

BBB Military Line[®]

Briefing for AFCPE 2007 DoD Pre-Conference

*By Holly Petraeus, Director, BBB Military Line
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Better Business Bureau[®]

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BBB History

- Founded in 1912, the nation's oldest non-profit, business self-regulatory organization
- War Savings Protection Program created in 1945
- BBB Military Line[®] created in 2003
- For 95 years, the BBB has:
 - o Established codes of business conduct
 - o Handled consumer complaints
 - o Issued factual reports on businesses and charities
 - o Set standards for truthful advertising



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The BBB Today

- 164 offices near every major population center – and most military installations – in the United States
- 105 million total instances of consumer service in 2006:
 - o Business Reliability Reports
 - o Charity Reports
 - o Consumer Information
 - o Dispute Resolution
 - o BBB Online



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BBB Military Line Milestones

- MOU with DOD Financial Readiness Campaign Feb 03
- MOUs w/ Army Jul 03, Navy Aug 06, Air Force Jul 07
- Justice Dept. grant in partnership w/ BGCA 2004 – 2007



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Why A BBB Military Program?

- Military Consumers a Targeted Group:
 - o Predatory lending
 - o ID theft while deployed
 - o Auto loans at punitive rates
 - o Affinity marketing
 - o Scams

BBB Has the
Marketplace
Knowledge to Help



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Investment Scams

- **United World Exchange**
 - Iraqi Dinar sales
 - 184 complaints of non-delivery in 1 year
 - Illinois Attorney General filed suit in June 2007
 - BBB rating - **Unsat**



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Ponzi Schemes

- **Capital Consortium Group/3 Hebrew Boys**
 - Unregistered securities dealers
 - Marketed to churches and military
 - Secrecy – non-disclosure form
 - Promises - \$2,625 to become \$100K in 16 months!
 - **Indicted** 9/11/07 by South Carolina grand jury



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Rip-offs on the Web

- **The Military Company**
 - Military ribbon sets
 - 150+ complaints of non-delivery in 1 year
 - Postal Inspection Svc investigating
 - BBB rating - **Unsat**



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Pyramid Schemes

- **Wealth Pools International**
 - “Multi-level Marketing Plan” or “Matrix Plan” selling language learning systems
 - Sellers must buy each system @ \$200, make \$10 per sale unless they recruit more sellers
 - Complaints in Florida and Fort Buchanan, Puerto Rico area
 - BBB rating **Unsatisfactory**

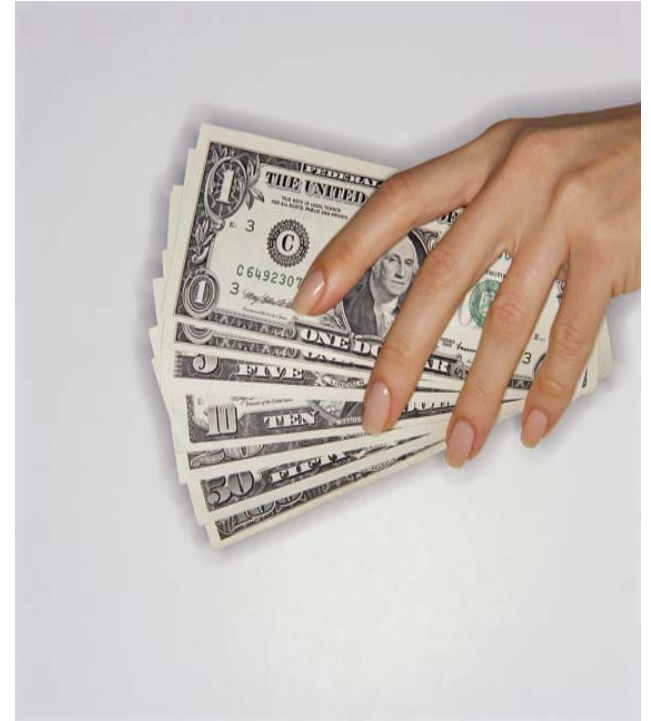


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Military Charity Scams

- ABC News Report on 11/9/07 that donations are not reaching wounded vets
- Reminder – BBB has reports on 1,200 national charities and 5K local charities
- Look it up before you give!



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What Is BBB Military Line Doing About Scams?

- **On the Web:**

- Breaking news and alerts
- Electronic newsletters by subscription
- Access to BBB reliability reports
- Online complaint submission
- Data analysis (25K military complaints in 2006; 45K so far in 2007)

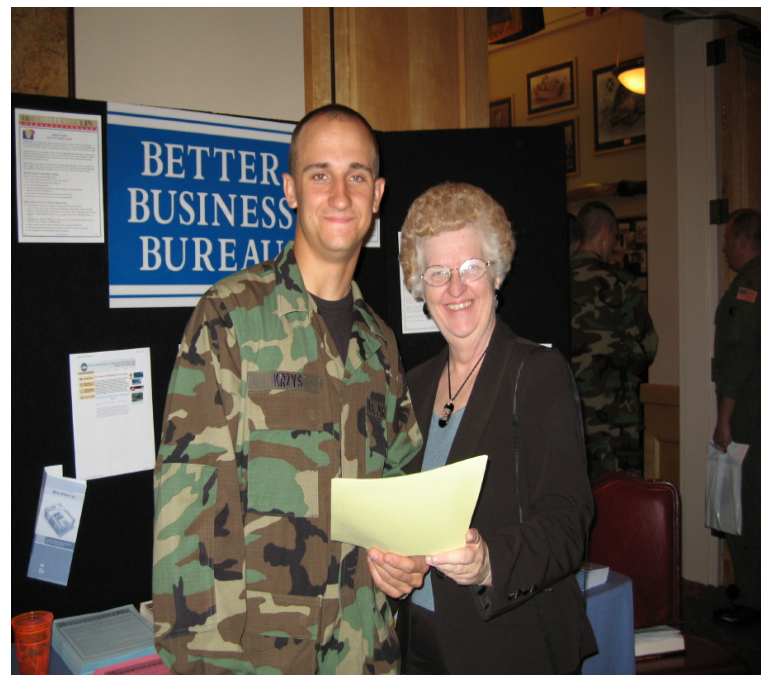


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In Your Community

- Briefings
- Consumer Workshops
- Business codes of ethics
- Armed Forces Disciplinary Control Board member
- Coordination with on- and off-base consumer, legal and family assistance offices



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The Bad Guys Don't Always Look Like This



Which is why you need to check them out with the BBB! www.bbb.org/military



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