

Work-at-Home Schemes

*Be part of one of America's Fastest Growing Industries.
Be the Boss!
Earn thousands of dollars a month from home!*

Ads like this are everywhere — from the telephone pole on the corner to your newspaper, email and favorite websites. The jobs might be different, but the message is the same — start earning a great living today working from home, even in your spare time.

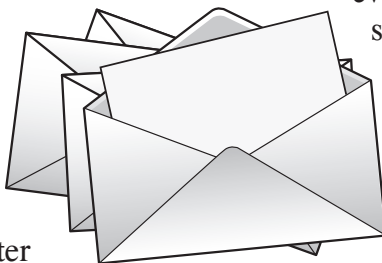
When money's tight, work-at-home opportunities can sound like just the thing to make ends meet. Some even promise a refund if you don't succeed. But the reality is many of these jobs are scams. The con artists peddling them may get you to pay for starter kits or certifications that are useless, and may even charge your credit card without permission.

Others just don't deliver on their promises. The ads don't tell you that you may have to work a lot of hours without pay, or they don't disclose all the costs you might incur — say, for placing newspaper ads, making photocopies, or buying the envelopes, paper, stamps and other supplies you need to do the job. People tricked by these ads have lost thousands of dollars, not to mention time and energy.

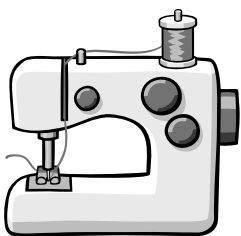
Facts for Consumers

Here are some examples of work-at-home schemes to avoid:

Envelope Stuffing. For a “small” fee, the ad says, you’ll learn how to earn lots of money stuffing envelopes at home. But once you pay, you find out the promoter never had any work to offer. Instead, after you send in your money, you get a letter telling you to get other people, even your friends and relatives, to buy the same envelope-stuffing “opportunity” or some other product. The only way you can earn any money is if people respond the same way you did.



Assembly or Craft Work. According to the ad, you can make money assembling crafts or other products at home. You may have to invest hundreds of dollars for equipment or supplies — for example, a sewing or sign-making machine from the company, or materials to make items like aprons, baby shoes or plastic signs — or spend lots of hours producing goods for a company that has promised to buy them.



But after you’ve paid money and done the work, the company doesn’t pay you — supposedly because your work isn’t “up to standard.” Unfortunately, no work ever is, and you’re left with equipment and supplies — but without any income to show for it.

Rebate Processing. The ad in your email says you can earn money by helping to process rebates. And the fee for training, certification or registration is nothing compared to what you’ll earn processing rebates from home, according to the promises in the ad. It says the #1 certified work-at-home consultant behind the program will show you how to succeed like she did.

What you get are poorly written and useless training materials. There are no rebates to process, and few people ever see a refund.

Online Searches. The ad on the website piques your curiosity — earn \$500 to \$1000 a week, or even \$7,000 a month, running Internet searches on prominent search engines and filling out forms. Even better, you can be your own boss and do the work right from home. What have you got to lose, except a small shipping and handling fee?

Unfortunately, you have a lot to lose. The company isn’t really connected with a well-known search engine — scammers are just lying to trick you into handing over your credit or debit card information. If you pay them even a tiny fee online, they can use your financial information to charge you recurring fees.

Medical Billing. The ads lure you with promises of a substantial income for full- or part-time work processing medical claims electronically — no experience needed. When you call the toll-free number, a sales rep tells you doctors are eager for help, and in exchange for your investment of hundreds — or thousands — of dollars, you’ll get everything you need to launch your own medical billing business, including the software to process the claims, a list of potential clients and technical support.

But companies rarely provide experienced sales staff or contacts in the medical community. The lists they give you often are out-of-date and include doctors who haven’t asked for billing services. The software they send may not even work. Competition in the medical billing market is fierce, and not many people who purchase these “opportunities” are able to find clients, start a business or generate revenue — let alone get back their investment and earn any income. Many doctors’ offices process their own medical claims, and doctors who contract out their billing function often use large, well-established firms, rather than someone working from home.

To avoid a medical-billing scam, ask for a sizable

list of previous purchasers so you can pick and choose whom to contact for references. If the promoter gives only one or two names, consider that they may be “shills” hired to say good things. Try to interview people in person where the business operates. Talk to organizations for medical claims processors or medical billing businesses and to doctors in your community about the field. Finally, consult an attorney, accountant or other business advisor before you sign an agreement or make any payments up front.

When it comes to business opportunities, there are no sure bets. Promises of a big income for work from home, especially when the “opportunity” involves an up-front fee or divulging your credit card information, should make you very suspicious. It doesn’t matter if the ad shows up in a trusted newspaper or website — or if the people you talk to on the phone sound legitimate. The situation demands both research and skepticism.

ASK QUESTIONS

Here are some questions to ask:

- What tasks will I have to perform? (Ask the program sponsor to list every step of the job.)
- Will I be paid a salary or will I be paid on commission?
- What is the basis for your claims about my likely earnings? Do you survey everyone who purchased the program? What documents can you show me to prove your claims are true before I give you any money?
- Who will pay me?
- When will I get my first paycheck?
- What is the total cost of this work-at-home program, including supplies, equipment and membership fees? What will I get for my money?

The answers to these questions may help you determine whether a work-at-home program is legitimate, and if so, whether it’s a good fit for you.



You’ll also want to check out the company with your local consumer protection agency, state Attorney General and the Better Business Bureau, not only where the company is located, but also where you live. These organizations can tell you whether they’ve gotten complaints about a particular work-at-home program. But be wary: just because there aren’t complaints doesn’t mean the company is legitimate. Unscrupulous companies may settle complaints, change their names or move to avoid detection.

In addition, consider other people’s experience by entering the company or promoter’s name with the word *complaints* into a search engine. Read what others have to say. After all, you are making a decision that involves spending your money.

WHERE TO COMPLAIN

If you have spent money and time on a work-at-home program and now believe the program may not be legitimate, contact the company and ask for a refund. Let company representatives know that you plan to notify law enforcement officials about your experience. If you can’t resolve the dispute with the company, file a complaint with these organizations:

- The Federal Trade Commission at ftc.gov/complaint or 1-877-FTC-HELP (1-877-382-4357).
- The Attorney General’s office in your state or the state where the company is located. Visit naag.org; the office will be able to tell you whether you’re protected by any state law that may regulate work-at-home programs.

Facts for Consumers

- Your local consumer protection offices.
- Your local Better Business Bureau at bbb.org.
- Your local postmaster. The U.S. Postal Service investigates fraudulent mail practices. Visit postalinspectors.uspis.gov.
- The advertising manager of the publication that ran the ad. The manager may be interested to learn about the problems you've had with the company.

or get free information on consumer issues, visit ftc.gov or call toll-free, 1-877-FTC-HELP (1-877-382-4357); TTY: 1-866-653-4261.

Watch a new video, *How to File a Complaint*, at ftc.gov/video to learn more. The FTC enters consumer complaints into the Consumer Sentinel Network, a secure online database and investigative tool used by hundreds of civil and criminal law enforcement agencies in the U.S. and abroad.

FOR MORE INFORMATION

The FTC works to prevent fraudulent, deceptive and unfair business practices in the marketplace and to provide information to help consumers spot, stop and avoid them. To file a complaint

FEDERAL TRADE COMMISSION	ftc.gov
1-877-FTC-HELP	FOR THE CONSUMER

Federal Trade Commission
Bureau of Consumer Protection
Division of Consumer and Business Education

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