

Beware of Hidden Costs of Work-at-home Scams



By Greg Abbott
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Earn thousands of dollars a month, work in your own home, processing medical bills!

Chances are you have encountered a work-at-home advertisement with a claim

similar to this one. These types of advertisements abound the on Internet, television, and newspapers. Unfortunately these offers rarely deliver on their promises. Consumers lose thousands of dollars on work-at-home scams every year.

Most ads fail to mention that you must work many hours without pay. In addition, you usually have to spend your own money for supplies such as newspaper ads, envelopes, paper, and stamps. You may also be asked to pay for instructions and tutorial software.

One of the classic work-at-home advertisements is for medical billing. These ads usually offer prepackaged businesses, known as billing centers. The sales pitch may state that there is a crisis in the health care industry due to the costly process of filing paper claims. The solution is electronic claim processing.

You may also be told that many doctors are turning to electronic billing in order to save money and will (contract out) such billing. Promoters may say that you can make a substantial amount of money processing these claims for doctors. The promoter may even supply you with a list of clients “eager” to make the jump from paper to electronic processing. No experience is needed.

What you might NOT be told is that you have to market these services to the medical community. The promise of “eager” clients is usually a hollow one. The seller rarely has reliable contacts within the medical community.

Another infamous work-at-home scam is envelope stuffing. This type of deceptive advertisement promises you information on how to make money stuffing envelopes at home. After you pay the promoter a “small fee,” you will receive a letter telling you to place the same envelope stuffing ad in newspapers and magazines and on the Internet. You’ll only make money if people respond to your ad. Some promoters are so brazen as to suggest soliciting family members.

Assembly work is also a very popular work-at-home scheme. In this case, you may be told that you can make thousands of dollars assembling items for a company that has promised to

buy them from you. You must first buy certain types of equipment to produce the goods for the company. The equipment typically costs hundreds of dollars. However, after you perform the work, the business in question will usually refuse to pay you, citing lack of quality.

These solicitations can cost consumers anywhere from \$2,000 to \$8,000. The ads may vary in how they get your attention, but they are consistent in their quest to relieve you of your money. I urge you to be very cautious when considering a work-at-home opportunity. As always, if it sounds too good to be true, it probably is.

POINTS TO REMEMBER

WORK-AT-HOME SCAMS

Questions to ask:

- What tasks will I have to perform?
- Will I be paid a salary or by commission?
- Who will pay me?
- When will I get my first paycheck?
- What is the total cost of the program?
- Can I get that in writing?

File a complaint in the Consumer Section of the Attorney General's Web site at:

www.oag.state.tx.us

800-621-0508

File a complaint with the Federal Trade Commission at:

www.ftc.gov

877-382-4357

Contact your local postmaster.

The U.S. Postal Service
Investigates mail fraud.

Contact the editor or Webmaster of the publication hosting the ad. They may be interested in fraud associated with their business.



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Information on this and other topics is available on the Attorney General's Web site at www.oag.state.tx.us.