

http://www.ripoffreport.com/reports/0/001/ripoff0001343.htm

# Report: Better Business Bureau BBB & CBBB

Category: [Better Business Bureau](#)

## Better Business Bureau or Buyer Better Beware? BBB .....Nationwide Alert! ..... THE FOX GUARDING THE HEN HOUSE

**\*Consumer Comment ..The better business bureau Is committing fraud**

[Read how Ripoff Report saves consumers millions.](#)

**Rebuttal Box  
Respond to this report!**

Are you an owner, employee or ex-employee with either negative or positive information about the company or individual, or can you provide "insider information" on this company?

**Victim of this person/company?**

Are you also a victim of the same company or individual? Want Justice? File a Rip-off Report, help other consumers to be educated and don't let them get away with it!

### Better Business Bureau BBB & CBBB

Phone:  
Fax:

Arlington, Virginia, Nationwide,  
U.S.A.

**Submitted: 2/22/2000 12:00:00 AM**  
Modified: 1/25/2009 2:09:35 PM



**ED**  
Tempe, AZ

*[Ripoff Report Verified Safe](#)*

ORIGINAL FILE DATE 2-5-00  
UPDATE!!! 3-24-00  
UPDATE....5-13-00  
UPDATE....3-9-01

Also, before you think about using the BBB Click here to see how other consumers were victimized by the BBB Better Business Bureau's false or misleading information. Don't be fooled!

### BBB- THE FOX GUARDING THE HEN HOUSE

It has been reported to the 'badbusinessbureau.com' that, the BBB encourages and solicits money from the very businesses they monitor! How could this be beneficial to the consumer?

Consumers have reported, the BBB DOES NOT report consumer complaints which are under

investigation, even when they know the business is under criminal investigation and is about to be shut down. ....(see victim's story down below)

What the BBB does, is give the business that is being reported the opportunity to respond. If the business responds many times this is enough to give the business a satisfactory rating, no matter what their response is!

Most BBB offices do not report any past history of a business, even when that business continuously victimizes different consumers. Even when the business just continuously satisfies each customer complaint, you will never know of this information in the future. All you might know is, ....'they have satisfied their complaints.' ..GIVING THEM A SATISFACTORY RATING.

Even when a business does have complaints that are unsatisfied, they still might get a satisfactory rating. The BBB Better Business Bureau will not tell you what the complaints were even when they tell you, they satisfied all complaints. The BBB must realize what a consumer must have gone through before resorting to filing a complaint! And for every consumer that did file a Complaint, there are 20 others that did not complain. And you can be next!

When consumers see that Better Business Bureau plaque, this gives the consumer a false sense of security. Consumers need to be made aware of this rip-off & misconception nationwide.

Remember, all you need to do to become a BBB member and get that very impressive, overrated BBB plaque, is to call the BBB and tell them you want to be a member. You can tell the BBB any lie you want about yourself, ...they will never check it out. That's correct! They never check it out. All that BBB plaque means is, they paid their dues. (Period)

Services they provide? Services is an over statement! If they ever try to resolve your dispute by having mediation, the BBB decision means nothing in a court of law. The BBB does provide a mediation service, but the BBB cannot force the business to do anything for you to resolve your consumer rip-off. They can only make suggestions. And if the business does not comply, this will not insure an unsatisfactory rating for the business that ripped you off.

Not too good for the consumer who has been victimized and not too good for future consumers who will call the BBB to see if the business has a good rating before they do business..

Even when many complaints are satisfied by a business, they can still get a satisfactory rating. Many times, all a business needs to do to satisfy the victim's complaint is just simply answer the BBB alleged complaint.

Consumers put too much faith and respect into the BBB. The BBB is in the business of collecting fees from the very businesses they monitor. That's like the fox guarding the hen house.

And we wonder why the courts are so jam packed?

And we wonder why the Attorney General's office cannot give the consumer any attention. The AG's office only has time for the high profile cases. They are way-under-staffed. (Another subject for another time)

The above information about the BBB may vary from state to state, where some BBB offices may be more scrutinizing in their efforts to check on business when becoming a member and some BBB offices might be more thorough and revealing in reporting than the BBB offices we have investigated around the United States.

badbusinessbureau.com does recommend the BBB to consumers, because it is so hard for a business to get a bad report with the BBB, we always recommend for a consumer, when filing a report with the badbusinessbureau.com or before doing business, to check with the Better Business Bureau first. You know a business is really BAD if it has an unsatisfactory rating with the BBB!

ALL the statements are all alleged allegations.

We are not recommending you not patronize the BBB.

.....  
READ THESE STORIES FROM VICTIMS ACROSS THE COUNTRY  
.....

Also, before you think about using the BBB Click here to see how other consumers were victimized by the BBB Better Business Bureau's false or misleading information. Don't be fooled!

Subj: Kerry Deavers story about his experience with the BBB  
Date: 2/19/00 10:40:31 AM US Mountain Standard Time  
From: KerryShannon@worldnet.att.net (Kerry Shannon)  
To: info@ripoffReport.com

BBB / Better Business Bureau or Buyer Better Beware?  
\$16,000 lost because BBB withholds information to the unsuspecting consumer.

I lost \$16,000 to a fraudulent business called Allsports Distribution Inc.(a member of the Maryland BBB, Nicholas Greaves, President). Before I invested in this business, I checked them out with the BBB. They reported no complaints for Allsports although they were under criminal investigation and about to be closed down by the Maryland Attorney Generals Office. The BBB also falsely reported that Allsports had been in business for over twenty years, when in fact they had just started business.

After it became obvious that Allsports ripped me off, I complained to the BBB. During my conversations with the BBB representatives, I found that they knew that Allsports was not in business for 20 years, and that Allsports was violating Federal Trade regulations and defrauding customers all across the country. They also knew that the Attorney Generals Office of Maryland had a case against Allsports. Knowing all of this the BBB reported no complaints and showed Allsports in good standing. I checked the BBB's Report for Allsports long after my many complaints and they still showed Allsports in good standing and with no complaints! This went on until the AG's office in Maryland shut down Allsports in 1998.

As soon as Allsports was closed down by the local Attorney Generals Office, and could not pay their fees, the Better Business Bureau canceled Allsports membership. I have a list of thirty people defrauded by Allsports, many of whom relied on the Better business Bureau to help them make their decision to do business with Allsports. There are many others who lost much more money than I did. Some mortgaged their homes to get the money to invest in this scam! If the Better Business Bureau had performed their job as they advertise, many of us would not have been ripped off by Allsports! I consider the Better Business Bureau part of the fraud that was perpetrated against me and others.

After I found out how the BBB does business, I was shocked. I do not believe the public realizes the way the BBB runs. They receive their revenue from the clients they represent. They do not check on the information that these clients give to them. I myself was able to easily check on the history of Allsports and found that they had just started business and not as the BBB falsely stated that they had been in business for twenty or thirty years.

This means that the BBB is paid by their clients to tell the public what the clients want them to tell the public. This obviously is not in the publics' best interest and I intend to get the word out about the BBB, because people are being ripped off due to this lack of knowledge regarding the BBB.

Kerry Deaver  
KerryShannon@worldnet.att.net

.....  
Also, before you think about using the BBB Click here to see how other consumers were victimized by the BBB Better Business Bureau's false or misleading information. Don't be fooled!

Other Victims stories, .. These are just a few of 100's we have received from across the USA!

Sent: Sunday, November 28, 1999 9:05 AM

The BBB and it's 'elitist' members are very lax in investigating scams and over zealous in protecting the 'integrity' of housing here in Big Spring Texas.

I agree with you about the BBB - -my experience is in the real estate and appliance sales fields. My corporation, 'RENT TO OWN HOMES INC,' acquires, rehabs and sells to needy working families homes from the stock of 15,000,000 older houses in the USA in an affordable way - no down payment, no legal costs, aid in upkeep, equity transferable, taxes and insurance included in monthly payments, past bad credit considered as part of economic history, etc.; also an appliance co; 'TWICE NEW' to supply major appliances for homes in an affordable way; retail sales also.

The BBB and it's 'elitist' members are very lax in investigating scams and over zealous in protecting the 'integrity' of housing here in Big Spring,TX.

I am sure this is true across the nation, one of many reasons 1 of 8 empty houses from the total stock of 115,600,000 - -the BBB and their 'elitist' club cousins want NEW HOUSES everywhere and demolish the old. Impractical!!

llloyd@crcom.net  
james leslie lloyd

.....  
From: William Evans

To: sportspro@worldnet.att.net

Sent: Sunday, September 12, 1999 3:52 PM

Subject: We have been trying to tell people that too!

We have been trying to tell people that too!

We were going to register with the BBB too. We asked what type of background check they would do on our corporation to ensure that our prospective customers could be confident in making a purchase from us. They told us that we only had to register, pay our fee and we would be listed!

Needless to say, we passed on the offer of being listed with the BBB. Although a lot of people think the BBB holds a lot weight against fraud. However, out of principle we have boycotted the BBB.

We hope that our testimonial will assist you in your attempt to educate the people that the BBB is worthless and to stick to purchasing from companies that are registered in their home-state. If they are not registered with the state, then you may have problems later! By being registered in their home-state, you can always report fraud to the AG.

Good Luck!

Not many folks know it. We try to tell folks but they think we are biased as a business.

William Evans

sportspro@worldnet.att.net

.....  
[Also, before you think about using the BBB Click here to see how other consumers were victimized by the BBB Better Business Bureau's false or misleading information. Don't be fooled!](#)

Sent: Wednesday, January 12, 2000 5:32 PM

BBB takes way complaints from the general public

I have read your site and I couldn't agree with you more. Sadly what really hits below the belt is the fact that the BBB charges a consumer a fee to make a complaint over the telephone. And even if they pay their hideous fee, a consumer cannot get the immediate help or information they need to stop businesses from

ruining their lives. BBB takes way too many complaints from the general public to get any kind of true knowledge on a business you are investigating before you do business.

Then when you get ripped-off, if we are lucky enough to trigger an investigation, we are not privileged to the information regarding the progress of that investigation. I will never rely on them again.

D. Durgin, Illinois  
Dolphi51@aol.com  
EarthVision Communications Inc.  
'Taking [Cellular](#) to Mach II Speed'  
[www.earthvisioncellular.com](http://www.earthvisioncellular.com)

.....SPECIAL REPORT.....

Approximately 3 weeks after this consumer rip-off was filed, the CBBB & the Better Business Bureau attempted to harass the badbusinessbureau.com for the use its name. The BBB & CBBB feel that consumers will be confused by us using, badbusinessbureau.com Over the last few weeks the badbusinessbureau.com was contacted by a TV News Magazine Producer and forwarded the following article.

UPDATE 3-24-00

The following article backs up consumer complaints to the bad business bureau.

A special Money Magazine report reveals why the ....

BETTER BUSINESS BUREAUS ARE A BUST  
by Leslie M, Marable

You need to find a reputable moving company fast. Or maybe the car muffler you just had installed went, south while you were headed north and when you dialed the repair shop where you got it, a recording said 'You have reached a number that has been disconnected.' Instinctively, your next call is to the Better Business Bureau. Nobody, except maybe your own mother, is more likely to have your best interests at heart, right? After all, when pollster Roper Starch recently asked 2,000 adults where they would seek help if they had a problem with a major purchase, the No.1 choice (40%) was the BBB. Partly because of that trust, more than 11 million consumers turned to the nation's 138 BBBs in 1994 to file complaints or seek information, according to the 25-year-old Council of Better Business Bureaus (CBBB, the parent organization in Arlington, VA.

But hold the phone. A four-month MONEY investigation reveals that far from being a protector of the nation's consumers, the CBBB and the local bureaus are guilty of behavior that we feel deserves an unsatisfactory rating. To determine how well the BBB serves its customers. MONEY reporters checked out bureaus in the country's 20 largest metropolitan areas (to see how they stacked up, see the table on page 108) Posing as conscientious consumers, the reporters asked for information on five types of companies that get among the highest number of inquires and complaints, according to the CBBB: home improvement firms, car dealers, auto repair shops, movers and home furnishings retailers. In the course of inquiring about scores of companies across the country, we discovered that many of the nation's Better Business Bureaus:

- Employ questionable business practices, such as charging for providing no information, that could prevent them from becoming members in good standing of their own organization.
- Frequently care as much about generating new sources of revenue as about protecting consumers to the point of launching moneymaking 900 [phone numbers](#).
- Provide often outdated information on such a limited number of local companies that you may need to ask about four firms to get comments about one.
- Sometimes fail to give unsatisfactory ratings to companies plagued by a history of serious complaints.
- And lack the clout to motivate unethical companies to shape up even when the evidence is incontrovertible.

To understand why the why the BBBs are far less effective than they are purported to be, you need to understand how they operate. A popular misconception that Better Business Bureaus are local government agencies. They're not. They actually began life 83 years ago as citizens' vigilance committees formed to warn the public about shady companies false advertising claims. Today they are private, independently operated, nonprofit corporations designed to protect consumers from bad business practices of all kinds.

Each local bureau has its own CEO and unpaid board of directors, who determine what services will be offered and what dues members are charged--which range from \$120 a year to \$5,000.00 or more. The BBBs' main product is information: They keep files on all their members and create files for any company that a consumer inquires or complains about. Most BBBs assign ratings of satisfactory or unsatisfactory to most companies on file, based on their record of complaints. But though most bureaus offer formal arbitration and mediation services, BBBs are not enforcement agencies and cannot order an uncooperative company to award a refund or even acknowledge a complaint.

The CBBB makes local bureaus sign written agreements on bureau conduct that lay out guidelines for resolving internal disputes, paying dues and writing company reports. However, all the umbrella group truly controls is how the bureaus use the BBB trademark name, which it owns. The CBBB's lack of clout leaves local BBBs free to operate like fiefdoms, doing pretty much what they want with little oversight. One objective of James Bast, the 59-year old former CEO of Presstek, a printing equipment supplier, who took over as chief executive officer CBBB in June 1994, is to address 'problems within the bureau system.' In particular, he wants to standardize the way bureaus collect and report data, by upgrading their computer systems.

The umbrella CBBB, which is perhaps best known as an effective watchdog of the nation's charities, is largely supported by its 350 national blue-chip members, such as AT&T and Xerox. These companies pay dues of as much as \$80,000 a year to support the CBBB's promotion of ethical business practices.' For instance, the CBBB monitors national advertising and alerts consumers to misleading claims. Some 240,000 companies pay their local BBB annual dues and the local chapter in turn pays dues to the CBBB.

In all, the CBBB collects substantial revenue--more than \$13.6 million last year. some \$3 million comes from the local BBBs and national business members. The remaining \$10.6 million flows from fees for educational brochures books, [sales training](#) and mediation services. Its costliest program a free arbitration service known as BBB Autoline (annual cost: \$8.4 million) for drivers stuck with lemons, is financed primarily by General Motors.

Where does all that tax-exempt money go? In 1994: 9% went to pay salaries, pensions and insurance for the top 11 officials (\$1.3 million), office rent (\$700,000) and travel (\$660,000). CEO Bast, who officially took over in June of 1994, was actually put on the payroll in April and got \$151,000 for the year. The outgoing CEO, James McIlhenny, 67, who formally retired in October after seven years, cleaned up too, earning \$175,000 for six months' work as CEO and four months as a 'consultant.' Those salaries are substantially higher than the \$114,814 that CEOs at comparable non-profit earn, according to Abbott Langer & Associates, publisher of industry compensation surveys in Crete, Ill. Bast responds that he and other officers 'are reasonably compensated' for the work they do.

To take a close look at how the CBBB and the local bureaus operate, we randomly picked companies in the five critical industries mentioned earlier from telephone books, then called the BBB several times, asking for information on those companies. We made calls until we received a report on a company from each category. We collected a total of 100 company reports and then interviewed executives at 69 of the profiled firms.

Here's what we learned:

**FOR THE PAST TWO YEARS, 12 BUREAUS HAVE BEEN USING 900 TOLL NUMBERS AND CHARGING FEES FOR THE KIND OF INFORMATION THAT THEY USED TO PROVIDE FREE.**

Worse, some callers get charged even when bureaus don't have information on the company they are inquiring about. As part of an experiment that ended in mid-September, 12 bureaus (Buffalo, Miami and Syracuse, in addition to those listed in our table) have been accepting consumer inquires and

complaints on 24-hour 900 lines (95 cents a minute) or by billing a major credit card (typically \$3.80 for three inquiries). In July, a CBBB committee overseeing the program recommended that it be continued, and that all local bureaus be given the option of charging fees for services. Until a final decision is reached by the national board, the bureaus who participated in the experiment will continue charging fees.

Although not illegal or even unethical, these new fund-raising tactics have upset some consumer advocates for a couple of reasons. Clark Howard, a respected radio talk show host in Atlanta is one who questions why BBBs would resort to 900 numbers, the very money-making tactic often employed by rip-off artists. 'Can you imagine what it's like to complain to the BBB on a 900 number about a 900 number scam?' he asks. 'And to have a pay for that call?' CBBB spokesman Holly Cherico says consumers aren't getting rooked. 'It's wrong to imply that every 900 number is a scam,' she says. 'More an more reputable companies, like Microsoft and Dow Jones, have them. I think it's the marketing trend of the future.'

Perhaps even more troubling: Though the fee-for-service policy is to refund your money for a call if no information is available, five offices we tested charged MONEY reporters for their calls even when they couldn't provide reports on the companies we mentioned. Says Gene DeSantis, a consumer law instructor at Syracuse University: 'To charge a fee for a service when there's no information available borders on deceptive telemarketing practices.'

Cherico says that if you phone a fee-charging BBB, the operator is supposed to offer a refund to your account if there's no information. If the operator doesn't offer to do this, she says you should ask for it. BBBs have the ability to zero out charges before they are billed to your credit card or phone company. If you've already hung up or got a tape instead of an operator, get in touch with the CBBB or call your local phone company for a credit.

#### **MOST BBBs HAVE INFORMATION ON FILE FOR JUST ONE IN FOUR LOCAL COMPANIES.**

In the worst case, our Los Angeles correspondent was forced to name 13 home improvements companies, eight auto repair shops and six home furnishing stores before finding one in each category that the local BBB had any information about. The effort cost him \$13.3 in phone bills.

Why the dearth of information? Partly because so few businesses are BBB members. Atlanta is typical, with about 26% membership. According to owners of 19 companies we canvassed, more firms don't belong to the BBB because they believe the dues are exorbitant, the membership drives are pushy or the services they receive in return are of little value. Says Robert Murata, president of the Honda Clinic, an auto repair shop in Chicago, who canceled his BBB membership last May: 'If I felt the money would do me or the consumer any good, I would have renewed.'

You'll find a BBB file for a nonmember company only if another consumer has called or written in with an inquiry or complaint. So if a BBB staffer tells you he has no record of complaints against a particular company, you should not assume that company is reputable. It may just be that it's not a BBB member or that no one has yet called the bureau to check it out or denounce it.

#### **BBB OPERATORS ARE SOMETIMES UNCOOPERATIVE, AND MOST BBB COMPANY REPORTS AREN'T WORTH THE 32 cent POSTAGE STAMP THEY'RE MAILED WITH.**

In 13 of 100 cases, operators were misinformed about bureau policy, and therefore refused to mail reports to our testers even though the bureau's stated policy called for them to do it. The Philadelphia and Pittsburgh bureaus fumbled the most, with different operators within the same bureaus contradicting one another about their policy on providing reports. At both bureaus we were told by some operators that we couldn't get any reports in the mail, while other operators told us we could (The latter answer was correct.)

The reports we did receive from most BBB's were usually brief--just one page--and of minimal value. A full 80% gave little more than basic information such as a company's address, its BBB membership status and a rating--that is satisfactory or unsatisfactory. In some cases--for example, if a company hasn't yet responded to a complaint--the BBB refrains from assigning any rating. The ratings, based on the number of complaints a company has received and how it responds, are vague at best. At worst, they are dubious.

For instance, a report we got from the Detroit BBB gave a satisfactory rating to Gardner White furniture, a home furnishings retailer. A call by MONEY to the Michigan attorney general's office, however, revealed that the company had received 19 complaints from 1992 to 1994, most of them reporting its alleged misleading sales tactics. Carmel Weems, Detroit's BBB spokesman, admits the company isn't fault-free. 'We've had 64 complaints within the past three years against this company' she says. 'But they received a satisfactory rating because they responded well to each complaint.'

There are notable exceptions among BBBs, however. The reports of the Boston and New York City outfits are standouts, for example. Boston's reports list a company's return and exchange policy, [customer service](#) contact and the addresses of branch offices. The New York BBB breaks out the number of complaints for each of the past three years, plus tells you the nature and status of complaints a company received. Reports from both bureaus also list [contractors'](#) state licensing agencies whether the company meets state minimum proficiency standards. In addition, Boston and New York refer callers to appropriate regulatory agencies for help in resolving problems.

#### BBBs LACK CLOUT.

Several of the company owners we spoke with admitted that they pay much more attention to a consumer complaint filed with the state attorney general's office than with one reported to the BBB. The reason: The BBB has no enforcement powers and can't take legal action on a consumer's behalf. Says Honda clinic's Robert Murata: 'Most businesses don't look at the BBB as being a big threat. The state attorney general's office--now they're a big threat.' In short, BBBs are a bust.

.....  
Please send us your complaints about the BBB to [info@ripoffreport.com](mailto:info@ripoffreport.com)

ED Magedson  
[EDitor@badbusinessbureau.com](mailto:EDitor@badbusinessbureau.com)

STOP! ..before you think about using the Better Business Bureau (BBB)... CLICK HERE to see how other consumers were victimized by the BBB's false or misleading information. Don't be fooled! It has been reported, when there are thousands of complaints and other investigations underway by authorities, the BBB has no choice but to finally give an UNsatisfactory rating to a BBB member business that is paying the BBB big membership fees every year. When a business is reported that is NOT a BBB member, BBB files WILL more likely show an UNSatisfactory rating, then reportedly shake down that company to become a member of the BBB. One positive thing about the BBB is, either way, if a business has an unsatisfactory rating with the BBB, you can be sure, the business is bad. But what about all those BBB member businesses that had complaints filed against them? Consumers never get to hear about them. What about the BBB advertising to the public? Is this a false and misleading perception they are giving about "consumer confidence" when dealing with a business? Click here to understand more of what consumers and business alike are saying about the BBB. You decide. ..Remember. The BBB membership is not earned, it's paid for!