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## Blogger Links BBB Ratings Change To Revenue Falloff

Watchdog | George Gombossy

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The latest news from a Southern California blogger on the Better Business Bureau's potential reason for changing its rating system this year is serving as red meat for Connecticut Attorney General [Richard Blumenthal](#).

Jimmy Rivers, the pen name used by a former journalist now businessman, posted the third of his series of columns on the BBB Friday, accusing the North American business reporting agency of switching to an A+ to F ratings system in January as a way to entice more businesses to become dues-paying, "accredited" members.

Rivers disclosed on his blog — [www.bbbroundup.com](http://www.bbbroundup.com) — that [IRS](#) annual reports he obtained showed that in the past few years revenues for many BBB chapters decreased. Nationally, revenues only increased by an average of 1 percent.

However, in Southern California, the [Los Angeles](#) BBB has had a 13 percent increase in revenue in the past few years. The letter ratings were tested for four years in that branch.



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Rivers, who has a "Deep Throat" within the Los Angeles branch providing him with internal documents, believes that higher revenue is linked directly to the agency's use of the letter grade system, which guarantees any business that joins the BBB additional points toward better grades.

The BBB has insisted that it made the change nationally from the traditional satisfactory-unsatisfactory ratings to make the BBB website a more useful tool for consumers, not to bring in more money.

Blumenthal, who is investigating the BBB in Connecticut after the state chapter last November awarded its highest honor to a remodeling company he is now suing on fraud charges, said he is following Rivers' blog with interest. It would be greatly troubling, he said, if it turned out that the bureau's real motivation in changing the grade system was to create a "pay to play" scheme.

He said he will ask the [California](#) attorney general for help in investigating Rivers' claims about the rating system.

The BBB did not respond to my request for comment Friday. It may have been because its top national public relations officer, [Steve Cox](#), sent out an internal memo last month telling local BBB officials not to respond to accusations in Rivers' columns with the hope that no one from the "mainstream" media would give it credence.

That internal e-mail was provided to me by Rivers and can be found on my blog, [courant.com/ctwatchdog](http://courant.com/ctwatchdog).

I sent Cox an e-mail after posting his memo, suggesting to him that his strategy may not be working as well as he expected.