



- > For Consumers
- > For Businesses
- > For Charities and Donors
- > About Us
- > News Center

Better Business Bureau®
Start With Trust®

Ventura, Santa Barbara and San Luis
 Obispo Counties



National Consumer Council Shows Its Dark Side

Google Translate
 Select Language
 + Google Gadgets powered by Google

07/01/2004

The Wall Street Journal's editors once commented that they'd learned over the years that "the more outrage an editorial inspires, the closer we were to the bull's-eye."

So it seems that a negative Better Business Bureau reliability report can inspire outrage when it strikes a nerve as it hits the bulls-eye in our aim for truth and accuracy. That outrage can be expressed in a number of ways, including attempts to discredit us and law suits. One we'd never before experienced though, came from the National Consumer Council, against whom the Federal Trade Commission has recently filed a complaint.

NCC is a nonprofit organization that solicited business by computer-generated calls. They sought out the debt-ridden, offering them a debt-negotiation program to reduce their debt and stop creditors' collection efforts. Once enrolled, consumers were referred to for-profit companies controlled by NCC. Consumers were instructed to make payments to NCC, rather than to their creditors, and were told that once enough money had accumulated, NCC would negotiate with their creditors on their behalf.

Already submerged in debt, these consumers usually found themselves in deeper water: their debts remained unpaid, their credit ratings plunged, and some had to file for bankruptcy. Meanwhile, on NCC's website, (no longer in operation, at this writing) in a press release of February 2002, its President, Harvey Warren, beamed as he shook the hand of California Congressman Brad Sherman, satisfied at having "... brought 900 documented cases of economic hardship to the attention of the House Banking and Finance Committee in an effort to underscore the dangers of indiscriminate use of credit card arbitration clauses." The release went on to point out that "consumers from all walks of life who find themselves facing insoluble debt crisis turn to the NCC for help."

Warren appeared in other photos with California Senator Barbara Boxer, California Congressman Henry Waxman, and State legislators. And a 2001 NCC press release noted that "Mr. Warren is well known for his non-profit peace activities with Arts4Peace which he founded in 1998." (His Arts4Peace website currently seeks tax-deductible donations for the organization's projects.) That article also quoted Warren as saying, "I am extremely excited by the opportunity to reach out to good people throughout the U.S. who are struggling with crushing debt."

During this time period, complaints to the Bureau continued to mount. Some complained about what they paid NCC for and didn't get, and some complained only about solicitation calls they received from NCC again and again and again. (At least one state's Attorney General has charged NCC with violating that state's no-call law.)

NCC's Team 4 Reports featured NCC in a story last August, in which Warren defined NCC's mission as to "return people to a debt-free standard of living."

But consumers interviewed by Team 4 were less positive. And Bureau President Bill Mitchell told Team 4 then that "[t]hey (NCC) use this nonprofit shield to legitimize their operation," to which Warren responded, "We're really trying to work the public agenda. Why the BBB has taken issue with us, I cannot explain."

Not long afterward, NCC sued the Bureau, claiming libel by the Bureau among other allegations. (The Bureau has filed a motion to dismiss the lawsuit, and the court has indicated its intention to grant this motion.)

The Better Business Bureau's reliability report has rated the company's business performance record as unsatisfactory since at least June 2002. It reports complainants' allegations that the company failed to pay, or even to contact, creditors, while debtors accumulated late penalties and interest.

The FTC's complaint alleges that NCC has "made millions of dollars deceiving consumers into enrolling in their debt negotiation program. . . ." It seeks consumer redress and disgorgement of ill-gotten gains. The California Department of Corporations, with the FTC, raided the company's offices, issued a Desist and Refrain Order to Warren and others for operating without a practitioner's license, and assigned a receiver to take control of its operation.

CDC's interviews with some of the company's former employees revealed that company personnel met regularly to seek ways to deal with the Bureau's report because of its negative effect on the company's business. They also revealed that NCC principals, in what is perhaps the most vehement display of outrage we've ever encountered, used the occasion of the company's black-tie holiday party to say merry Christmas to some 1,000 attendees by showing a video depicting, in one segment, company principals as U.S. troops ousting an image of Bill Mitchell (BBB President) superimposed over that of Saddam Hussein from the hole where Saddam was hiding at the time of his capture.

NCC is not the only company that reacts with outrage when the Bureau disseminates a negative report about them. Others try to talk their way out of a negative report, and sometimes they, too, sue us. Always we review our report and hold to it unless the circumstances and facts warrant a change.

The Better Business Bureau works closely with government agencies, although that work is rarely brought to the attention of the public. (In the NCC case, the FTC did acknowledge the "invaluable assistance" of both the Better Business Bureau and the Department of Corporations.) We urge action by appropriate agencies against a company based upon the complaints we have received against it, for we are the only organization that assists individuals in resolving their complaints and we are thus the organization to which most consumers complain.

We remind our readers to keep checking our reliability reports before doing business. We're often way ahead of the game.

Related Articles

Credit Repair

[« Back](#)

[Privacy Policy](#) | [Trademarks](#) | [Terms of Use](#)

© Copyright 2009 The Better Business Bureau of Ventura, Santa Barbara and San Luis Obispo Counties, Inc. All Rights Reserved.