

Work-at-home schemes

To many people who are housebound, out of work, or in need of extra income to make ends meet, the appeal of work-at-home advertisements seems too good to pass up. Ads for envelope stuffing, making craft items, government employment, mail order, secret shopper, funds/product transfers, medical billing and other business schemes promise that consumers will net hundreds to thousands of dollars a month on an investment of just a few dollars. But complaints by consumers show that the end result is usually the same – consumers lose their money.

Only the promoter gets rich

The Bureau of Consumer Protection receives numerous calls and complaints each year from consumers who are thinking of getting involved in work-at-home plans or who have already paid in and lost their money. Many don't want to hear any bad news because they believe that no matter how bad other plans are, the one they're interested in is the one that will work.

How these schemes work

To find out how to get involved in a work-at-home promotion, you almost always have to send money. These small payments from consumers are the heart of the work-at-home schemes. Dollars sent to companies for further information, or a training manual, by hundreds of interested consumers insure that the promoter will make a good profit. With many of the schemes, you end up receiving worthless information or a copy of the same advertisement you responded to with instructions on how to use it to con other people out of money. Others include information on where you may purchase contact listings or mailing labels to get things rolling – putting dollars in to the pockets of these unrelated services, or are they unrelated?

Common schemes

▶ **Envelope stuffing**

Stuffing and addressing envelopes is one of the most common work-at-home plans. Promoters often promise

earnings of \$250 a week, \$10 per envelope, or more.

Usually all you get for your money is a list of companies that are supposedly interested in having you stuff or address envelopes. You must contact each of the companies at your own expense and await a possible reply. More often than not, the companies on the list ask for additional money before sending details, or claim to never hire outside help. The details usually consist of nothing more than another list. It's not uncommon to find that those listed are out of business. If the company is interested – and chance is slim – you may have to buy your own envelopes, stamps, and perhaps work on a commission basis. The magic commission and income figures rarely materialize.

▶ **Homemade craft items**

Promotions for homemade craft items also promise big profits for a small investment of time and money. Usually, you are asked to send money

in to the company for craft kits you assemble at home. The company agrees ahead of time to buy back the finished product from you at an attractive price. But regardless of how high the quality of your work is, the company often judges your goods inferior and returns them to you. You are stuck with the goods – they have your money.

► **Medical billing**

Processing medical insurance claims may seem like a great opportunity if you already have a computer at home. Con artists claim that you can make a lot of money because the industry is in need of your services. You may be required to buy expensive software programs and training. In general, consumers find out not only that there is no market for their services, but also that the training and software were useless and superficial because they can't make any money. If this type of work is available in your area, the training and software you purchased may not be acceptable and you may have to spend further dollars to even be considered.

► **Government work**

At best, for the money you send, you can hope they send you information on how to apply for government employment that is already available to you free of

charge. Seldom, if ever, will you find work-at-home government positions.

► **Mystery shopper**

You may be asked to purchase items or test a location's cash transfer service. This is done by a check you have already received. Compensation for your work can be keeping a portion of each check and wire transferring the remainder – or, keeping the items purchased and wiring the leftover check amount. Easy money in your pocket or obtaining an expensive product that you've been dreaming of for free! Months may go by before the check you cash bounces. It was never any good and now you are responsible to repay the full check amount plus any fees for cashing a bad check. Any purchases made will now require you to pay for them in full. The portion you transferred back is lost. Wiring money is the same as sending cash – there is no requirement to show identification when collecting the transfer.

► **Funds/product transfers**

The reasons why someone is needed to transfer funds or product are many, but someone is always needed as a middle person for this work. Account information for a credit or debit card may be provided to purchase product and ship it to a location. You

are allowed to use the account for a personal purchase as payment for your work. A check may be provided which is to be cashed. You then wire transfer a portion to meet their need of your service. The remainder is yours to keep. The check is no good and eventually bounces, leaving you with repaying the full amount of the check and any fees for cashing a fraudulent check. The money wired is gone and who cashed it is unknown as no identification is required when collecting wired money. Rarely are the checks good and your work continues without a hitch. Law enforcement will be visiting you when good checks or credit/debit cards are involved. The cards are stolen and the checks are a means to launder money for criminal activities. You will find yourself in the middle of illegal activity and possibly charged.

Protect yourself

Although many work-at-home schemes may violate state consumer fraud and U.S. postal laws, successful prosecutions are extremely difficult and costly. As a result, prosecutions are generally directed at high volume promoters, using multiple business names and/or numerous mail drops throughout the country. Even in these cases, restitution or refunds for consumers are rare.

Also, it is often difficult to verify representations made in the promoter's literature or statement about such things as income representations, sources of mailing lists, and lists of potential work-at-home employers.

- ✓ **Don't be taken in** by worthless testimonials from people who claim they made lots of money on work-at-home plans.
- ✓ **Watch out for vague ads** with no company name or address and only a telephone number. Good companies provide detailed and easily verified information upfront.
- ✓ **Be cautious of income promises** that sound too good to be true (they probably are!). Ask yourself, why do they need to search for workers this way? Why can't they find local workers to do this inside their company with earnings this high?
- ✓ **Check out the company** by calling toll free in Wisconsin the:

Better Business Bureau
1-800-273-1002

Bureau of Consumer Protection
1-800-422-7128
- ✓ **Get everything in writing** including promises and claims prior to signing or agreeing to anything.
- ✓ **Don't give out personal information** such as your Social Security Number.

- ✓ **Never send cash through the mail** or give credit/debit card account information.

Work-at-home resources

A good place to start is by visiting your local Wisconsin Job Center. Agencies can also be contacted directly, such as your local Postmaster at the Post Office for postal employment or area healthcare providers for potential coding or billing opportunities. There is no cost or fees when doing your own search or questions of it being legitimate.

Should you respond to a job ad or email promising direct contacts for state, federal or postal work and pay their fee – all they have to provide is the website addresses below. There is nothing illegal about charging for information that is available for free should a consumer wish to pay for the service.

- State and local employment can be found on the Wisconsin Job Center website:
www.wisconsinjobcenter.org
- Federal opportunities can be found at:
jobsearch.usajobs.gov
- Postal work can be found at:
www.usps.com

Where to complain

If you think you've been a victim of a work-at-home scheme, contact the company and ask for your money back. Let the company know you plan to notify the Bureau of Consumer Protection about your experience. Keep a record of your conversations and correspondence. If you send documents to the company, make sure you send copies, **not originals**. Send correspondence by certified mail and request a return receipt to document that the company received it.

Contact your local Postmaster if the work offer was sent by mail. The U.S. Postal Service investigates fraudulent mail practices.

For more information or to file a complaint, visit our website or contact the Bureau of Consumer Protection.

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