BBB Institute for Marketplace Trust

2015 ANNUAL REPORT
Our Vision

To create a marketplace of trust for all consumers and businesses.
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Southern Company

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PARTNERS AND CONTRIBUTORS
BBB Military and Veterans Initiative is sustained through support from:
- FINRA Investor Education Foundation/SaveAndInvest.org

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CEO
High Performance

With Contributions from:
- Bank of America (BOA)
- Association of Military Banks of America (AMBA)
- USAA Foundation

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John Carroll University

BBB Institute is supported through grants from:
- Target, Inc.
- American Express Foundation
- Google

Steve Lepper
CEO
Association of Military Banks of America

Mike Warburton
Brand Manager
SD Zoo
Letter from the BBB Institute Chair

We close out 2015 with a sense of both pride and anticipation. In the following pages, we’ll discuss substantial accomplishment for the BBB Institute for Marketplace Trust in 2015 and look toward 2016.

We launched several new initiatives and expanded others in the last year and we integrated within the Institute a body of fine work taking place among local BBBs. Overall, we made strides in building on marketplace trust than in any year prior and we developed a strategy to move forward with even greater clarity and focus.

Among the Institute’s most exciting programs is Scam Tracker. Funded by a grant from Target and hailed by Consumer Reports and a myriad of news outlets nationally, Scam Tracker is an interactive, crowd-sourced website that uses a heat map to alert consumers to deceptive business practices in their area. Data from Scam Tracker will be shared with the Federal Trade Commission and with law enforcement to drive investigations. We also look forward to mining Scam Tracker data for use in marketplace research.

Thanks to our partner, American Express, we also launched Mobile Mi$$ion. It too, uses technology to aid consumers, particularly active service members and veterans, in learning about and improving financial habits. Mobile Mi$$ion provides users access to personalized financial mentors and allows veterans to share experiences and advice in a virtual social media community.

The most highly visible of our 2015 initiatives has been Ad Truth, a comprehensive outreach campaign that informs consumers about misleading advertising tactics. Originally funded by a Cy Pres Award in the state of California, the program has quickly expanded into multiple states, allowing us to enter more markets and reach new consumers.

Numerous BBB CEOs have told us that good business ethics drive marketplace trust. We agree, and in 2015 we fully integrated with the Central Ohio BBB’s Center for Character Ethics. In adopting that BBB’s programs and technology, the Institute is creating a collaborative space to aggregate several innovative ethics programs developed by individual BBBs.

What these programs have in common is their impact per dollar. Through the use of crowdsourcing, technology and collaboration, the Institute leverages limited, though generous funding, a tiny staff and the power of more than 100 local Better Business Bureaus to protect and educate consumers, increase financial literacy and improve business ethics. We see this as a great platform from which to increase funding in 2016 and continue to advance marketplace trust.

Sincerely,

Howard Winkler
Chair, Board of Directors
BBB Institute
BBB MILITARY LINE

BBB Military Line grows alongside the BBB network and their ability to reach military personnel and their families by offering educational webinars and continuous communication outreach. The BBB Military Line collects and monitors BBB complaint data, when an individual self identifies as a servicemember, dependent, veteran or reservist.

This flagship program was launched in 2004 as a partner in the Department of Defense (DoD) Financial Readiness Campaign. BBB Military Line has established numerous partnerships with the private sector and government agencies. As part of the DoD Financial Readiness Campaign, the Council of Better Business Bureaus (CBBB) signed Memoranda of Understanding with the DoD and Departments of the Army, Navy, Air Force, and Marine Corps that allow BBBs access to military installations for educational purposes. CBBB is also a U.S. Coast Guard Qualified Organization, which allows BBB Military Line to reach Coast Guard members and their families.

Extensive community-based representation is maintained through more than 100 BBB locations throughout the U.S. With a BBB located near virtually all U.S. military installations and within communities where military and veteran families live, BBBs are positioned to deliver national and geographically-focused informational, educational, outreach, and advocacy services to the roughly 22 million plus current and former military members and their families who are often targeted in consumer scams and substandard business practices. BBB Military Line has created uniquely tailored financial literacy curricula that local BBB staff members use in educational outreach including:

- The Smart Consumer (Adult and Teen)
- Deals for Wheels (Adult and Teen)
- How to Buy a Home
- Investing for Retirement
- Scams & ID Theft
- Opportunities for Higher Education
2015 HIGHLIGHTS

BBB Military Line reached 33,300 military consumers in 2015 through in-person workshops, social media, and e-newsletters.

As a leader in the non-profit sector, BBB Military Line expanded its reach and contributed its expertise to the Military Family Advisory Network, the MilCents program, the DoD Roundtable working group, and Military Saves Week.

In partnership with FINRA Investor Education Foundation, BBB Military Line created the Investing in Higher Education workshop, a dynamic training module that addresses critical aspects involved with navigating the post-high school terrain, encouraging military service members and veterans to think wisely about investing in their own futures and to be smart about using the GI Bill benefit.

BBB Military Line conducted nearly 200 workshops with over 10,000 participants.

**2015 WORKSHOPS & OUTREACH**

- Other: 71%
- Scams and ID Theft: 17%
- Smart Investing: 5%
- Adult Smart Consumer: 1%
- Deals for Wheels: 1%

**2015 COMPLAINT DATA**

- Auto Dealers - New Cars: 31%
- Television Cable, CATV & Satellite: 21%
- Furniture - Retail: 15%
- Property Management: 12%
- Collection Agencies: 10%
- Smart Investing: 11%
- Other: 5%
BBB MOBILEMi$$ION
The BBB MobileMi$$ion app pilot launched in 2015 and significantly expanded the Institute’s financial education and military community support services. The Android app is a new mobile experience designed specifically for transitioning servicemembers, veterans, and their families to help them navigate their finances during the transition from active duty to civilian life. It provides direct access to educational activities, a financial mentor, and peer chat support to accommodate the unique military lifestyle.

Made possible by a grant from American Express Foundation, the app is a financial go-to, covering everything from saving to paying down debt, improving credit, being prepared for emergencies, planning for the future, and accessing government benefits. All mentors provided through the app are trained military spouses actively earning an Accredited Financial Counselor certification from the Association for Financial Counseling, Planning and Education. They understand military and veteran financial situations because they have lived them. The Android pilot is currently running with 100+ users and the Institute is exploring app enhancements and building an iOS version in 2016. The program goal is to use a technological solution to create a virtual community that provides support and improved access to financial counseling to reach people where they are; physically and situationally. Expansion of this app will enable the Institute to support BBB outreach to military and veteran consumers and encourage sound financial preparedness.
Investment fraud affects thousands and accounts for billions in lost personal savings every year. Regardless of age, location or circumstance, we are all at risk.

BBB SMART INVESTING

2015 saw the continuance of BBB Smart Investing, the landmark consumer education program that provides individuals interested in securing their financial future with the necessary tools and resources to make informed investing decisions and avoid scams.

The main offering under this important program is “Outsmarting Investment Fraud,” funded by a generous grant from the FINRA Investor Education Foundation, which is affiliated with the Financial Industry Regulatory Authority (FINRA).

After attending in-person training, local BBBs conduct presentations, workshops and campaigns within their service areas to provide consumers with helpful information and resources to encourage wise investing. Through meaningful and dynamic training including three different documentaries on the topic, current and future investors learn:

- Who fits the profile of a potential fraud target
- How to identify the persuasion tactics fraudsters use
- How to reduce risky behaviors by asking questions and checking information
- Simple steps to take before any investment decision

In 2015, the BBB Smart Investing program reached close to 11,000 people at 271 unique events hosted by local BBBs. Since the program began in 2012, more than 35,000 audience members and countless others have benefited from the program’s advice.
BBB AdTruth
BBB AdTruth launched in November 2015, expanding the Institute’s consumer protection and education portfolio. BBB AdTruth is a comprehensive outreach campaign that informs consumers about misleading advertising tactics and promotes BBB resources for education and action. The primary outreach methods are public service announcements that air throughout the country and direct viewers to the AdTruth website, which describes and directs visitors to BBB services, standards, documents, and points of contact. The website received 1,500 visitors since AdTruth’s launch in late 2015. Consumers may report misleading ads directly from the site.

The campaign has received significant airplay and site visits since the launch and will expand in 2016 to reach consumers nationwide. The program goal is to simplify the reporting process for misleading ads and to engage in an ongoing dialogue between consumers, businesses, and local BBBs to improve advertising awareness and create trust in the marketplace. Expansion of this program will enable the Institute to support BBB ad reviews, educate consumers, and encourage sound advertising practices and self-regulation among businesses.

How Consumers Use AdTruth
- To learn about what makes up bad advertising
- To research a business’ trustworthiness
- To report misleading advertising or substandard business practices
- To read about the work BBB is doing to support ad standards and regulations and make businesses better
BBB SCAM TRACKER

Dishonest marketplace schemes and fraud are a major source of economic loss, the burden of which is borne by both the immediate victims and by the full range of players in the legitimate marketplace. The perpetrators of scams unfairly compete with legitimate businesses and undermine marketplace trust, and, while the themes of deception and misappropriated trust are perennial, scammers have evolved in their sophistication, reach and use of technology alongside the legitimate economy. In 2015, the Institute and the Council of Better Business Bureaus made inroads in tackling this problem with the launch of BBB Scam Tracker, a new crowdsourced tool for users throughout the U.S. and Canada to report marketplace schemes and fraud.

BBB Scam Tracker puts the public in the driver’s seat, empowering users to search scam details reported by others on an interactive heat map. Users can drill down to see current trends in their communities, or search by scam types or keywords. At the same time, the volume of data collected through BBB Scam Tracker has dramatically enhanced BBB’s ability to understand and respond to current trends in the scam landscape with data-driven educational content and alerts.

By the end of 2015, more than 12,000 scam reports had been filed. These reports will aid in BBB’s investigations and collaboration with law enforcement agencies through the Federal Trade Commission’s Consumer Sentinel database. BBB Scam Tracker received more than 2,300 media mentions over a four month period, and was featured in Consumer Reports, CBS News, ABC World News Tonight and Woman’s Day.
THE CENTER FOR CHARACTER ETHICS
The BBB Institute affirmed its commitment to ethical business leadership and trust in the marketplace by fully integrating the Center for Character Ethics (CCE) into its suite of programs available to businesses large and small and to local BBBs across North America.

The CCE provides the BBB enterprise with a research-tested model and practical, easy-to-implement assessment tools, education, training, consulting, and recognition of business leaders who value the importance of positive ethics in shaping and growing today’s enterprises.

The Center’s offerings are designed for business leaders and K-16 educators, providing a proven course of action for individual and business ethics that mirrors the BBB Standards of Trust. They include:

- **BBB TRUST! Assessment**: An employee survey designed and field-tested for participants to measure, evaluate, and benchmark their organization’s ethical culture.

- **BBB Leadership FORUMS & SUMMITS**: Professionally-facilitated sessions to put interpersonal and organizational ethics to work.

- **BBB Torch Awards for Ethics**: The premier local and international awards recognizing organizations that intentionally pursue the TRUST! Principles.

- **BBB In Pursuit of Ethics**: A scenario-based training program that generates in-depth discussion of ethical dilemmas with group audiences. Using reenactments of real-life situations, the audience addresses everyday ethical dilemmas by making decisions for the characters and directing the discussion. The program can be scaled for high school, college and professional CEU ethics learning levels.

- **BBB Laws of Life Essay Contest**: Middle school students reflect on and write about the principles they believe are important to live by, such as courage, perseverance, forgiveness, and honesty.

- **BBB Students of Integrity Scholarship Awards**: Scholarships are awarded to high school seniors who personify high character through leadership, community service, overall personal integrity, and academic achievement.
The CCE recognizes business leaders who value the importance of positive ethics in shaping and growing today’s enterprises.
## Financial Summary for the year ended December 31, 2015

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<td>TOTAL ASSETS</td>
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<tr>
<th>Liabilities and Net Assets</th>
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<td>Due to affiliated organization</td>
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<td>Deferred revenue</td>
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<td>TOTAL LIABILITIES</td>
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<th>Net Assets</th>
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<td>Temporarily restricted</td>
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<table>
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<th>Total Liabilities and Net Assets</th>
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Audited financial statements available on bbbmarketplacetrust.org and on request.