

CONSUMER'S EDGE

CONSUMER PROTECTION DIVISION, MARYLAND OFFICE OF THE ATTORNEY GENERAL

BRIAN E. FROSH, MARYLAND ATTORNEY GENERAL

WITH WORK-AT-HOME SCAMS, YOU'RE THE ONE WHO PAYS

A Largo woman responded to the following advertisement: "Make Up to \$1,440 Weekly Mailing Diet Brochures." She sent the company \$54 for a start-up package. When she received it she discovered that she would have to spend hundreds of dollars of her own money on supplies and mailing costs. The company would not return her "refundable deposit."

Another Maryland woman responded to an ad that said she could earn money doing medical billing at home for area doctors' offices. After being told that the company had a list of waiting clients and that there was a 30-day money-back guarantee, she paid \$249 for the company's software. It turned out there were no waiting clients. She called two of the doctors on a list the company gave her. Those doctors said they had never heard of the company. The company refused to refund her money.

people to stuff envelopes, do craft work, or review manuscripts. Those scams are still around, but today they are joined by new ones that promise people can earn lots of money using their home computer or sending out mailings. Whatever the angle, usually the consumer ends up losing money instead of making it.

Typical Scams

Work-at-home scams advertise in newspaper classified ads, on flyers, on cable television, or over the Internet. What they all have in common is that the company will ask for an upfront fee before you can start working. The company may claim the fee is a registration fee, a deposit on materials, or payment for instructional books or computer disks. Here are three common scams:

Medical Billing Work: These scams advertise that there is a new and growing market for individuals to work on home computers preparing bills for doctor's offices. The company may offer to sell special software and training materials for anywhere from \$100 to several thousand dollars. It may promise that once you have ordered its software and learned to use it, it will provide you with clients. All too often, the buyers find that there are no ready clients and they are supposed to try to find their own clients. Other companies do tell buyers that they will have to find their own clients, but say that won't be difficult. However, the buyer usually can't find any doctor's office that will use his or her services. The Federal Trade Commission and law enforcement officials from 29 states, including Maryland, brought a number of actions against companies that advertised medical billing opportunities. According to the FTC, the medical billing field is dominated by a number of large and well-established firms, and very few people who purchase a medical billing business opportunity are able to find clients or recover their investment.

Envelope Stuffing: This long-running scam offers to pay \$3 or \$4 per envelope you address or stuff. You send the company money for your start-up kit of instruc-



Offers that promise a way to make money working at home can be very appealing. You should be careful, however, that you don't fall victim to a work-at-home scam. Over the years, many consumers have lost money to companies that said they would pay



tions and some materials. They promise to send you a list of companies that want you to do the work. What you actually get is a list of companies that either do not exist or do not pay people to stuff envelopes. Or you receive instructions on how you can place ads like the one you answered and get unsuspecting consumers to send you money.

Sewing/Craft/Assembly Work: These work-at-home scams may ask you to pay for a book or a list of companies that will pay you to do crafts such as sewing or frame-making in your home. You may have to send money to purchase the work materials. When you contact the companies on the list, you find they don't pay for that kind of work.

Avoiding Work-At-Home Rip-Offs

- Never pay any money for information about a work-at-home offer, or for any kind of start-up kit, instructional booklets, or other items. Under Maryland law, a company that advertises a work-at-home opportunity cannot require advance payments or deposits on any instructional booklets, brochures, kits, programs, mailing lists, directories, memberships in cooperative associations, or any other items or services.
- Be skeptical of earnings claims that sound too good to be true, or promises of a regular market or steady salary that are not substantiated.
- Use common sense. In these days of automation and high-speed printing and mailing equipment, it is unlikely a company would pay several dollars for each envelope you stuff and mail.
- Keep in mind that just because an ad appears in a reputable newspaper or magazine, it does not mean that the information it contains is accurate or legitimate.
- Ask detailed questions about what exactly you will have to do to earn money with the program. Who will pay you? Will you be paid on commission? Will you be asked to buy supplies or pay for postage?
- Before entering into any work-at-home agreement, call the Consumer Protection Division to see if complaints have been filed against the company you are considering doing business with. Keep in mind, however, that illegitimate companies often advertise heavily for a few months, collect their fees and then close up shop and move on before anyone has a chance to file complaints, or they change their names.

Check out companies that offer to help you start your own business and that require you to pay more than \$300 or more within the first six months. Many such "business opportunities" must be registered with the Maryland Securities Division. Companies offering business opportunities are required to give prospective buyers an approved form of disclosure document at least 10 business days before the buyer pays any money or signs any contract. Check to see if a company offering a business opportunity is registered by calling the Maryland Securities Division at (410) 576-7786.



HOW TO CONTACT US

Consumer Protection Division

200 St. Paul Place, 16th Fl., Baltimore, MD 21202

- **General Consumer Complaints:** 410-528-8662
Toll-free: 1-888-743-0023 TDD: 410-576-6372
9 a.m. to 3 p.m. Monday-Friday
www.marylandattorneygeneral.gov/Pages/CPD/
- **Health Consumer Complaints:** 410-528-1840
Toll-free: 1-877-261-8807 TDD: 410-576-6372
9 a.m. to 4:30 p.m. Monday-Friday
www.marylandcares.org
- **For information on branch offices** in Largo, Salisbury, Hagerstown, and a full list of offices across Maryland, visit:
www.marylandattorneygeneral.gov/Pages/contactus.aspx

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BRIAN E. FROSH

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