



## FTC cracks down on green certification firms

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ARLINGTON, VA. – Becoming green-certified can be as difficult as meeting stringent criteria or as easy as using a credit card.

There are more than 400 green certification systems and eco-friendly labels in a variety of industries, making it difficult to determine which company is “green” and which company is “greenwashing” – deceptive promotion of a company as environmentally friendly.

“I think it’s a challenge because there are so many different seals and certifications out there that the greatest fear just might be that there’s a sea of green noise,” said David Mallen, deputy director of the National Advertising Division of the Council of Better Business Bureaus. “One of the challenges is distinguishing one from the other.”

This year, the Federal Trade Commission (FTC) cracked down on one company that was doing little more than selling green certification labels. Now it’s updating its guidelines for environmentally friendly criteria.

In January, FTC sued Tested Green, a “completely bogus certifier,” said Laura Koss, senior lawyer in the FTC’s division of

enforcement. Tested Green sold environmental certifications for hundreds of dollars and told more than 100 customers that its certifications were endorsed by two independent firms. But those companies were both owned by Tested Green owner Jeremy Ryan Claeys, according to FTC.

“The company claimed to be an environmental certifier,” Koss said, “but they were essentially selling certifications to anyone who was willing to pay money for them.”

FTC said Tested Green never actually tested any of the companies it provided with environmental certifications. It certified anyone willing to pay \$189.95 for a “Rapid” certification or \$549.95 for a “Pro” certification.

“There are obviously those people where the only qualification for getting the seal or certification is a working credit card number,” Mallen said. “But the more common scenario is where you have seals or certifiers that use the word ‘green’ or the term ‘sustainable’ or ‘eco-friendly’ in the logo or brand, and what’s communicated is a message that is overly broad, too general or

not clear to consumers what kind of environmental benefit we're talking about."

The number of "greener" products since 2009 has increased by 73 percent, according to TerraChoice, an environmental consultancy firm that is part of Underwriters Laboratories, in its "Sins of Greenwashing" 2010 report. Greenwashing is a significant problem, the report found, with 95 percent of "greener" products committing one or more of TerraChoice's seven "sins."

"There's so much 'greenwashing' that's going on right now," said Susan Heaton, manager of national accounts for Washington-based Green Seal Inc. "Consumers are confused; companies are confused; and nobody knows what's credible and what's not."

Green Seal, a nonprofit organization founded in 1989, is a science-based standard development and certification body that is accredited by the American National Standards Institute (ANSI). The organization is one of the most trusted green certifiers in North America. Another is Ottawa, Ontario-based EcoLogo, founded in 1988 by the Canadian government.

Green Seal and EcoLogo are both Type I eco-labels, as defined by the International Organization for Standardization (ISO). This means that the groups compare products or services against others in the same category, develop scientific criteria that reflect the lifecycle of products and award certifications after an independent third-party verifies its findings.

EcoLogo and Green Seal are the only two groups in North America that have been successfully audited by the Global EcoLabelling Network as meeting ISO 14024 standards for eco-labeling.

The FTC is also stepping up. For the first time in 13 years, it is updating its Guides for the Use of Environmental Marketing Claims, also known as its "Green Guides." The FTC first introduced its guidelines in 1992 to address eight environmental marketing claims: general environmental benefit; degradable, biodegradable or photodegradable; compostable; recyclable; recycled content; source reduction; refillable; ozone safe; and ozone friendly.

The Green Guides were last revised in 1998, and Heaton said an update is "long overdue." Green Seal, along with more than 300 other companies and individuals, gave its two cents when the FTC asked for input on the revisions. The revised Green Guides should be released within the next year.

In addition to updating the Green Guides' eight environmental categories, the revisions also will address claims of carbon offset and items made with renewable materials or energy.

"We're not an environmental agency; we're a truth-in-advertising agency," Koss said. "Marketers get confused and ask, 'What are you doing here? You're not the EPA.' And it's true. The Green Guides don't set out environmental definitions, environmental standards or environmental specifications. It's not a glossary; you can't look up

biodegradable and find the scientific or technical term.”

Instead, she said, the Green Guides publication is intended to make sure that consumers get accurate advertising.

“We’re kind of agnostic,” Koss said. “On a personal level, yeah, we want a better environment. But in terms of the guides themselves and the FTC’s purpose, it’s, ‘Are you being truthful and can you back up your claim?’ Not, ‘Will what you’re saying be ultimately good for the environment?’”

As for the future of green certifications, could there be a unified and national certification entity?

“When you all kind of have the same basic idea in mind, I think it certainly would be easier for everyone,” Heaton said. “It would make it less hard for people to differentiate between what’s credible, what’s not credible.”