

WORK AT HOME: SALVATION OR FRAUD?

The economy is going south. Unemployment is increasing. Even those with jobs are often working fewer hours. Seniors are seeing costs increase while the value of their savings, and the return on them, are declining. All of this is leading to increases in job and business opportunity scams. For example, I have been receiving at least one e-mail a day offering great work at home opportunities. Most, if not all, of these are scams. These may not be technically illegal but it is very hard to make significant money from them.

A: Types of Scams

Better Business Bureau officials note a big increase in the work-at-home scams targeting seniors. The scams fall into two broad categories:

1. The most popular are those that claim to provide an opportunity to make money performing some task at home. These include such areas as craft assembly, envelope stuffing, e-mail processing, typing, etc. In all of these you need to pay something up front, to obtain the “starter kit”. Once they have your money, you find your work is never good enough, or you are too slow, or there is no longer a demand for what you have completed. The scam artists just want to sell starter kits.
2. The second type are those that will “help” you start your own business at home. The most popular areas include medical billings, selling via computer, check or goods forwarding, and being a mystery shopper. You are offered packaged programs to help you get started, software for your computer, lists of companies, etc. When the material arrives, it is usually out of date, poor quality, or simply generic information of no value. Also, they may also ask you to call a 1-900 number for information. 1-900 numbers cost money to call. The only one making money is the scam artist.

There are certainly some valid work-at-home opportunities. However, as the head of the American Association of Home-Based Business has said, “There are very few legitimate [work-at-home job] opportunities available.”

B: How to Protect Yourself

1. Never pay for the chance to work. (Avoid 1-900 numbers as well.) If you were going to a job interview in the real world, you wouldn't pay for a starter kit, or as a good faith gesture. Do not do that here.
2. Check out the company. Look for a physical address; call the phone number to see if it is real. “Google” them, and check with the Better Business Bureau. Warning signs include use of free Web hosts (such as Tripod, Geocities) or email services (Yahoo, Hotmail), P.O. Boxes or no phone number. Also be wary of vague or incredible claims. It is not very likely that you can earn big money, in your spare time, at home, doing simple tasks.
3. Never provide any non-work related personal information, such as social security number, credit card information, date of birth, bank information, etc. In addition to taking your money, the scam artist would love to steal your identity.
4. Take the time to research the opportunity being offered. Check it out online, at the library, and even make a few calls yourself. For example, if the opportunity is medical billings call a few doctors' offices and see if they would use the service.
5. Be realistic. Does the opportunity make business sense? Ask yourself the question—“Why would a company pay me money to do this?”
6. Be wary of any software that has to be installed on your computer. Scam artists may include a “Trojan Horse” that will allow them access to everything you have on the computer. Be sure your security systems are up to date and scan the software before you use it.

7. If you end up making an investment relating to a home based opportunity, use a credit card (not a debit card or a check) for the purchase. This may sound counter intuitive but if things go wrong, you can dispute the purchase. Be sure you know how to file a dispute **before** you make the purchase.

8. In a related area, never pay for referrals for government jobs (including the Post Office). There are no secret channels to government employment. Federal jobs are listed at www.usa.gov, state and local jobs are listed on their websites.

Scam artists are using the poor economy to panic you so they can steal your money and/or identity. As with all scams, the way to protect yourself is to take your time, do the research, question everything and do not act quickly. Legitimate opportunities will stand up to the scrutiny and still be there when you have finished. Remember time is the scam artist's enemy and your friend.

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