

The Truth About The BBB

Connecticut's attorney general

AG challenges BBB Member Perks, Rating

Stephanie Reitz • The Associated Press • November 13, 2010

Hartford, Conn. — Connecticut's attorney general is pushing the Better Business Bureau to stop what he calls a **pay-to-play system** that gives its members a ratings boost over nonmembers.

Richard Blumenthal, who will soon leave his state job to replace Christopher Dodd in the U.S. Senate, sent a letter Friday to the Arlington, Va.-based Council of Better Business Bureaus about its letter-grade system, a method it adopted last year in place of the previous satisfactory/unsatisfactory ratings.

He said his review found that BBB members' grades include extra points unavailable to nonmembers, a practice he called unfair to consumers who assume the companies are being judged equally.

Blumenthal wants the organization to either stop linking ratings to membership or, failing that, to tell consumers when a company's grade was influenced by joining the BBB. Dues range from a few hundred dollars to more than \$5,000, depending on a business' size.

"This financial influence is potentially harmful and misleading to consumers," said Blumenthal, who wants the group to change its rating system by mid-December.

Alison Southwick, spokeswoman for the national BBB, said its officials have been talking with Blumenthal and believe they can satisfy his concerns.

"We disagree with his characterization that BBB does not adequately disclose the fact that accredited businesses financially support BBB," she said.

"However, we are always interested in hearing from our partners in consumer advocacy, and are pleased to accept constructive feedback from his office and other consumer advocates."

Blumenthal's letter came as ABC News reported that it was airing an investigation Friday on its "20/20" newsmagazine program into BBB ratings.

The network said it had videotaped instances in which two Los Angeles business owners were promised, and later given, A-plus ratings if they paid \$395 membership fees.

ABC also reported that a group of Los Angeles business-owners paid \$425 to join the BBB as a fake company called Hamas — named after the Islamic militant group — and secured an A-minus grade.

The Los Angeles Times, several consumer-oriented websites and other media outlets also have reported on questions over the rating system since it was introduced last year.