

## Protecting Seniors From Work-at-home Schemes

"Work minutes a day at home and earn enough to pay all of your bills."

"Work part-time in your own home and make \$500 to \$1,000 your first month! It couldn't be any easier!"

Con artists pitching work-at-home schemes rake in over \$400 billion dollars a year by exploiting people, especially seniors on fixed incomes. They use appealing but unrealistic come-ons to lure unsuspecting seniors into parting with their hard-earned retirement money in the hopes of hitting it big financially. Work-at-home schemes rarely include information such as what the business is, what its product might be, how new owners would contact possible customers, or what the total costs might be.

You've seen the promotions pasted on telephone poles, supermarket bulletin boards, newspaper classified sections, magazines and on television. They're on Internet chat rooms, bulletin boards and message boards. Since anyone can post to a message board, the promotions can even show up online at the message boards run by honest organizations that seniors trust, such as AARP.

Work-at-home schemes come in many forms. Some of the most common scams include:

**Medical Billing Centers:** Seniors send money for software to run a bill collection service from their home. The scam artists promise that the "market is wide open" and they have "lined up" clients for investors. In reality, seniors stand to lose thousands of dollars in their investment. The software is only an assortment of forms and collection letters that anyone could easily create. The names of companies they send seniors are often randomly selected from the phone book.

**Envelope Stuffing:** This is the most common work-at-home scam according to the U.S. Postal Inspection Service. Seniors send money and the "business" will send them information about earning money by stuffing envelopes at home. What they actually get are instructions to sell this scheme to others by placing ads in newspapers to illegally entice new victims. They make nothing unless they recruit others to work for them. Called multi-level marketing, this scam is much like an illegal Ponzi pyramid scheme.

**Assembly or Craft Work:** This is promoted as an easy work-at-home job for seniors on a fixed income. All they have to do is send money for supplies to assemble into products such as aprons, baby clothes, jewelry and Christmas decorations. They are told that there is a ready market for the products or that the company will buy the products from them. However, the assembled items rarely meet non-existent quality standards or the seniors are told that they are responsible for selling the items themselves.

But seniors can defend themselves against work-at-home scams. Start by staying alert and using common sense. If a promotion seems too good to be true, it probably is!

Fraudulent promoters of work-at-home schemes leave many unanswered questions. Caution seniors you know not to send any money until they get clear and complete answers – in writing – to all these questions:

**What exactly do I need to do to earn money?**

**What will I receive for my money?**

**Do I have to purchase anything?**

**What are the total costs to get in on the deal?**

**What quality standards must I meet for the products I produce?**

**Will I receive a salary? Or, do I work on commission?**

**Who pays me?**

**Do I have to sell anything or market the product or information?**

**Do I need to recruit others to the program?**

**How do I get my money back if I am not satisfied?**

If the answers they receive don't satisfy all their concerns, encourage them to walk away from the promotion. Chances are good that the promotion is really a scam.

If you know any seniors that have been taken in by a work-at-home scam, file a written complaint with the company in question and make sure to keep a dated copy. Some companies may refund their money.

**For more information on work-at-home scams, contact:****U.S. Postal Inspection Service**

**The Postal Service advises that you report work-at-home scams to your local postmaster or nearest postal inspector.**

**National Fraud Information Center**

**The NFIC shares complaints with law enforcement offices across the country to help identify patterns of criminal activity leading to criminal prosecutions.**

**Federal Trade Commission**

**While the FTC does not resolve individual consumer problems, your complaint helps the FTC investigate fraud. The FTC enters fraud-related complaints into Consumer Sentinel®, a secure, online database available to hundreds of civil and criminal law enforcement agencies worldwide.**

**Better Business Bureau**

**The BBB explains how work-at-home schemes can waste your time and money and ruin your reputation.**