

Regulatory Oversight Podcast**12 Days of Regulatory Insights: Day 3 – How the BBB Shapes Regulatory Outcomes****Speakers: Stephen Piepgrass and Michael Yaghi****Aired: December 8, 2025****Stephen Piepgrass (00:04):**

Welcome back to the special holiday edition of our *Regulatory Oversight* podcast, the 12 Days of Regulatory Insights. This 12-episode series is focused on key highlights and trends from this past year in various areas, and it's designed to keep our listeners informed and engaged during the holiday season. I'm Steven Piepgrass, one of the hosts of the podcast, and I lead the firm's regulatory Investigation Strategy and Enforcement or RISE Practice Group. I'm also a member of our state attorney's general team, which is part of the RISE Group. Before we get started today, I wanted to remind all of our listeners to visit and subscribe to our blog@regulatoryoversight.com. This should help you stay up to date on developments and changes in the regulatory landscape. Today I'm pleased to be joined by my colleague Mike Yaghi, to talk about how companies can use the Better Business Bureau to strengthen their relationships and with consumers and regulators and to strengthen their reputations. Mike is a partner in our RISE Practice group and also a member of our state AGs team. Mike represents high profile clients in regulatory enforcement investigations involving all facets of their business operations, and also does some litigation as well. Mike, thanks for joining me today.

Michael Yaghi (01:15):

Hey, Steven, it's great to be here. Love doing these with you. They're a lot of fun, and hopefully our audience finds them engaging.

Stephen Piepgrass (01:22):

So Mike, my guess is one of the first questions our listeners will have is, look, you all just talked about how you are part of this regulatory investigations practice, talked about state AGs. I know you work with the government all the time, but why the BBB that's not a government entity? How would you respond to that?

Michael Yaghi (01:41):

Yeah, I think it's a good question and it's not intuitive, right, because it's not a government agency. However, the BBB operates very similar to how a state AG would operate or even like the FTC, not from the authority or the power that they have from that standpoint, but from sort of as a consumer watchdog, right? From that standpoint, they will take complaints from consumers, they handle those complaints against companies and try to sort of mediate, not officially mediate, but just they'll forward complaints to companies and then that creates an opportunity for companies to either be a good corporate citizen and have a good rating with the BBB and potentially accreditation, which proving ratings is very, very important for that reason.

And it really is important to engage there because if you are a company that has a lot of BBB complaints and a lot of consumers that are reaching out to the BBB and you are not handling those correctly and your rating goes down, that's a trigger for regulators to look at issues that they may want to inquire about.

So it's a great area for regulators. If you don't maintain a relationship that's positive and current with the BBB and the consumers complaining through the BBB itself, that's going to be a red flag for regulators as well as competitors to sort of look at you as a potential target. So it's a very easy process to keep sort of engaged with the BBB keep consumer complaints current. It's a simple process, which we've talked about in prior podcasts, how to make your rating keep a good rating. You have to have a B or higher in order to have BBB accreditation. So essentially being accredited and having a good grade is demonstrating to the marketplace that you're a good corporate citizen. You're addressing consumer questions or inquiries and you're sort of saying, Hey, there's no reason to look at US regulators or competitors, and there really isn't. And I think the problem is just because you have maybe a low rating and you're not accredited, that doesn't mean you're a bad corporate citizen by itself either. It's misrepresenting often to the public that you are a good corporate citizen. You're just not keeping the BBB informed and addressing those inquiries in a positive way to improve your rating. So like I think today we want to talk about your rating being really good, how that interacts with the attorneys general and then dealing with fraudsters or opportunistic consumers who abuse the BBB process. I know I gave you a mouthful, Steven, so if you want to dig in any of that. Yeah, no, a lot to unpack there. So

Stephen Piepgrass (04:31):

First I'll answer my original question with one additional point, which is that the BBB actually does make referrals directly to regulators. So we know that the FTC says on its website that it accepts referrals from the BBB. We know that the CFPB does the same. And in our many interactions with state AG offices, we know that most if not all AG offices also receive referrals and sometimes just treat a BBB complaint the same way as they would a complaint directly to the State AG Consumer Protection Division. And often we'll just go ahead and assign an investigator if a BBB complaint comes into them that they take an interest in. So really is very important to focus on that. And as you also alluded to Mike, in our past episodes, we talked about the vicious cycle that can happen when a company doesn't pay attention to its BBB rating and a negative BBB rating and FAD.

Those sorts of grades often will actually drive consumers to complain to the BBB rather than address an issue with the company directly that the company may be very willing to resolve without a BBB involvement. But if the BBB complaints are ignored, it creates upset consumers, it drives the grade down and it creates this vicious negative cycle. And what we really want to talk about today for our listeners is the virtuous cycle that can be created when you do take your BBB rating seriously and that relationship seriously and work on building up trust, which is what the BBB talks about all the time. Their motto is start with trust. So building that trust between the BBB and the business and really working together to serve consumers. Mike, so we'll talk about one of the issues you mentioned. We can just start at the end. You mentioned fraudsters and how they may actually exploit the BBB process. Talk a little bit about what we've seen in that area.

Michael Yaghi (06:32):

Yeah, we've seen, like I mentioned earlier, opportunistic consumers and sometimes they're not even real consumers. In fact, we've had a scenario once where a person who is a impersonating being a lawyer, but also impersonating having made a purchase from a client would, in fact, when we researched the issue with our client, we realized that it was bogus sales and purchase information that was submitted by this individual. We dug into what the complaint was alleging and realized that it was essentially a complete fraudulent post where this person was literally trying to use the BBB to extort money out of the client. And once we dug into the facts, realized what was going on, we were able to contact the BBB, which they're very receptive to these issues. They don't want to have their platform being misused by bogus consumers making false claims. And so we were able to look at that.

And in fact, interestingly in that scenario, I think probably a good month or two later, the same person resurfaced with additional claims trying to pursue some sort of relief. Again, despite the fact that we closed that out before the BBB agreed with us and said, yeah, we're removing this complaint from our platform. It's not legitimate. We recognize that now, and it was taken offline, but he resurfaced and we had to go back to the BBB, which they again were receptive and we were able to work through that issue. But yeah, those are areas where if you're not active with the BBB and not keeping them informed, you're either going to miss a fraud claim like that. And if you're not engaging with the BBB, you have a bad scenario where it's not even true, but it could have an adverse impact on your rating. And that's the goal, is you want to just avoid having a bad rating.

And most clients and companies, it's not good business to have a lot of dissatisfied customers. So no one goes to the marketplace with the intent to have a bunch of unhappy customers. So most, if not all, companies are already engaging with their customers. It's just that extra step to say, Hey, BBB, we've resolved this issue. Right? Because we've seen scenarios where companies will address issues with consumers but not keep the BBB informed and you take a negative hit on your rating, which is an adverse impact in the marketplace when there shouldn't be one because you are doing what you're supposed to do.

Stephen Piepgrass (09:13):

We were talking about misuse of the BBB. The other thing that we've seen is competitors misuse the BBB and try to flood the BBB with complaints to gain a competitive advantage in the marketplace. And again, that's something I think if it were raised with the BBB, the BBB would probably be very receptive to addressing. They don't want to be misused. They really do want to be viewed as an honest broker, which is what they tried to be, and it doesn't benefit anyone to have the BBB ratings or complaint system manipulated. And unfortunately, it is something we've seen and something just to be aware of. If you're a company closely watching your BBB rating when something like that happens, our advice would be proactive about it, reach out to the BBB as soon as you have figured out what might be going on and work with them to resolve it so that it doesn't become a bigger issue at drive down the company's BBB rating and then be used in other ways too, litigation whatever may be where it could be used against the company. So again, just another reason to keep that dialogue open between the bid business bureau and the company.

Michael Yaghi (10:26):

And I want to add to that the BBB is very committed to that process. They want to get it right, and in our experience, they've been very good in doing enough due diligence, listening to us reviewing what we present and really getting to the bottom of some of these scenarios and saying, Hey, if we need to make a change, we're going to make that change. Because they too want to make sure, like you said, Steven, their platform, they have a great reputation to maintain, and in our experience, they're very active in maintaining that reputation. So it's mutually beneficial to stay engaged and to avoid all those issues.

Stephen Piepgrass (11:03):

One of the areas that we both work in a good deal is representing companies that are being investigated by a state attorney's general. And this is one additional area where I think it might be helpful to talk a little bit about how does that virtuous cycle of creating a good BBB rating and reputation because of the way you handle customer complaints and issues, how can that be used? And one area I've seen is the BBB rating and the way that the consumer responses to consumer complaints are handled carries with it weight, it carries with it both the potential for negative weight. It's something that we know the AGs will point to and say, well, we looked at your BBB rating and we see this same pattern, but it can also carry positive weight to be able to go into an AG's office that may say, well, we think there's an issue here and say, well, in fact, if you look at the BBB rating, consumers are very happy and they're not raising this issue, and in fact, this company has an A plus rating, whatever that rate, that positive rating may be. Again, it just helps in that conversation to contextualize who the business is and show that actually they really are a good corporate citizen. They're not some sort of a pariah that deserves to be investigated and reprimanded.

Michael Yaghi (12:25):

Yeah, no, that's right. And to put a finer point on that, we have often when dealing with state AG investigations, for example, and working with clients and looking at client complaint information vis-a-vis complaint information shared by AGs and state and federal regulators, we've often, when there's a bad rating and you're not accredited, you see a lot of that in a lot of the consumer complaints that are lodged with regulators, right? They're going to complain about what their experience was, and then they're going to throw in there as well. And not to mention they have an F rating and they're unaccredited. They're a horrible organization, so it just feeds the fodder for those claims. And then the referral, like you noted earlier, where the BBB will refer things to regulators or they're open to receiving those referrals, it all sort of creates a confluence of a problem even when there's no problem really there.

Right. That's why I keep saying companies often are doing the right thing, but if you're not also focused on maintaining a good rating and accreditation, you're going to see those problems surface in these regulatory matters, so it's always better to avoid that, be able, to your point, Steven, point out to the regulators, yes, you may have received some inquiries or some issues from consumers, but that's not a pattern in practice. There's no open issue here. Our client handles those issues. We could explain how they handle them. We could point to the good rating with the B, BB as well as the accreditation, which demonstrates, like you said, they're good corporate citizens. They're trying to address issues they're trying to make right by

consumers who may have not had the best experience. There's no such thing as perfect, and even regulators recognize there's nothing perfect. You're always going to have complaining customers, but it's sort of how you handle it, and people, companies don't recognize that the BBB is a big part of that.

For all of those reasons, you just want to erase any opportunity for either consumers to assume, yeah, the company's really horrible. I had a bad experience, and their rating, and they're unaccredited. The rating looks bad, and they're unaccredited or the regulators to raise those same arguments. You just want to remove that off the table because you have control to do it. That's the beauty of it. You have the ability to do it if you understand and know how the BBB works and how to handle those complaints coming in and stay current and resolve them and close them out.

Stephen Piepgrass (14:57):

Yeah. I think the basic gist on that point is take your BBB rating, seriously, take these complaints seriously, have a system in place. Have a single point of contact for the BBB so that you're making sure that calendar the responses to those complaints. It's those basic blocking and tackling efforts to make sure that you are staying on top of things. And then if there are system-wide sort of problems that you start to notice, recognize the bbbs looking at that too. Think about creative ways that those can be addressed, and if you need to open up a dialogue with the BBB around those sorts of issues to make sure that your grades are accurately reflective if you're a business of who you really are and aren't, instead being influenced by that sort of vicious cycle that we talked about earlier,

Michael Yaghi (15:50):

And we've helped a lot of clients through that process and had great success doing it.

Stephen Piepgrass (15:55):

Yep. Well, Mike, it's been great to talk with you. I hope our listeners enjoyed this additional insight into the BBB, and I want to thank the audience as well for tuning into this special holiday edition of our *Regulatory Oversight* podcast. Please tune into the next episode as we continue the 12 days of this podcast series and make sure you subscribe to this podcast, either through Apple Podcast, Google Play, Stitcher, whatever platform you choose, and we look forward to having you join us again next time.

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