



Annual Report 2011-2012



**The Better Business Bureau
Serving Metropolitan New York,
Long Island and the Mid-Hudson Region**

May 2013

Message from the President

Claire Rosenzweig, CAE
President and CEO



During 2012, we coordinated with the Council of Better Business Bureaus (CBBB) to promote the value of the BBB brand globally. Your BBB continued to drive its mission of advancing marketplace trust through strategic initiatives that focus on a few general areas covered by the organization, including Standards/Accreditation; Education and Networking Programs, Services for Consumers and Businesses, and Marketing and Infrastructure.

Your BBB ended 2012 in good condition, from a number of vantage points. Most importantly, we proactively continued to position BBB as a globally recognized standards-based organization. We promote the value of BBB Accreditation and have been successful in growing the number of businesses that have earned BBB Accredited Business status.

The BBB system celebrated its Centennial year in 2012 by ringing the closing bell of the New York Stock Exchange and helping a record-breaking number of consumers across the United States and Canada.

Your BBB is one of 113 independently incorporated BBBs across North America. In 2012, there were 124.5 million inquiries to the collective BBB system, up from 103 million the year before; in Metro New York, we had 3.4 million inquiries, up from 2.4 million in 2011. In total, the BBB system has about 400,000 Accredited Businesses across North America; the Metro New York BBB has 6,817.

BBB continues to partner with media. We regularly appear on consumer affairs and business reports on TV, Web, Cable, Print and Radio. Our reports have helped consumers and businesses protect themselves from the most common scams, highlighted the top 10 complaint categories from which to learn, and provided much needed information about how to donate to charities, with an eye to their legitimacy and meeting BBB Accredited Charity Standards. We've added a Twitter page to our arsenal of media channels and are pleased that our number of friends and followers, respectively, continues to grow.

Self-regulation is another important role carried out by the BBB. Through the CBBB, we have been working with the advertising industry for a number of years now on important self-regulatory guidelines as they pertain to privacy on the web. Information about how this issue affects you and your business can be found at www.aboutads.info. The FTC will be watching this program as part of its overall consideration regarding this issue. BBB has worked to promote a strong self-regulatory program in the online behavioral advertising area, as an important alternative to new legislation and regulation. There are many other activities covered by the CBBB government affairs program and you can view them on bbb.org.

The strength of this organization resides with you, our Accredited Businesses. You and your company are entitled now to exclusive benefits and I urge you to take advantage of them. I am pleased that even during the tough economic times that continued throughout 2012, BBB of Metro New York met the initiatives covered under our strategic goals, and we are in a healthy financial condition.

We initiated a review of our Strategic Plan in 2012, and it will continue into 2013. The programs and services you see covered in this Annual Report all tie back to these Strategic Goals noted in our current Strategic Plan:

- Build NY BBB's Strength in the Marketplace
- Build NY BBB's Organizational Strength
- Increase Value to Business Stakeholders
- Increase Market Share
- Be Everywhere

Our vision is a marketplace where buyers and sellers can trust each other, and our mission is to be leaders in advancing marketplace trust. As the collective BBB brand heads into its 101st year, our logo says it all: "Advancing Trust Together." I look forward to working on that with you!

[Photo on Cover:](#)

Front row, left to right: Kathleen Piereth-Heenan, Exec. Director, LI BBB; Lisa Davis, Sr. Director Communications & Public Affairs, Sony Corporation of America/BBB Board Vice-Chair; Michael Portegello, Partner, Ernst & Young LLP/BBB Board Vice-Chair; Claire Rosenzweig, President & CEO, BBB Serving Metropolitan New York; Carrie Hurt, President & CEO, CBBB; Rhonda Joy McLean, Deputy General Counsel, Time Inc./BBB Board Chairman; Brian Rauer, Exec. Director and General Counsel, Mid-Hudson BBB; Valerie Reardon, SVP, Compliance Internal Audit & Internal Controls, EmblemHealth/BBB Board Vice-Chair; Edward J. DeSalvio, Managing Director, Asset Recovery Division, BNY Mellon/BBB Board Director. Back row, left to right: Richard Adamonis, Senior Vice President Communications, NYSE Euronext; Beverly Baskin, SVP, Client Services, CBBB; C. Lee Peeler, EVP, CBBB & President, NARC, CBBB; Sheryl Bilbrey, President & CEO, BBB San Diego & Chair, BBB Operating Committee, CBBB; Katherine Hutt, Director, Communications & Media Relations, CBBB; Brian F. Doran, Region Executive, NY Metro Region & Dir. of Gov. Affairs, Popular Community Bank/BBB Board Treasurer.

The BBB Serving Metropolitan New York: Who We Are

The Better Business Bureau Serving Metropolitan New York was founded in 1922 by the New York Stock Exchange. It is a key resource for consumers looking for information about the reliability and reputation of businesses that help them to make wise buying decisions.

However, that is not all the BBB does. Our mission lies as much with supporting good business as it does with protecting consumers.

We believe that the two go hand-in-hand: ethical business practices serve to strengthen the marketplace while increasing consumer trust, which in turn is profitable for business.

In support of our mission to advance marketplace trust and foster good business in Metro New York, we:

- Issue free, objective Business Reviews on area businesses
- Offer services and resources to assist and educate New York businesses
- Organize and participate in numerous events in the service of good business in the New York Metro area
- Resolve consumer complaints through our mediation and arbitration programs
- Investigate business practices and review business advertising
- Serve as an expert source of information to the media
- Support a community of BBB Accredited Businesses through our voluntary Accreditation program for businesses that meet the BBB Standards for Trust

We invite you to read further to learn about these and other exciting programs and services we delivered in 2012.

Business Development and Relationships Department

The Business Development and Relationships department's main role is to recruit, retain and recover Accredited Businesses for Metropolitan New York, extending from Long Island through New York City to the Mid-Hudson region of New York State. The department works to promote marketplace trust by increasing visibility of the BBB brand through integrated marketing communications and programs and services. It develops, maintains, and provides support to a community of local and regional BBB Accredited Businesses from a broad assortment of industries, ranging in size from one- or two-person ventures to Fortune 500 companies.

The BBB Accredited Business community is currently composed of thousands of Metro New York area companies that support the mission and values that the BBB represents. BBB Accredited Businesses must pledge to uphold the eight BBB Standards for Trust:

- 1. Build trust**
- 2. Advertise honestly**
- 3. Tell the truth**
- 4. Be transparent**
- 5. Honor promises**
- 6. Be responsive**
- 7. Safeguard privacy**
- 8. Embody integrity**

BBB Serving Metropolitan New York offers Accreditation to companies that meet its high standards for business and customer service. If a business does not meet or exceed the standards laid out by the BBB Code, it will not receive Accreditation. Businesses that apply for Accreditation undergo an intensive review. Only those businesses that meet our standards and score and maintain a grade of 'B' or higher on the BBB letter-grade rating system are eligible for BBB Accreditation, after which, upon approval of their application for accreditation, they are assessed an annual BBB Accreditation fee. At year-end 2012, BBB of Metro New York had a registry of **6,817 BBB Accredited Businesses, 1,179 of which were newly accredited in 2012**. There are large businesses and major corporations among the Accredited Businesses.

BBB Accreditation works to inspire confidence among the public, government agencies, the press, and within the business community by verifying a business' commitment to the standards upon which the BBB is founded.



Business Leaders attending a Long Island BBB business education and networking meeting at the Melville Marriott

Companies that are accredited by the BBB may display the BBB Accredited Business Seal according to BBB policy, i.e., at their place of business and in advertising, promotional materials, business cards and other business documents, thereby showing their commitment to the **BBB Standards for Trust** which in turn fosters consumer confidence.

Given the faith the public has in the BBB as a premier source of legitimate information about the reliability and reputation of businesses, the Seal symbolizes integrity to potential customers:



Accredited businesses are also eligible for special BBB programs, information, and dispute resolution services, including:

- **The BBB Accredited Business Hotline**, a private phone number that Accredited Businesses may call to get expedited help with checking out other firms or charities, filing complaints, challenging a competitor's advertising, or getting advice on business practices.
- **Advisories** to help Accredited Businesses make buying and selling decisions
- Tips and guidance on **smart business practices**
- Access to **free, topical business publications**, including:
Get More Money Now: How to Have Better Credit and More Money for Things That Matter
- **Sponsorship** opportunities
- Heightened visibility on the New York **BBB website**, in the **Accredited Business roster** and through special **advertising campaigns**
- Free or discounted attendance at **BBB networking and educational events**, in addition to invitations to frequent **Accredited Business Only networking meetings**
- **Employee seminars** on consumer issues and business leadership, which are tailored to each firm's specific needs and presented at the company's business location
- **Monthly eNewsletter, Hot Topics**, which keeps Accredited Businesses informed of the BBB's activities and offers them insight into how the BBB can assist them and their employees



Metro NY BBB eNewsletter, "Hot Topics"

BBB On-Line Dynamic Seal Program

Accredited Businesses are eligible to participate in our optional **BBB On-Line Dynamic Seal** program, which authorizes the use of the BBB logo on their website as a symbol of trust. **At year-end 2012, the Metro NY BBB had approximately 1,663 BBB On-Line Dynamic Seal participants**, a net increase over the 1,642 at the end of the previous year. There is a fee for this optional program.

2012 Accredited Business “Start With Trust” Ad Campaign



Print Ads
Three Full-Page Directory-Style Ads in
The New York Times, Daily News
and El Diario!

Web Ads
Exclusive Guide featured on
newyork.bbb.org
for 12 months!

The **BBB Annual Ad Campaign** serves Accredited Businesses by providing them with increased visibility in connection with the BBB brand. Businesses are encouraged to participate as a way to show their customers their commitment to good business practices. Ads run in many major print news media sources, including the *New York Times*, *New York Law Journal*, *New York Daily News*, *El Diario* (in Spanish), and *Newsday* in Long Island. Participants are offered two co-op ads: “General Sponsor,” a directory-style ad, and “Prominent Sponsor,” with the firm name only. In 2012, we continued offering an interactive web-based listing, the “**NY BBB Buyer’s Guide**”, which gives participants the opportunity to advertise in a special online directory for twelve months.

142 Accredited Businesses participated in the New York City print ads, and 234 participated in Long Island, while collectively, 214 Accredited Businesses from all three offices participated in the Buyer’s Guide promotion, making this one of our most popular and successful campaigns to date.

Accredited Business Only Networking Meetings

The Business Development and Relationships department regularly conducts special networking breakfast meetings, which cater to small groups in each region. In 2012, the New York City, Long Island and Mid-Hudson offices each held an annual meeting. These meetings provide the opportunity for Accredited Business leaders to meet, network, and learn about how best to leverage their BBB Accreditation.

Sponsorship

Accredited Businesses are eligible for a variety of BBB sponsorship opportunities. Sponsorship packages accommodate a wide range of budgets and include support of the BBB programs, media packages, Co-Op advertising, recognition event support, seminar and Accredited Business event support, web video sponsorship, website banners and newsletter funding. **In 2012, the Business Development and Relationships department ran 12 web banners from sponsors on the BBB website and one in the BBB eNewsletter.** The BBB also helps to raise awareness of the opportunities available through the BBB Education and Research Foundation programs, including the Volunteer Intern Skill-Building Program and the Corporate Responsibility Forum. Online sponsorships have been on the rise in the past several years.

Other Activities

Throughout the year, the Business Development and Relationships department organizes a variety of other events and activities that align with the BBB mission to promote marketplace ethics. To this end, the department participates in a variety of business activities that increase brand and Accredited Business visibility and promote good practices.

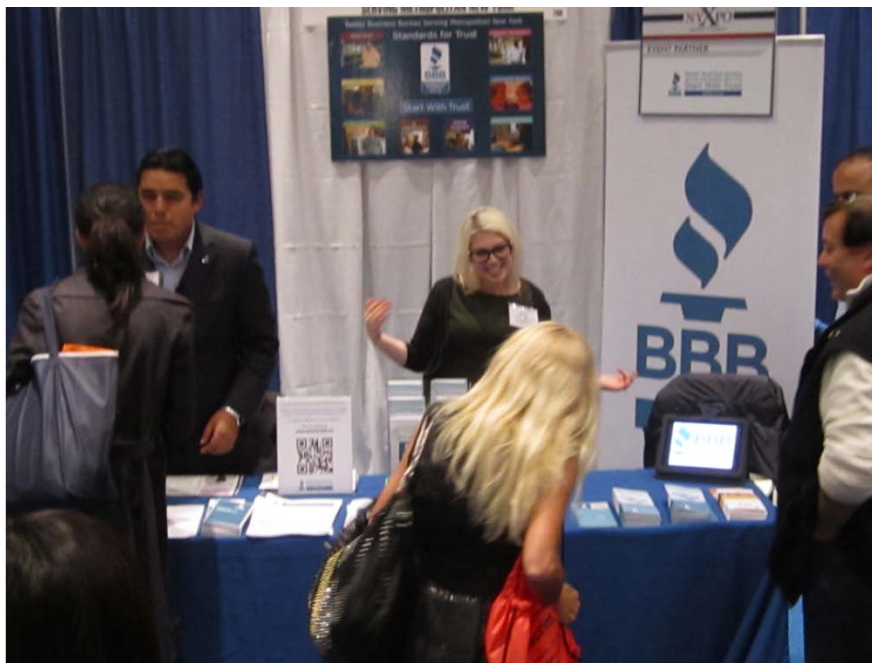
For 2012, these included meetings with leading New York businesses to foster stronger corporate partnerships and the annual **NYXPO for Business**, one of the largest business trade shows in the northeast, in which the BBB participated as an "Event Sponsor" for the fifth consecutive year. BBB presented seminars at the October 17, 2012 NYXPO on common advertising pitfalls and how to avoid them. Over 20 BBB Accredited Businesses attended as Exhibitors.



***Steven Kessler (left),
President of Sunrise
Premiums, a BBB
Accredited Business,
with BBB's Shawn
Fafara, Senior Director,
Business Development
and Relationships***



Brian Rauer, Executive Director, Mid-Hudson BBB and General Counsel, Metro New York BBB



Peter Espinoza, Program Manager, NYPAS and Nicole Brigati, Manager, Business Development and Relationships

The directory of Accredited Businesses is easily accessible to businesses and consumers online at BBB's website, www.newyork.bbb.org. The Business Development and Relationships department manages distribution of information and inquiries about participating in the program.

Services for Consumers and Businesses

In 2012, the Better Business Bureau Serving Metropolitan New York logged over 3.4 million requests by mail, e-mail, and telephone for information about business reliability, a 42% increase from 2011. The 4.8 million BBB business reviews covering North America were accessed more than 124.5 million times in 2012, an increase of 21% from 2011. These numbers suggest that in today's difficult economic climate, consumers are cautious about where and how they spend their money, and are looking for trustworthy information that can help them make good business decisions.

The Metro NY BBB helps consumers and businesses make informed buying and selling decisions using its database of **BBB Business Reviews** on over **130,000** metropolitan area companies. The BBB continually updates its Business Reviews, logging feedback, complaints, and data it gets from customers for future reference.

The Better Business Bureau's standards, process, and rating formula ensure that our Business Reviews are unbiased and as current and comprehensive as possible. Whether or not a business is accredited plays no part in our ratings. The BBB's business rating algorithm takes into account 16 objective elements:

1. **Type of Business**
2. **Time in Business**
3. **Competency Licensing**
4. **Complaints Volume**
5. **Unanswered Complaints**
6. **Unresolved Complaints**
7. **Serious Complaints**
8. **Complaint Analysis**
9. **Complaint Resolution Delayed**
10. **Failure to Address Complaint Pattern**
11. **Government Action**
12. **Advertising Review**
13. **Background Information**
14. **Clear Understanding of Business**
15. **Mediation/Arbitration**
16. **Revocation of Accreditation**

Telephone Assistance

BBB's Consumer Help Line is available between 10 a.m. and 4 p.m. during business days. BBB Consumer Advisors answer calls as they come in. All calls that are not answered as they come in are returned within 24 hours. The Consumer Advisors provide callers with information on BBB's business reviews, instruct individuals on how to file a complaint, offer guidance on specific marketplace issues and problems, and provide referrals to government agencies, associations and out-of-area BBBs that can give additional service to inquirers. BBB received over 46,000 consumer phone calls in 2012.

Online Consumer Assistance

Visitors to the BBB's websites at www.bbb.org or www.newyork.bbb.org can file a complaint online, find and read business reviews, and browse a resource library of financial and business guidance, advice, and news.

Resolving Disputes

The BBB successfully resolves consumer disputes ranging from those dealing with inexpensive mail order products to costly home improvement projects. BBB's Dispute Resolution programs bring businesses and their customers together to reach fair and amicable solutions.

Thank you so much for your help. You helped get that stress out of my life. I appreciate it.
-Consumer from Missouri

I was very pleased to receive a refund check this past weekend from ___. I honestly was beginning to think I was getting nowhere with them, until you stepped in. I sincerely thank you for your assistance...I'm sure I'm not the only person who appreciates your help.
- Consumer from Wisconsin

In 2012, over 56,000 customers contacted the BBB to file complaints about businesses. **BBB Dispute Resolution** helps buyers resolve their issues, allows businesses to maintain the goodwill and continued patronage of their customers, and makes sure that both sides have an option to mediate and solve problems without having resorting to the costly and burdensome alternative of legal action.

Complaint Mediation

The majority of the complaints filed with the BBB each year are resolved through mediation, in which BBB works with the customer and the business to settle the problem.

Every year, the Dispute Resolution department of the BBB of Metro New York helps thousands of people to get restitution from companies and businesses varying from reshipment of their ordered products and credit adjustments to full refunds of their purchases. In cases in which BBB was able to communicate with the business, approximately 73% of reportable complaints were closed as resolved in 2012.



"Thanks! I have found the BBB more effective than the A.G. or State Bar. Good job!"
- Consumer from Houston, Texas

Kim Jones and Clara Ojeda
Staff - Consumer Advisors

Kim and Clara have been Consumer Advisors for 15 and 20 years, respectively. They assist visitors and callers daily with any marketplace inquiries they may have.



Andrew Palestrant
Staff – Mediation Department

Andrew is Coordinator of Dispute Resolution. He participated in the BBB Foundation intern program in 2009.

Another important function of the BBB is to analyze complaints for patterns or unusual problems that need to be brought to a company's or industry's attention. By providing companies with valuable feedback about their customers' complaints, BBB helps them identify the underlying causes of the problems and provides them with an opportunity to strengthen their customer service. Closed complaint information is covered in the company's BBB Business Review to alert prospective customers. Failure to resolve the underlying pattern or problem can also affect the BBB letter grade and may even result in action by a law enforcement agency, when warranted. The research and information compiled by the BBB is also made available to the press and government agencies under certain conditions to help with investigations and uncover scams.

I want to express my gratitude for helping to solve this issue. I know it was a small amount of money, but it was a huge victory for my integrity and principles as a consumer. I even encouraged my husband to contact the BBB about an issue he was having with a small computer company. Although they were not listed as a member of the BBB, the rep my husband spoke with offered the phone number to the company, which he was not able to find previously. He contacted the company via phone and they resolved the issue immediately. Thank you for helping us "little people." It's nice to have someone on our side!
- Consumer from Las Vegas, NV

Arbitration

When disputes cannot be resolved through mediation, BBB may offer arbitration, in which, with the parties' agreement, an independent, trained BBB Arbitrator hears each party's position and renders a decision resolving the dispute. Through arbitration, the BBB provides a fast and fair way to resolve disputes and avoids the high cost of going to court.

The automotive industry in particular has made a major commitment to resolving customer disputes through BBB arbitration. In 2012, twenty-seven car manufacturers participated in a national BBB program called **AUTO LINE**. Founded in 1978, BBB AUTO LINE is the nation's oldest and most respected auto warranty dispute resolution program. The AUTO LINE program enables customers to have their vehicle problems resolved by a BBB arbitrator at no cost to the consumer. The BBB of Metro NY arbitrated 41 AUTO LINE cases in 2012.

Top Ten Complaint Categories (2012)



BBB continuously strives to educate consumers on how to operate safely in the marketplace. During the annual National Consumer Protection Week, BBB joins forces with other groups and agencies to further this mission. The highlight of the week is a press conference, hosted jointly by BBB and the Federal Trade Commission, during which BBB presents the Top Ten categories of complaints for the year, broken down by type of business.

In 2012, BBB received over 6,600 complaints concerning **Financial Services**, the most complained about category last year. The financial services businesses include banks and banking services, collection agencies, credit cards, insurance companies, and loans. Rounding out the top three categories are **Publishing and Communications** and **Retail**. Publishing and Communications complaints focused on radio stations, broadcast companies, telephone companies and cable providers. Most Retail complaints concerned book stores (including online stores), clothing, and jewelers.



The 2013 BBB/FTC press conference, during which BBB announced the Top 10 consumer complaint categories for 2012. From left to right: Beth Finkel, State Director, AARP New York; Joy Feigenbaum, Executive Deputy Superintendent, Financial Frauds & Consumer Protection, N.Y.S. Department of Financial Services; Jane Azia, Bureau Chief, Bureau of Consumer Frauds & Protection, N.Y.S. Attorney General's Office; William Efron, Regional Director, FTC, Northeast Region; Marla Tepper, General Counsel, N.Y.C. Department of Consumer Affairs; Claire Rosenzweig, CAE, President and CEO of BBB Serving Metropolitan New York; Donna Harris, Public Information Representative, U.S. Postal Inspection Service.

Investigations

In the past several years, the Investigations program of the BBB Serving Metropolitan New York, in its role as a marketplace watchdog, has helped to uncover many cases of deceptive or fraudulent business activities.

In 2012 alone, your BBB served as a source of information for multiple government investigations by providing information about complaints related to more than 90 investigations and enforcement actions brought by agencies such as the Department of Consumer Affairs, the Attorney General of New York and a number of other states, the Federal Trade Commission, and the US Postal Inspection Service. BBB also performs its own investigations, and informs the public about the results on its web site and through press releases. In 2012, the BBB conducted 188 investigations.

By investigating deceptive practices and challenging false advertising, BBB's Investigations Department exposes companies that attempt to profit at the expense of responsible businesses and the public, and warns consumers to stay clear of them. When abuses are found, BBB first alerts management at the company in question and tries to work with them to help meet BBB Standards. In this way, responsible firms may resolve their problems and maintain the confidence of their customers. When companies fail to address problematic practices or advertising, the incidents are summarized in BBB Business Reviews and, when appropriate, referred to government agencies and the media. BBB also releases advisories on scams and deceptive practices throughout the year on its website and to the media.

Job Scams:

In January of 2013, the Better Business Bureau named job scams as one of the top scams in 2012. These include secret shopper scams, work-at-home scams, and other phony job offers. Emails, websites and online applications for these scammers all look very professional, and often the candidate is even interviewed for the job (usually over the phone) before receiving an offer. In order to start the job, however, the candidate has to fill out a "credit report" or provide bank information for direct deposit of his or her "paychecks." The online forms are nothing more than a way to capture sensitive personal data – Social Security number, bank accounts, etc. – that can easily be used for identity theft. Of course, there is no job, either.

"BBB" Phishing Scam:

BBB is used to hearing about a lot of scams, but a new wave of scammers are so brazen as to call *themselves* the Better Business Bureau! This scam involved a fake email purportedly coming from BBB. Consumers and businesses nationwide received emails under the BBB name, telling them a complaint had been filed against their business. The instructions varied, but ultimately sought to compromise the recipient's computer and identity. BBB provided instructions to those who received the phishing scam e-mail on how to protect themselves and their computer.

Advertising Review

BBB conducts an Advertising Review program in order to foster business self-regulation. The BBB Code of Advertising defines misleading, deceptive, and false advertising, which guides BBB's efforts to protect consumers and assist businesses in promoting their products in a clear and transparent way. The BBB's professional staff regularly monitors websites and local newspapers for misleading advertising. When BBB believes that an advertisement may confuse or deceive consumers, it

forwards the ad to the business in question and requests voluntary modification or substantiation of the ad's claims. Questionable advertising practices that the BBB investigates include deceptive claims of results for products or services, false claims of lowest pricing, products advertised as being free, unprovable claims of superiority over competitors, and misleading descriptions of return policies. About one-third of the BBB ad review challenges resulted in adequate substantiation or revised ads. In 2012, the Ad Review Program conducted 281 reviews.

As with other BBB programs, Advertising Review:

- Provides a fast, flexible alternative to government regulation
- Maintains a level playing field for settling disputes among competitors
- Increases public trust
- Helps cut down on unfair or unethical business practices

BBB and the Press

BBB Serving Metropolitan New York cultivates relationships with the media and journalists as part of our ongoing effort to educate consumers. BBB helps reporters by offering assistance in investigations, acting as liaison with consumers or fraud victims who may want to share their stories with the press, providing access to knowledgeable BBB executive staff for interviews, and serving as a source for general business and consumer related information to the media. By working together with the media, BBB seeks to share useful information with consumers in order to assist them in making educated purchasing decisions while promoting good business practices and trust in the marketplace.

In 2012, BBB Serving Metropolitan New York assisted television, print, online and radio media for a variety of stories. These stories reached consumers locally, regionally and nationally. The topics ranged from specific scams targeting the unemployed, to how to choose the right charity to support.

A Metro NY BBB spokesperson appeared in almost thirty news stories and we assisted with many others. A sample of coverage:

- **Television**
 - CBS Local: IRS Scams/Moving Scams/Job Listing Scams/Wedding Insurance
 - NY1: Travel Scams/Sandy Donation Tips
 - NBC Local: Holiday Giving Tips
 - NBC National - Today Show: Top 10 Scams 2011
 - NBC National – Dateline: Storm Repair Scams (post Sandy)
 - Univision Channel 41: Warranties and Extended Warranties/Online Shopping Tips
- **Print**

- *New York Times*: Safe Package Delivery Tips
- *New York Daily News*: Vacation scams/Charity and Contractor Scams (post Sandy)
- *Newsday*: Home Repair Contractors (post-Sandy)
- *Long Island Press*: Home Improvement Contractors
- *Queens Courier*: K Quality Corp - Cleaners company
- *Metro NY*: Charity Scams (post Sandy)
- **Radio**
 - FM News 101.9: Job Scams, Top 10 Complaints 2011
 - Q104.3 – Shelli Sonstein Show: Holiday Scams
- **Online**
 - Women and Co.: Holiday Charity Scams



***CBS 2 New York interviews Claire Rosenzweig,
Metro New York BBB President and CEO,
on December 4, 2012, about Holiday Season scams.***

The BBB serves the press and media as an expert resource for consumer and business matters. During this interview with CBS 2 New York, Claire Rosenzweig warned viewers about scams that occur during the Holiday Season, from charity scams to bogus holiday e-cards phishing for personal information. Phony text messages and emails are two of the biggest vehicles for scammers at the holidays, she explained. Consumers receive notifications that they've won a store gift card, or that a shipper, like UPS, is trying to deliver a package and needs more information. In either case, if the consumer clicks through to the attachment, spyware or a virus is introduced onto their phone or computer. Rosenzweig advised consumers to verify independently that the company is trying to reach them without clicking on unsolicited messages. And of course, to remember that if it sounds too good to be true, it probably is.

BBB Volunteers

BBB Serving Metropolitan New York includes New York community members who support our mission and wish to volunteer their time. They support the work we do in one of our departments or for special programs. Volunteers serve the Metro New York community by participating in our arbitration and mediation departments, where they help consumers and businesses to amicably resolve disputes.

Volunteers in BBB Dispute Resolution undergo a training process that helps them become knowledgeable and skillful mediators.

Volunteer Spotlight: Mary Darchi, Volunteer Mediator



Mary has worked for the NYC Transit Museum, the Brooklyn Museum, and the Environmental Protection Agency. She learned about the BBB from a recommendation by the Mayor's Volunteer Action Committee. Mary joined the BBB 13 years ago and has been assisting our Dispute Resolution department to this day. She enjoys the daily interaction between consumers and businesses.

BBB volunteers include both professionals and retirees. Many commit substantial time to the BBB each week and volunteer for many years, while others stay for shorter periods of time, sometimes simply offering one-time assistance and expertise for special events and programs

Volunteer Spotlight: Vinnie Santoro, NYPAS Volunteer



Vincenzina (“Vinnie”) Santoro is an international economist and former Vice President of JP Morgan and Co. where she worked for 27 years in the economics department, foreign exchange department and the Bank’s Milan office where she established an economic research unit. Since leaving the Bank, she worked briefly at the United Nations in the Department of Economic and Social Affairs. She has been an economic consultant to various foreign trade and investment entities, represents a small non-governmental organization at the United Nations and writes frequently about international economic and social issues for an online newsletter. Ms. Santoro is a native New Yorker, a graduate of Hunter College, City University of New York (BA, MA in economics) and is fluent in five languages.

Having worked on many years on Wall Street, Vinnie responded to the call for volunteers at NYPAS after 9/11 to help evaluate the many new charities that were formed to assist the victims of that tragedy. This led to the discovery and appreciation of a new world of nonprofits, charities and philanthropy that became a source of ongoing interest.

BBB Education and Research Foundation Affiliate and Collaborator

The Better Business Bureau Serving Metropolitan New York shares office space and works closely with the separately incorporated and governed Education and Research Foundation of the Better Business Bureau of Metropolitan New York, a 501(c)(3) charity.

The Foundation's work is generously supported, in part, by voluntary donations beyond accreditation fees, given by BBB Accredited Businesses. A complete annual report for the BBB Foundation is available on request or can be viewed online at www.newyork.bbb.org.

The Foundation's principal activities are:

- Its charity review program, called the New York Philanthropic Advisory Service, or NYPAS
- Educational events and outreach programs for business, charities, and consumers
- The Skill-Building Volunteer Intern program, which provides young people with access to business skills and career talks with prominent leaders

NYPAS reviews locally soliciting charities, works to promote accountable practices in the nonprofit sector, and runs the BBB Accredited Charity Seal program for qualifying charities that have first met all of the BBB's 20 Standards for Charity Accountability. The BBB Foundation's NYPAS program is one of the largest local BBB charity review services in the country. Donors can view BBB charity information any time at www.ny.give.org.

In 2012, major Foundation events for charities and businesses included:

- 2012 BBB Charity Effectiveness Symposium: yearly educational and networking event presented for hundreds of nonprofit and philanthropic leaders on accountability and effectiveness issues in the nonprofit sector.
- 2012 BBB Forum on Corporate Responsibility V - *Great Business Performance: The Role of Corporate Responsibility*, for business leaders to network and learn about business responsibility issues and strategies.

The Foundation also produced additional educational workshops for charity and business leaders.

BBB Foundation Major Events

BBB Charity Effectiveness Symposium February 2012



Keynote Speaker Maria Mottola, Executive Director, New York Foundation



“Meeting Challenges with Creativity: Views from Innovators” Panel. L to R: Moderator Hilda Polanco, Fiscal Management Associates, LLC; Sister Paulette LoMonaco, Good Shepherd Services; Megan McAllister, Altman Foundation; and Peter York, TCC Group

BBB Forum on Corporate Responsibility, June 2012



Keynote Speaker Timothy J. McClimon, Vice President, Corporate Social Responsibility, American Express and President, American Express Foundation



"Corporate Responsibility Challenges and Trends" Panel. L to R: Michelle R. Greene, NYSE Euronext, Moderator; Pamela Gill Alabaster, L'Oreal; Anisa Kamadoli Costa, Tiffany & Co.; and Dave Stangis, Campbell Soup Company

How the Program Works

Our BBB Foundation is proud to maintain an ongoing, extensive internship program. We provide charity accountability interns with nonprofit accounting experience and an overview of the nonprofit sector in New York, as well as details about the management and governance of charities. Additional interns under our Foundation's program acquire valuable career skills by assisting with BBB dispute resolution and customer service activities. Interns are trained and supervised, and are also provided with interesting career program opportunities for learning.

Intern Background and Activities

In 2012, 82 volunteer interns contributed a combined total of 15,691.5 hours of service. In the process, they participated in completing a total of 25,448 BBB consumer complaint cases and charity reviews.



Career Program Speaker

Edward J. DeSalvio
Managing Director, Asset
Recovery Division,
BNY Mellon

During a 2012 intern career luncheon program, Ed DeSalvio discusses his own career path and answers questions about the banking industry.

Career program speakers are senior business and philanthropy executives. They provide unique insights into their professions, and offer pointers to interns about finding a job, forging strong business relationships, and building a successful career.

Intern Program participants in 2012 were from a wide variety of schools, including: Benjamin N. Cardozo School of Law, Berkeley College, Caldwell College, Columbia University, CUNY Baruch College, CUNY Brooklyn College, CUNY Hunter College, Dartmouth College, Fordham University, Kingsborough Community College, LaGuardia Community College, Long Island University, New Jersey City University, Philippine Law School, Queens College, Queensborough Community College, Skidmore College, St. Peter's College, The New School, The Wharton School of Business, University of Rochester, Washington University in St. Louis School of Law, and Whitworth University.

One of the many valuable elements of the BBB's intern program is its series of casual career luncheons hosted by the BBB, allowing interns a rare chance to meet and talk with executives at the top of their professions. Speakers include high-profile BBB and BBB Foundation Board Members.



John Grudzina, EVP, Chief of Staff and Administration/General Counsel, Grey Global Group



Melissa Krantz, President, Krantz & Co., with intern



Michael Portegello, Partner, Ernst & Young LLP



Rhonda Joy McLean, Deputy General Counsel, Time Inc. and Chairman of the BBB Board

We are grateful to BNY Mellon, Colgate-Palmolive Co., Coty Inc., Fiscal Management Associates, Grey Group, Sony Foundation, Whitehead Foundation/John C. Whitehead, and The Fiftieth Anniversary Foundation for their generous grants in 2012; and to Tishman Speyer, Peter J. De Luca Family Fund, and Saks Fifth Avenue for their recent, valued grant support of this program.

To learn more about the BBB's Education and Research Foundation programs, you may request a copy of the Foundation Annual Report by contacting the Better Business Bureau Education and Research Foundation at the New York City offices.

Long Island and Mid-Hudson BBB Branch Offices

The BBB Serving Metro New York operates two branch offices, serving the Mid-Hudson region of New York State and Long Island. These offices continue to be active in their local communities in 2012. To serve the mission of the organization, they present BBB educational programs, rate local businesses according to the BBB system, review businesses for BBB Accreditation, provide local complaint and mediation services, and work with local media, government, bar associations, educational facilities, and business and nonprofit communities to promote high standards for marketplace trust and to educate businesses and the public on good practices in their respective regions. The branches may participate in the BBB Foundation's volunteer intern program.

Events and Regional Outreach

In 2012, the Mid-Hudson and Long Island BBBs participated in, presented, and/or sponsored numerous educational or business-related events and programs, in collaboration with the central New York City office of the Metro NY BBB. For example:

MID-HUDSON

- 4/25/12 - Charity Standards Program for the Mid-Hudson Region (at MHBBB)
- 5/3/12 - Presented first 2012 NYXPO for Business BBB seminar program: "Business & Advertising Ethics: Can I Say That?" (for NYBBB)
- 5/4/12 - Law Week 2012 (in observance of National Law Day). Represented BBB at the Manhattan-based information fair through provision of consumer/BBB information (for NYBBB)
- 6/20/12 - MHBBB Networking Breakfast & BBB Briefing Program: "Advertising Pitfalls/BBB Ad Guidelines" (topical discussion relevant to the local business community coupled with administrative/informational updates, offering extensive roundtable Q & A session)
- 10/17/12 - Presented second 2012 NYXPO for Business BBB seminar program: "Advertising Pitfalls: Avoiding Unethical Business Practices" (for NYBBB)
- 10/17/12 - Mediation Settlement Day Kickoff event. Represented BBB at the NYC Bar-hosted Mediation Settlement Day kick-off celebration event. BBB co-sponsor and informational provider/participating organization, providing information about the BBB and its local dispute resolution program at this traditionally well-attended annual dispute resolution and networking event. (for NYBBB)

- [NOTE: MHBBB Networking Breakfast & BBB Briefing Program scheduled for 10/31/12: canceled/postponed due to Superstore Sandy]
- 12/11/12 - MHBBB Networking Breakfast & BBB Briefing Program: "Managing Your Bottom Line in a Changing Economy" (Topical discussion relevant to the local business community coupled with administrative/informational updates, offering extensive roundtable Q & A session)

LONG ISLAND

- 4/25/2012 – Cardinal Trade Show, Nassau County
- 5/24/2012 – Hauppauge Industrial Association (HIA) Trade Show, Suffolk County
- 6/15/2012 – "Hiring Our Heroes" event, Farmingdale Armed Forces Reserve Center
- 9/12/2012 – Hosted "Engaging Your Customer – Reaching Out with Email, Social Media & SEO," at the Melville Marriott – this was presented by the Education and Research Foundation of the BBB
- 10/3/2012 – LIBBB Network and Briefing Breakfast – "How to Maximize your BBB Accreditation"
- 12/3/2012 – Cardinal Trade Show, Nassau County

Metropolitan New York BBB 2012 Statistics (By Office)

	MID HUDSON	LONG ISLAND	NEW YORK CITY
Arbitrations			
AUTOLine	13	11	19
Total Mediation Cases	3,685	9,343	32,693
Resolution Rate*	68.3%	73.9%	73.3%
New Accredited Businesses	293	627	253
Volunteer Hours	1,846	35	1,027

**Based on number of reportable complaints that are closed as resolved*

**BETTER BUSINESS BUREAU
SERVING METROPOLITAN NEW YORK, INC.**

Statements of Activities (unaudited)

	Year Ended December 31,	
	2012	2011
Revenues and public support:		
Membership dues:		
Renewals	\$ 1,691,487	\$ 1,597,936
New members	680,470	833,477
Arbitration programs	10,600	14,175
Interest income	1,088	773
Accredited Business ID	576,565	566,166
Advertising campaign and other income, net of direct expenses	227,834	254,455
Program administration income	71,655	71,079
Income from related party	25,008	25,008
Donated services and donated furniture	43,620	109,845
Total revenues and public support	3,328,327	3,472,914
Expenses:		
Program services:		
Dispute resolution	840,497	844,441
Investigation and dissemination of information	995,074	1,013,538
Total program services	1,835,571	1,857,979
Support Services:		
Management and general	413,249	407,848
Membership development	807,273	1,022,701
Total support services	1,220,522	1,430,549
Total expenses	3,056,093	3,288,528
Change in net assets	272,234	184,386
Net assets -January 1	1,335,808	1,151,422
Net assets - December 31	\$ 1,608,042	\$ 1,335,808



BBB BOARD OF DIRECTORS

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Executive Vice President &
General Counsel
Saks Incorporated

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Ralph Lauren

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New York Metro Region
& Director of Governmental Affairs
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Co-Head of Acquisitions, Capital Markets,
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Executive Vice President
Chief of Staff and Administration
General Counsel
Grey Global Group

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SVP, Human Resources
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Melissa Krantz

President
Krantz & Co.

Joseph E. McEvoy

Joseph E. McEvoy Consulting

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Deputy General Counsel
Time Inc.

Michael Portegello (Vice-Chair)

Partner
Ernst & Young LLP

Valerie Reardon (Vice-Chair)

Senior Vice President
EmblemHealth

Claire Rosenzweig, CAE

President & CEO
The Better Business Bureau Serving
Metropolitan New York

John J. Russell

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John Simone

Director, Global Sustainability & Social
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Colgate-Palmolive Co.

Guy Sorrentino

Director of Labor Relations
Verizon Communications

Sheila L. Sullivan

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Coty Inc.

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Independent Consultant



**LONG ISLAND BBB
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Kathleen Piereth-Heenan
Executive Director
Long Island Better Business Bureau
(*Ex-officio*)

We welcome your questions and feedback. Please don't hesitate to contact us using the information below.

**Better Business Bureau Serving
Metropolitan New York, Inc.**

30 East 33rd Street, 12th Floor

New York, NY 10016

Office Hours: 9-5

Monday through Friday

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*Our consumer advisors are available 10 a.m. to 4 p.m.,
Monday through Friday, except holidays.*

**Better Business Bureau
Serving Long Island**

399 Conklin Street, Suite 300

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Office Hours: 9-5

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Phone: 516.420.0500

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Serving the Mid-Hudson Region**

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Tarrytown, NY 10591-5521

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**Better Business Bureau Serving Metropolitan New York, Long Island
and the Mid-Hudson Region**