

## Offered Quick Risk-Free Cash? – Be Careful – Be VERY Careful

The bills from holiday shopping have come in, and income taxes are coming up. You may think it is the time to look for additional cash, either through expanded credit or extra income. The crooks know this, so you may be contacted through the mail, over the telephone, or over the internet with offers of quick cash through a loan or credit card or extra income from a business or investment opportunity. Look at any of these offers very carefully.

- A. A loan or new credit card may look like the solution to your immediate cash problems. You are promised a loan or a credit card even if you have bad credit. All you have to do is sign up with their program, maybe pay a “finder’s fee”, and agree with their payback and interest conditions. However, you end up in a worse position. The fee buys you nothing, and if you do get the cash or credit, the interest rates are exorbitant and you have to pay back the loan quickly or get charged more fees. To avoid this:
- Do not fall for the promise in the first place. If your credit is truly bad, you cannot get a loan without a co-signer and even a credit card may be difficult.
  - Never pay an upfront fee to obtain a loan or a credit card.
  - If you are overextended on credit, get credit counseling. Try the Consumer Credit Counseling Service (1-800-388-2227, [www.nfcc.org](http://www.nfcc.org)).
  - As with any offer, get proof in writing of what you are promised and shop around to find the best offer.
  - It is always safer to deal directly with the loan or credit card company, without the “help” of a middleman. You may have to go through the trouble of a co-signer for the loan or a “secured” credit card but it is safer and less costly in the long run.
- B. Find extra income or starting your own business may sound great. However, investment and business/franchise “opportunities” are fertile grounds for scam artists. They offer risk free rewards, the chance to be your own boss, to work from home – but the opportunity is usually not what it seems. You need to invest your own money upfront and the payback never seems to be there.

Research and understand all offers before you invest. Be sure to request and read all the information they provide.( all legitimate companies must provide full details in writing) Also, use your local library to research the opportunity. Check with the Security and Exchange Commission (1-800-732-0330, [www.sec.gov](http://www.sec.gov)), North American Securities Administration (202-737-0900, [222.nasaa.org](http://222.nasaa.org)), the Federal Trade Commission (877-382-4357, [www.ftc.gov](http://www.ftc.gov)) and the Better Business Bureau (414-847-6000, [www.wisconsin.bbb.org](http://www.wisconsin.bbb.org)). After the research, remember:

- Beware of quick, big rewards with little risk. The world doesn’t work that way. The potential for big rewards always has big risks.
- Resist pressure to agree “on the spot”. Good opportunities do not vanish overnight.

- Get everything in writing. Legitimate companies provide all information in writing. They have to; it's the law. Refuse any opportunity that will send you full documentation.
- Unless you are very knowledgeable, stay away from commodities and off-shore investments. There are highly technical, complicated, and risky.
- Seek professional advice. If contracts are involved, get a lawyer and/or accountant, have them review all documents. For investments, get references from friends and interview a number of financial advisors. Discuss your goals with them, and be sure they understand and agree with them. Monitor their actions frequently, and do not be afraid to question them or even switch, if they are not doing what you agreed to.

You have worked long and hard for your money. If you are retired, it has to last. Do not lose any of it to “get rich quick” fraudulent business schemes, or loans/credit cards with outrageous terms. The scam artist count on you being trusting. Ask lots of questions get everything in writing, get help for the technical areas. And be very careful.

*Racine Journal Times Lifestyle March 2007*  
*Charles G Joseph*