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'Astroturfing' Bust Spotlights Online Review Troubles

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New York State Attorney General Eric Schneiderman in September revealed the details of a yearlong undercover operation designed to halt illegal activity occurring from New York City to as far away as Bangladesh and Eastern Europe. Schneiderman's target? Not white-collar criminals, crooked mobsters or corrupt politicians, but fake online reviewers. ["Operation Clean Turf"](#) busted 19 companies, both regular businesses and search engine optimization (SEO) firms, all of which were forced to discontinue their practices, and some of which were forced to pay penalties ranging from \$2,500 to just under \$100,000.

Ed Kabak, chief legal officer of the [Brand Activation Association](#), a community and information source for marketing professionals, told CorpCounsel.com that Schneiderman's move sets an example for those companies and SEO firms that would [fake reviews](#) to improve their online reputations. "This was a really good thing they did. It was smart and it puts the world on notice, because there's certainly been a lot of fake reviews on a lot of sites," he said.

To catch businesses and SEO companies "astroturfing" or putting fake consumer reviews on websites like Yelp, CitySearch or Google Local, Schneiderman's office posed as a Brooklyn, New York-based yogurt shop and called SEO companies to ask for help with online reputation management, a service that many SEO firms provide. Instead of merely offering to "manage" reputations though, several SEO representatives offered to post fake reviews of the client business online, using tactics like IP address spoofing, creating multiple profiles to add reviews and paying freelance writers from overseas to draft fake reviews.

The attorney general's investigation brought to light not just the problem of fake reviews, but also underscored the difficulties of striking a balance between protecting consumers and protecting companies from nasty and inaccurate online reviews that function effectively as bad advertising.

Kabak and Jeffrey Greenbaum, an advertising and marketing expert who is managing partner at Frankfurt Kurnit Klein & Selz, agreed that the stakes are high for companies when it comes to their online reputations. "Reputation management online is serious business, and companies can live or die by what people are saying about them online," Greenbaum noted.

The data appears to support this. In an announcement around "Operation Clean Turf," Schneiderman's office cited a [2011 Harvard Business School study](#), which estimated that an average increase of one star on user-review site Yelp translated into a 5 to 9 percent increase in revenues for a restaurant.

Furthermore, Greenbaum said, companies don't really have a legal solution when they are panned unfairly online: "One of the issues that we're really thinking about right now is, is there a better way to do online reviews?"

For companies like Yelp, one of the solutions is a filter that is able to detect and weed out many phony reviews. "It's very important that they exercise their filters properly," Kabak said. For example, if a user writes 20 different reviews of the same pizza restaurant, the review site can detect that something is fishy. Greenbaum suggested that in the future, businesses might issue some sort of purchase code or verification so online reviewers can prove that they've actually used the goods or services they are reviewing.

Whatever happens, Greenbaum said the overall problem will require a lot of education and attention from both the private and public sectors. Now, he noted, is a “perfect moment for industry and government to partner together to create a better environment for online reviews.”

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