

# CONSUMER ADVISORY

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## Work-at-Home Scams: Money for Nothing

Want to make some easy money from home, set your own hours and be your own boss? It sounds too good to be true, and that's because it is! The person who generally ends up making money in work-at-home schemes isn't you—it's the person who collected your up-front "investment" in an empty promise.

The "opportunities" can include envelope stuffing, assembling products at home, medical billing, multi-level marketing, "mystery shopping," or re-shipping. While some offers may be legitimate, most are scams. Some may violate local zoning ordinances, state licensing requirements, state law or federal law, and a few may even involve organized crime fronts.

First and foremost, don't reply to unsolicited or spam "work-at-home opportunity" emails. Treat spam as a scam. These are almost always bogus offers. Clicking on spam email can also expose your computer to viruses.

- **What kind of work is it?** How will you be paid—salary or commission (and will you ever see that commission)? Who will pay you, and when will you be paid? Are the claims of how much you'll likely earn even realistic? If the "job" entails nothing more than you trying to find others to pay for the same "opportunity," it's a fraud. If you're supposed to cash a check to go "mystery shopping," there's no mystery about it: it's also a fraud and you'll be out the amount of the check you cashed. If you're supposed to earn money by "processing payments", "transferring funds" or "reshipping" merchandise, you're likely taking part in a criminal offense.
- **Most schemes involve sending money in advance, and that's a red flag** that someone other than you is likely the one making money. Some home-based businesses do require investments, but many are fraudulent businesses that try to collect advance payments for goods or services like shipping, "starter kits" or training materials, and inventory. NEVER send money through a wire transfer! Use a credit card (NOT a debit card), if possible, which offers you some protections if the company tries to cheat you out of money.
- **Advance pay to you? Be careful!** A company sends you an "advance in pay," then claims it overpaid you and demands you to send the difference. What likely is happening is you deposited a fake check, it will take the bank some time to detect the fraud, you have sent an "overpayment" amount to someone else, and you will owe your bank the entire amount of the bad check you deposited.
- **Research the company BEFORE you do business.** Have you ever heard of the company? Has anyone posted information about their experience with this company? Does the company have a physical address or is it only a post office box? Check resources like the Better Business Bureau, the Iowa Attorney General's Consumer Protection Division, the Federal Trade Commission (FTC) or even a search engine for reports about the company.
- **Don't give out personal information** – someone who requests personal information about you, including your Social Security number or bank account information, may be trying to steal your identity.
- **What's the company's refund policy?** Ask the company for a written refund policy. Will the company give you a refund under any circumstances? How long do you have to request a refund? If you paid by credit card and wish to dispute a charge, contact the credit card company as soon as possible.

To file a consumer complaint or get more information, contact the Iowa Attorney General's Consumer Protection Division, Hoover Bldg., Des Moines, IA 50319. Call 515-281-5926, or outside Des Moines call toll-free at 1-888-777-4590. Our website is: [www.iowaAttorneyGeneral.gov](http://www.iowaAttorneyGeneral.gov).