

## Phony Purchase Orders Continue to Plague Local Businesses

The e-mail seemed harmless enough on its face - an order from cequipment-stores@yahoo.com for cassette tapes, a two-way radio, and some printer ink cartridges. The buyer wanted the items shipped to an address in Sacramento, California by next day air. Fortunately, B & B Appliance asked BBB to check it out. We discovered that the shipping address did not exist, in fact, the address provided was located in the middle of a park. The phone number provided by the buyer was a cell phone from the Los Angeles area - several hundred miles from Sacramento. B & B did not pursue the sale, but we believe we know how it would have ended. The buyer would have provided either a stolen credit card or counterfeit check for payment, hoping B & B Appliance would ship the merchandise overnight before the check or credit card payment fell through.

Another commonly-used ploy by phony buyers is the use of a TTY service to place an order by phone. TTY services relay a teletyped message from a hearing impaired individual through a phone operator to a third party. Scammers hoping to elicit sympathy from sellers often use these services to place bogus orders. Marlene Herman, president of Aamco Transmissions, told BBB her office received such a call from "Sarmy Smith" who needed repairs to his vehicle before his "mum's" birthday. He told Aamco to charge \$2000 to his credit card, keep \$800 as a "deposit" and send the \$1200 balance by Western Union to a shipping agent who would tow the vehicle to them. The catch? The credit card would ultimately have been found to be stolen, the vehicle would have never appeared for repairs, and Aamco would have been unable to recover the wired funds.

Our advice - use caution when accepting orders by e-mail or TTY. Don't ship merchandise or refund overpayments before you know a credit card purchase has been approved and never wire funds for any reason. ☐

## Changes in Deferred Financing Offers Get Mixed Reviews

The Credit Card Accountability Responsibility and Disclosure (CARD) Act which takes effect February 22, 2010, not only created new requirements for credit card issuers, it also changed the rules for deferred financing plans. Gone are the "0%" interest claims and "90 Days Same as Cash" offers. The new law states:

- Any reference to "No Interest" or "Zero Interest" must be followed by a disclosure that no interest payments are charged if the purchase is paid in full within a certain time period (12 months, 18 months, etc). The disclosure must be in the same size type as the interest claim. Also, the use of "0% Interest" (using a percentage sign) is not permitted.
- The plan must apply for a minimum of six months - merchants can no longer offer 90 days or any term less than six months.



In addition, changes in regulations of the Office of the Comptroller of the currency are eliminating the "no payment" or "same as cash" option and requiring purchasers to make a minimum payment each month.

(continued inside)

## Greater Cleveland BBB Activity Report January – December 2009

### Service to the Community

Reports issued on companies/charities.....	464,166
Complaints closed.....	12,116
Callers assisted by phone.....	137,516
www.cleveland.bbb.org visits.....	434,332
Advertising review cases initiated.....	233

### Top 10 Inquiry-Generating Industries

1. Roofing Contractors
2. Mortgage Brokers
3. Construction & Remodeling Services
4. General Contractors
5. Insurance Companies
6. Window Installation & Service
7. Auto Dealers - New Cars
8. Plumbing Contractors
9. Auto Dealers - Used Cars
10. Collection Agencies

### Top 10 Complaint-Generating Industries

1. Banks
2. Collection Agencies
3. Auto Dealers - New Cars
4. Insurance Companies
5. Magazine Sales
6. Auto Dealers - Used Cars
7. Internet Shopping
8. Auto Repair & Service
9. Manufacturers & Producers
10. Retail Furniture

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## Mark Your Calendar BBB Shredding Event Scheduled

BBB's next "Secure Your ID Day" will be held April 17th, 10:00 AM - 2:00 PM. On site shredding services will be available at Rad Air Complete Car Care's Solon location at 6221 SOM Center Rd.

All Ohio Secure Shred will provide the shredding. You can bring up to three boxes of documents as well as floppy disks and CD/DVD's. Pass the word along to your employees.

All Ohio Secure Shred offers a discount to BBB Accredited Businesses for on site shredding. See discount offer on Page 3.

## BBB Supports Ideastream Public Programming

BBB is a partner in Ideastream's "Help Wanted" program - a resource for Northeast Ohioans faced with unemployment in a tough economy. We're grateful that BBB president, David Weiss, was chosen to be featured in audio and video PSA's which have already aired over 190 times on three WVIZ channels. The PSA's alert job seekers to employment scams.

BBB staffers also volunteered at a live WVIZ phone bank on November 19th for the "Facing the Mortgage Crisis" project. This program is designed to raise public awareness, mobilize networks of community partners, and aggregate community resources to help individuals facing foreclosure or other mortgage related difficulties.

## Changes in Deferred Financing Get Mixed Reviews

*(continued from front)*

BBB spoke to several BBB Accredited Businesses for their reaction to the changes and found most felt the new law would have a detrimental impact on sales. "We found the 6, 12, 18 month same as cash offers were an incentive for people to make purchases. They helped to close sales," said Gary Kleinhenz, President of Kleinhenz Jewelers. "It is going to have some impact on my ability to close sales." Michael Strmac, Vice President of Universal Windows Direct agreed. "The 90 days same as cash offers helped us to make sales during the home and garden shows in January and February. Buyers could wait until they got their tax refunds to make payments, said Strmac. "We expect it to slow down business a little bit. It takes away an option for consumers." Marc Blumenthal, Vice President of B&B Appliance, noted that the affect on his business remains to be seen. "I think the loss of a no-pay option may force some customers to put off a purchase at certain times of the year."

Larry Weisman, President of Sheraton Furniture, had a different perspective. He told BBB he never really used deferred financing offers or same as cash offers. "It was always in our arsenal, but we preferred a more conservative approach to financing. It was probably a smart move on the government's part to take a conservative approach." □

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## Local Companies Lose BBB Accreditation

**B**BB Accreditation is a privilege given to businesses which agree to comply with BBB Standards. Accreditation is suspended by BBB staff when a company fails to live up to those standards. Suspensions are referred to the Accreditation Committee of the BBB's Board of Directors, which rules on revocation. The following actions were taken in December, 2009.

**A & I Health Solutions, Lakewood** - The company failed to resolve a customer complaint concerning dissatisfaction with a bathroom remodeling project, resulting in BBB accreditation revocation. The consumer sought BBB assistance after a court directed mediation failed. BBB staff was able to get the parties to agree to a refund, which the company failed to pay. Since the revocation action, the company contacted BBB, indicated it was sending the refund and is seeking accreditation reinstatement.

**Broma Information Technology, LLC, Cleveland** - BBB accreditation was revoked after several government employees pleaded guilty to accepting payments from the company in order to obtain business with Cuyahoga County. Although neither the company nor its principal have been indicted, their inclusion in the media coverage surrounding the investigation and subsequent guilty pleas conflict with BBB Standards that BBB Accredited Businesses embody integrity.

**DeBord Plumbing and Heating Co., Chardon** - Dennis B. Kratochvil, owner of DeBord Plumbing and Heating, was indicted by Cuyahoga County Court of Common Pleas on 11 charges stemming from alleged business transactions with the Ohio Department of Transportation. BBB's Accreditation Committee voted to continue suspension and will make a final determination on revocation pending the final adjudication of the charges.

**Gaines Funeral Home** - BBB accreditation was suspended due after being indicted by Cuyahoga County Court of Common Pleas on 14 charges related to alleged business practices concerning funerals conducted for military service veterans. BBB Accreditation Committee voted to continue the suspension and will make a final determination on revocation once the case is finalized. □

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## How to Reach Us

**P** (216) 241-4476 / (800) 233-0361

**F** (216) 861-6365

**W** [www.cleveland.bbb.org](http://www.cleveland.bbb.org)

**E** [yourbbb@cleveland.bbb.org](mailto:yourbbb@cleveland.bbb.org)

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In slow moving Innerbelt traffic? Check out your BBB's bold new sign as you pass the Prospect Ramp.

## Five Steps for Protecting Your Business When Banking Online

**O**nline banking has made it easier and more convenient to manage business finances, but it also provides an opportunity for hackers to gain access to business accounts with the goal of making unauthorized money transfers. You may think you are flying under the radar of data thieves and hackers, but you are actually in the crosshairs. According to Visa Inc., 85 percent of data breaches occur at the small business level. Many business owners are ill prepared to defend customer or employee information in the face of an attack; 33 percent of small businesses lack even simple antivirus protection, according to Symantec Corporation.

**Data Security-Made Simpler**, a BBB online resource to help small businesses implement key data security policies and practices, offers the following advice for small business owners:



### Initiate a "dual control" payment process with your bank and employees.

Ensure that all payments are initiated from your bank accounts only after the authorization of two employees. One employee will authorize the creation of the payment file and a second employee will be responsible for authorizing the release of the file. This process should be in place regardless of the type of payment being initiated...including checks, wire transfers, fund transfers, payroll files, ACH payments, etc.

**Have dedicated workstations.** Restrict the use of certain workstations and laptops solely for online banking and payments, if possible. For example, a workstation or laptop used for online banking should not be also used for Web browsing or social networking.

**Use robust authentication methods and vendors.** Make sure your financial service providers allow for "multi-factor authentication." This means that you need more than just a user name and password to access your account.

### Update virus protection and security software.

Ensure that all anti-spyware, anti-malware, and security software and mechanisms are robust and up-to-date for all computer workstations and laptops used for online banking and payments. Implement a process to periodically confirm they remain up-to-date. Security patches are often available via automatic updates.

**Reconcile accounts daily.** Monitor and reconcile accounts daily against expected credits and withdrawals. If you see any kind of unexpected activity on your account, notify your financial institution immediately. □

## Meet A New BBB Director

**D**iana Richards is President, CEO and Founder of Vacuum Systems International, Inc (VSI). Richards began her company in 1995 and has grown it into a multi-million dollar business. VSI started as a troubleshooting resource for national chain stores' associates to call when their floor care equipment needed repair. Today, it assists nearly 70,000 facilities in five countries.



Richards holds the distinction of being the first female business founder inducted into the Vacuum Industry Hall of Fame. Other numerous honors include being named to both the Top 50 Woman Owned Business and Top 50 Diversity Owned Business lists in 2005, 2006, and 2008. She travels several times a year to her property in Florida, makes an annual whale watching trek to Maui and is the writer and publisher of "Thought for the Day" - a daily e-mailed positive message. □

## B2B Discounts for BBB Accredited Businesses

### Tax Preparation Services

Precise Tax Service Company.  
10% discount on tax preparation and accounting/payroll services. Call (440) 357-8442.

Turney Tax Check & Financial Services.  
15% discount on tax preparation. Free financial consultation. Call (216) 663-1040.

### Credit/Debit Card Processing

FirstNational Merchant Solutions rates as low as 1.51% on retail transactions and 2.09% for mail and phone orders (plus a nominal fee per transaction). Small monthly fee. Call (888) 562-6737 for details.

### Document Shredding

All Ohio Secure Shred will shred documents on site for \$22/month for one container. Also, one-time bulk purge for 10 cents/lb. Call (216) 332-9850 or (888) 747-3394.

### Phone Service

Easton Telecom - Rates ranging from 2.5¢ - 3.5¢/minute for long distance calls, toll-free lines as low as 1.79¢/minute. 10% discount off all retail services. Contact Jim Butler at (800) 222-8122.

### Pre-Employment Background Reports

Intellicorp - Instant online background checks for under \$10 per report. Monthly fees waived. Call Chris Hughes for a FREE trial at (888) 290-0634.

### Payroll Service

Heartland Payroll Co. - Savings of as much as 50% on payroll fees. Call Brian Nelson at (440) 371-5245.

### Want to Offer a Discount?

Offer a discount to other BBB Accredited Businesses and their employees. We also feature discount offers for the general public on our Web site. Call Jan Stagneth at (216) 623-8964 x206 to add yours to the list.



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### Did You Know?

**96,759** times in 2009, visitors to our Web site linked directly to sites of BBB Accredited Businesses from their BBB company reports.

**32,184** visitors to our Web site downloaded lists of BBB Accredited Businesses in specific industries.

Two more ways we help consumers find trustworthy businesses - like yours.

### Coming Soon!

Watch your e-mail and April Market Monitor for news about the launch of your BBB Accredited Business pages on our Web site. You will be able to update your company report, see how many consumers obtained your report, get details about BBB accreditation benefits, and more.

## New! Shoppers Driven to BBB Accredited Businesses on JD Power Web site

Consumers seeking information about customer satisfaction and product quality are familiar with JD Power and Associates. The company's Web site, [www.jdpower.com](http://www.jdpower.com), attracts visitors who are researching products ranging from autos to electronics.

Those savvy shoppers now have a new tool that can drive them to BBB Accredited Businesses for purchases of autos, homes and insurance.

jdpower.com gets well over 100,000 visitors each month. This means increased exposure for your company and its commitment to ethical business practices.

Check it out for yourself. Go to [www.jdpower.com/autos/new-cars](http://www.jdpower.com/autos/new-cars); [www.jdpower.com/insurance](http://www.jdpower.com/insurance) and (soon) [www.jdpower/homes](http://www.jdpower/homes).

