

JAMES INDUSTRY RESEARCH GROUP VS. CAROL GRECO DBA ANSEL RESEARCH & ANSEL BUSINESS RESOURCES CASE SYNOPSIS

James Industry Research Group is a full-service market research firm which does a lot of research for clients in the slot machine & casino industry, among other genres.

Carol Greco DBA Ansel Research and Ansel Business Resources was subcontracted on May 12, 2015 to recruit 40 respondents for a slot machine manufacturer's player testing being conducted on 5/20-21 / 2015. Due to JIR Group workload, we needed assistance in recruiting for a player test, which involved recruiting players based on pre-qualifying criteria laid out in a recruitment screener. Their team was personally briefed on the project by JIR Group Director of Research Jocelyn Thomas. They were given about 2 weeks to recruit the project. As they recruited individuals, they faxed or emailed completed screeners to JIR Group, and JIR Group added them to client updates and watched completion rates, quotas and did quality assurance validation.

As part of our standard recruitment procedures, quality assurance validations were conducted by JIR Group, which involved re-screening respondents via phone. Our employees noted a high rate of non-returned calls; in fact no one returned our calls. However, since multiple employees were conducting the quality calls, no one noted the absence of any completed rescreens for the first few days.

4 days before the testing, the quality problems with rescreening were noticed, and we started rescreening respondents in a new manner, demanding that players call us back else they would not be allowed to participate in the project. While this is written into the screener, and should have been read to respondents, obviously it had not been. Most respondents were eager enough to return our calls at that point.

When our people started rescreening, they noted that respondents didn't qualify, some weren't even asked the questions, and the data on the screeners did not match what players were saying during rescreening. At this point, we contacted Greco inquiring and were told via email that everyone had been screened and recruited properly. By end of day, we had rescreened more than half of the respondents and due to the poor data quality, notified Greco that we were cancelling and replacing most of their respondents; that rescreening was ongoing, and that as we found unqualified respondents, they

would be cancelled and replaced in the study.

JIR Group went into overdrive and overtime to recruit and replace the unqualified players over the next 3 days. We managed to get most of the test rescreened and re-recruited, from the lists that Greco was provided to recruit from. However, we noted that most respondents Greco recruited did not come from the prescribed list.

During this time, we made multiple attempts to contact Greco / Ansel, but they refused to return our calls. They also never made any attempt to rectify or replace the individuals they recruited. They did not seem to be interested in our findings or in the problems it was causing. However, we started hearing multiple respondents tell us that they had been contacted by Greco, and told if they were cancelled to go to the test anyway and demand payment.

During the validation calls, we found that the vast majority of respondent data had been partially or completely falsified. (See attached spread sheet.) We believe that Ansel's recruiters knew a lot of the respondents, and had simply called them and asked them if they wished to participate. When we provided Ansel with the completed list of unqualified (even allowing those who did rescreen properly to participate) not a word was heard from Ansel except to reiterate that everyone was recruited properly.

At the test, (See Host Report) respondents who were cancelled and who refused to answer our rescreen calls did show up, demanding payment. They reiterated that they had been told to do so by Greco / Ansel. We contacted Ansel and demanded that they stop telling respondents this, and their retort was that if they had recruited them, then the respondents needed to be paid. Carol Greco accused JIR Group of falsifying the charges against them, inferring that we were just trying to get out of paying their bill.

Immediately following the test, JIR Group sent an email outlining all of the problems, the respondent profiles and the reasons they were unqualified, and our concerns. (See attached documents). We also sent an invoice for the additional time, labor, professional services and respondent incentives that had to be paid out despite the respondent being unqualified. We billed Ansel for their falsification activity and the expense it caused.

We asked our attorney to send a demand letter to Greco / Ansel, for the amount of our invoice, and threatening suit.

Carol Greco would not return our calls. However, in response, Ansel sent an invoice to JIR Group for the full amount of their recruiting services. We would later receive a demand letter from Greco attempting to charge us more than their invoice, fees for legal counsel and \$1300 for copies of 40 screeners.

Carol Greco contacted our clients on multiple occasions, purporting that JIR Group was trying to get out of paying their bill, and had wronged Ansel. They demanded a letter from our client stating that that JIR Group had been paid for the research, and was refusing to pay their vendors.

We filed suit against Greco DBA Ansel in Henderson Nevada Justice court, seeking the amount we had invoiced for. We did not file the suit because of the money, we filed because we wanted a court decision against this type of falsified research activity. Greco filed a counter-suit, seeking her invoice and additional fees. We went to court against Greco / Ansel on February 16th, 2016.

Prior to the trial, we were required by the court to attend a mediation hearing. Greco asked that we pay her enough so that she could pay her employees. JIR Group refused to accept any offer except one satisfying their invoice. The case proceeded to trial.

During the trial, JIR Group approached the case in this manner:

1. Definition of the appropriate ethics regarding data quality, client commitment and respondent treatment as defined by the Code of Ethics of the MRA, CASRO and AAPOR. We printed and specifically highlighted and tagged each applicable entry in each code. These were quite substantial, and presented to the court in entirety.
2. Explanation and review of the recruitment screener to the court, which we contended formed the basis of contractual understanding between the two parties.
3. Affidavits from all personnel attesting to their experiences with project fielding, quality assurance findings, interaction with Greco / Ansel, and respondent testing.
4. Review of the Respondent Excel document outlining each respondents' reasons for qualification / disqualification.
5. The actual recruitment screeners we had been provided by Greco / Ansel.
6. Testimony that JIR Group felt that Greco / Ansel's actions constituted intentional defrauding of us and our client.
7. Review of timesheet analysis and payroll records which proved the additional hours and costs we invested, billed at our standard client rate were due to Ansel's actions and lack of action to rectify.
8. Review of the communications between JIR Group and Greco / Ansel.
9. Review of the personal behavior of Carol Greco.
10. Review of our invoice, and the reasoning behind it.
11. Review of Ansel's demand letter, invoice and incorrect charges.
12. Final Summary

Greco / Ansel approached their case in this manner:

1. Oral testimony on the honesty and quality job that their recruiters did, with a plea for the court to award them at least enough to pay their employees for the work.
2. Screeners that they had filled out and submitted to JIR, which they maintained showed the respondents to be qualified.
3. Oral statements denigrating JIR Group and its staff, how slanderous our accusations had been, how our charges were outrageous, and demanding that (if the court found for them) our bill be reduced to Ansel's typical wages for their personnel.
4. Witness testimony from two of the respondents who had showed up at the test demanding to be paid. Both appeared to be disheveled and perhaps homeless. The gentleman who testified was handicapped in an electric wheelchair, with his dog. (After his testimony, on cross examination, it was pointed out that both the handicap and the dog (which he also brought to the test) would have disqualified him per the recruitment screener – if he had been asked the questions.)
5. Final Summary stressing how honest they were and how they would never falsify data.

In summations, JIR Group stressed the importance of ethical research and the trust that had been violated, as well as the potential financial impact of falsified data. Our argument was that Greco's performance and behavior not only risked our relationship with our client, but was intentional toward trying to damage it (the calls to respondents encouraging them to show up anyway, and the calls to our clients.) We also pointed out Greco's failure to make any attempt at rectifying the situation by making no attempt to replace their work, and their interaction with our employees and clients.

The court, facing a pretty sizable pile of paperwork, took the exhibits and testimony under advisement, and said they would render their decision at a later date.

When their decision was issued three weeks later, the court found for JIR Group in both lawsuits, awarding us our damages and throwing out Greco's countersuit. While the court did not give reasoning in its decision, we can surmise from their judgement that they believed our determination that ethics in research is vital to business and enterprise, and in light of our evidence, those ethics, our business agreement and our trust had been violated. Carol Greco's course of conduct also came into play, as her actions during the incident were not very positive.

Carol Greco DBA Ansel Research & Ansel Business Resources paid her damages to our company following the court's decision, and has satisfied the judgment.

We believe that companies such as Carol Greco DBA Ansel Research and Ansel Business Resources are a detriment to our industry, our business, and our clients. We believe that falsification of data has no place in our industry, and are in process of filing formal complaints with the governing research bodies. (MRA, AAPOR, CASRO) demanding that members be notified of Ansel's actions and warning members not to utilize these companies which have so blatantly violated the basic tenants of marketing research. We believe companies who are willing to falsify data have no place in our industry, and that standing up for what is right and ethical is always worth the fight.

For questions, please contact:

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