possible, by a 3½ inch diskette containing an electronic copy of the comment. Such comments or views will be considered by the Commission and will be available for inspection and copying at its principal office in accordance with Section 4.9(b)(6)(ii) of the Commission's Rules of Practice (16 CFR 4.9(b)(6)(ii)).

Analysis of Proposed Consent Order To Aid Public Comment

The Federal Trade Commission has accepted an agreement, subject to final approval, to a proposed consent order from J & R Research, Inc., and its principal, Gerald G. McCarthy (''respondents''). Respondents were general partners in a distributorship of Kaire International, Inc., a multi-level marketing company. Respondents also created and marketed to Kaire distributors audio tapes and other promotional materials touting a Kaire product containing pycnogenol, a substance derived from the bark of the maritime pine tree.

The proposed consent order has been placed on the public record for sixty (60) days for the reception of comments by interested persons. Comments received during this period will become part of the public record. After sixty (60) days, the Commission will again review the agreement and any comments received and will decide whether it should withdraw from the agreement and take other appropriate action or make final the agreement's proposed order.

Respondents' advertisements claimed that pycnogenal could mitigate or cure the effects of numerous diseases or disorders. The proposed complaint alleges that respondents could not substantiate claims that pycnogenol: (1) Alleviates rheumatoid arthritis, osteoarthritis and rheumatism; (2) reduces the amount of insulin needed to treat diabetes; (3) treats and/or improves health disorders associated with diabetes, including neuropathy, retinopathy, osteomyelitis, circulatory problems and heart problems; (4) helps treat lupus, Parkinson's Disease, multiple sclerosis and fibromyalgia; (5) treats or improves digestive disorders, including Crohnes Disease and irritable bowel syndrome; (6) helps prevent strokes and the reoccurrence of strokes; (7) dramatically improve physical disabilities caused by stroke; (8) dramatically helps prevent heart disease, inlcuding arterial sclerosis; (9) reduces blood pressure; (10) dramatically improves and helps prevent circulatory problems, including phlebitis, thrombophlebitis, blood clots, and varicose veins; (11) dramatically promotes the shrinkage of tumors and helps prevent tumor formation; (12) treats cancer and/or prolongs the life of cancer victims; (13) reduces or eliminates inflammation of the prostate; (14) eliminates or reduces the incidence of asthma attacks and symptoms caused by allergies; (15) improves eyesight and treats disorders of the retina; (16) helps rebuild joints and soft tissue; (17) greatly accelerates the healing time of injuries; (18) improves or cures skin conditions such as psoriasis and acne; (19) treats Attention Deficit Disorder and Attention Deficit Hyperactive Disorder; (20) reduces or eliminates the need for medication in individuals with Attention Deficit Disorder and Attention Deficit Hyperactive Disorder; and (21) is twenty times more protective as an antioxidant than Vitamin C, and fifty times more protective than Vitamin E.

The complaint further alleges that respondents falsely claimed that scientific research demonstrates that pycnogenol products can alleviate or cure many of these diseases or disorders. Finally, the complaint alleges that respondents could not substantiate its claim that testimonials from consumers appearing in the advertisements for pycnogenol products reflect the typical or ordinary experience of members of the public who use pycnogenol products.

Part I of the proposed consent order would require respondents, when advertising pycnogenol or any other food, drug, or dietary supplement, to possess competent and reliable scientific evidence before making any of the claims that were alleged as unsubstantiated in the complaint. Part II of the proposed order would require respondents to possess competent and reliable scientific evidence before making any claim regarding the benefits, performance, or efficacy of any food, drug, or dietary supplement. Part III of the proposed order would prevent respondents from misrepresenting the existence, contents, validity, results, conclusions, or interpretations of any test, study, or research in an advertisement for any product.

Part IV of the proposed order addresses claims made through endorsements or testimonials. Under Part IV, respondents may make such representations if they possess and rely upon competent and reliable evidence that substantiates the representations; or the respondents must disclose either what the generally expected results would be for users of the advertised products, or the limited applicability of the endorser's experience to what consumers may generally expect to achieve. The proposed order's treatment of testimonial claims is in accordance with the Commission's ''Guides Concerning Use of the Endorsements and Testimonials in Advertising,'' 16 CFR 255.2(a).

Part V of the proposed order contains language permitting respondents to make drug claims that have been approved by the FDA pursuant to either a new drug application or a tentative final or final standard. Part VI states that respondents would be permitted to make claims that the FDA has approved pursuant to the Nutrition Labeling and Education Act of 1990.

Part VII of the proposed order requires respondents to retain, and make available to the Commission upon request, all advertisements and promotional materials containing any representation covered by the order, as well as any material that it relied upon in disseminating the representation and any materials that contradict, qualify, or call into question the representation.

The remainder of the proposed order contains standard requirements that respondents distribute the order to relevant personnel, that the corporate respondent notify the Commission of any changes in corporate structure that might affect compliance with the order; that the individual respondent notify the Commission of changes in his employments status, and that respondents file one or more reports detailing their compliance with the order.

The purpose of this analysis is to facilitate public comment on the proposed order, and it is not intended to constitute an official interpretation of

the agreement and proposed order, or to modify in any way their terms.

By direction of the Commission.

Donald S. Clark,

Secretary.

[FR Doc. 00–12382 Filed 5–16–00; 8:45 am]

BILLING CODE 6705–01–M

GENERAL ACCOUNTING OFFICE

Federal Accounting Standards Advisory Board

AGENCY: General Accounting Office.

ACTION: Notice of new exposure draft on accounting for Direct Loans and Loan Guarantees.

Board Action: Pursuant to the Federal Advisory Committee Act (Pub. L. No. 92–463), as amended, and the FASAB Rules of Procedure, as amended in October 1999, notice is hereby given that the Federal Accounting Standards Advisory Board (FASAB) has released for public comment an exposure draft (ED) on accounting for Direct Loans and Loan Guarantees. Comments are solicited and should be submitted by August 10, 2000.

A summary of the proposed Statement follows:

FASAB Published a New Exposure Draft on Accounting for Direct Loans and Loan Guarantees

On May 10, 2000, the Federal Accounting Standards Advisory Board (FASAB) released for public comment an exposure draft (ED) on accounting for Direct Loans and Loan Guarantees. Contained in the ED is a proposed standard that would require that in a note to their financial statements, reporting entities display for each major program and for the entity as a whole reconciliations between the beginning and ending balances of: (a) The subsidy cost allowance for direct loans and (b) the liability for loan guarantees. Entity management would be responsible for identifying major programs on the basis of each reporting entity's specific circumstances. The proposed standard states that the major programs that are reconciled individually should constitute at least 75 percent of the face amount of the reporting entity's outstanding direct or guaranteed loans. The reconciliation of other programs should be displayed in aggregate.

The proposed requirement for program-by-program reconciliation for major credit programs follows the Board's adoption in SFFAS No. 18 a requirement that reporting entities display reconciliation for direct loan subsidy allowance and loan guarantee liability reported on the entity's balance sheet. The Board believed that while the entity-wide reconciliation will provide information on the aggregate operating results of all credit programs under the entity's management, the program-by-program reconciliation would provide information on the performance of specific programs. Since the entity-wide reconciliation has been adopted in SFFAS No. 18, it is not a subject of the ED. Comments are requested on the proposed requirement for program-by-program reconciliation for major programs.

Comments are also solicited on a number of proposed technical amendments to SFFAS No. 2, *Accounting for Direct Loans and Loan Guarantees.* Some of those technical amendments are proposed to clarify that the accounting standards are consistent with the cash flow discount method required by the amendment enacted in July 1997 to the Federal Credit Reform Act of 1990. Other technical amendments proposed in this ED would clarify: (a) The use of discount rates adjusted by interest rate reestimates, and (b) the measurement of default costs of direct loans and loan guarantees.

The exposure draft will soon be mailed to FASAB's mailing list subscribers. Additionally, it is available on FASAB's home page *http://www.financenet.gov/fasab.htm.* Copies can be obtained by contacting FASAB at (202) 512–7350, or *mayor.fasab@gao.gov.* The Board has posed specific questions for comment. Respondents are encouraged to address those questions and to comment on any part of the exposure draft.

Written comments are requested by August 10, 2000, and should be sent to: Wendy M. Comes, Executive Director, Federal Accounting Standards Advisory Board, 441 G Street, NW, Suite 6814, Mail Stop 6K17V, Washington, DC 20548.

FOR FURTHER INFORMATION, CONTACT: Wendy Comes, Executive Director, 4412 G St. NW, Room 6814, Washington, DC 20548, or call (202) 512–7350.

Authority: Federal Advisory Committee Act. Pub. L. No. 92–463.

Dated: May 12, 2000.

Wendy M. Comes,

Executive Director.

[FR Doc. 00–12434 Filed 5–16–00; 8:45 am]

BILLING CODE 1610–01–M

GENERAL ACCOUNTING OFFICE

Federal Accounting Standards Advisory Board

AGENCY: General Accounting Office.

ACTION: Notice of meeting on June 8 and 9, 2000.

Board Action: Pursuant to the Federal Advisory Committee Act (Pub. L. 92–463), as amended, and the FASAB Rules of Procedure, as amended in October 1999, notice is hereby given that the Federal Accounting Standards Advisory Board (FASAB) will meet on Thursday, June 8 from 9 a.m. to 4 p.m., and Friday, June 9, 2000 from 9 a.m. to 4 p.m. in room 7C13, the Elmer Staats Briefing Room, 441 G St. NW, Washington, DC.

The purpose of the meeting is to:

Review a draft exposure draft on Stewardship Responsibilities,

Discuss Stewardship PP&E and review a draft exposure draft,

Discuss National Defense PP&E, and

Discuss other topics as necessary.

A Steering Committee meeting of the Board's Principal Board members will be held immediately after the Board meeting on Friday. Topics to be discussed include:

Action Plan for Transition Effort (Status report and review) and

Auditing and Accounting Policy Committee (AAPC) Charter and Operating Procedures (review and approval).

Any interested person may attend the meeting as an observer. Board discussion and reviews are open to the public.

FOR FURTHER INFORMATION CONTACT: Wendy Comes, Executive Director, 441 G St. NW, Room 6814, Washington, DC 20548, or call (202) 512–7350.

Authority: Federal Advisory Committee Act. Pub. L. 92–463.

Dated: May 12, 2000.

Wendy M. Comes,

Executive Director.

[FR Doc. 00–12433 Filed 5–16–00; 8:45 am]

BILLING CODE 1610–01–M