



## Work-at-Home Scams: They Just Don't Pay

Want an easy way to earn extra money from the comfort of your own home? You're not alone. Working at home has become more attractive than ever to single parents, college students, stay-at-home moms, and others looking for ways to earn extra money. Ads offering the opportunity to make big \$\$\$ working from home can be found in newspapers, on the Internet, even stapled to telephone poles along the road. But the U.S. Postal Service has issued warnings against these offers because, although there are some legitimate opportunities to earn money, many of these claims are simply scams. Unfortunately, as the number of jobs grows in response to public interest, so have bogus job offers.

**U.S. Postal Inspectors warn you to proceed with caution.**

Most work-at-home jobs don't guarantee regular, salaried employment.

Many neglect to mention that you have to work many hours without pay. Others require that you spend your own money for products or instructions before finding out how the offer works. And the "work" may entail getting others to sign up for the same job—which continues the fraud.

During National Consumer Protection Week 2005, Postal Inspectors and the Postal Service's Consumer Advocate joined other federal, state, and local consumer-protection agencies to educate the public about ways to avoid becoming victims of fraud.

Chief Postal Inspector Lee R. Heath says, "With so many Americans interested in working at home, it should come as no surprise that job scams have grown in popularity—but too many offers not only don't pay, they cost victims thousands of dollars."

According to Postal Service Consumer Advocate Mike Spates, job

## Be Aware

As consumers, we conduct some type of financial transaction requiring an educated decision almost every day: shopping for a mortgage or auto loan; understanding and reconciling credit card statements and telephone bills; choosing savings and retirement plans; comparing health insurance policies; understanding our credit report and how that affects our ability to get credit and at what cost; or simply deciding how to pay for a purchase. Education is the first line of defense for us to manage our money wisely and protect ourselves from frauds or rip-offs. One of the growing fraud threats to consumers is the work-at-home scam. ■

seekers should do some homework before accepting a work-at-home offer. "Our goal is to educate consumers so we can reduce their chances of falling victim to work-at-home scams," says Spates.

Postal Inspectors report the most common work-at-home scam is envelope stuffing. The ads promise you money in return for stuffing envelopes at home. But Postal Inspectors say that none of the promotions they've seen pay off as promised.

The newest scam is reshipping fraud. Work-at-home shippers are promised substantial amounts of money—all

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# EDUCATION

## NEWS & REVIEWS

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they have to do is receive, repackage, and then mail merchandise to a foreign address. What the shipper doesn't know is that the merchandise was paid for with stolen credit cards. In effect, the work-at-home shipper becomes part of a fencing operation by receiving and mailing stolen goods. Reports to date indicate the scam has cost victims thousands of dollars, but as long as the ads appear, people unaware of the fraud continue to respond.

Other work-at-home jobs may involve product assembly, craft work, and multi-level marketing. Some ask victims to front money for products or more detailed instructions. Others require that you recruit other people to do the work—which continues the fraud.

Postal Inspectors encourage consumers to closely examine offers

before responding. They offer these protection tips:

- Don't give out personal information to a person or company you don't know.
- Be suspicious of any offer that doesn't pay a regular salary or involves an overseas company.
- Check out the company with the Federal Trade Commission, the Better Business Bureau, state Attorney General, or your local consumer protection agency.

"Be smart," says Chief Inspector Heath. "There is no easy way to wealth. If the offer sounds too good to be true, it probably is." Work-at-home scams have cost victims thousands of dollars. Check out all jobs before responding. Legitimate companies provide information in writing.

### It's time to prepare for next year's taxes!

There are only a few weeks left in the year to reduce your tax liability. Take an opportunity this season to donate to a non-profit charitable organization or add a little more to your 401K or Roth IRA. For more money saving ideas and tax tips, visit one of our websites:

**[www.ffef.org](http://www.ffef.org), or  
[www.accesseducation.org](http://www.accesseducation.org)**

Need more help to make ends meet? Our friendly and certified credit counselors can work with you to create a budget plan for the holidays and the rest of the year. If you or anyone you know would like more information on money management give us a call today!

**(877) 789-4175**

## How to Protect Against Work-at-Home Scams

You can defend yourself against work-at-home scams. Be alert and don't take things at face value. Here are claims to be wary of:

- Little or no money needed upfront
- Work part-time and earn a full-time salary
- No experience necessary
- This offer is unique

Do your research. Work-at-home promotions leave many unanswered questions. Don't send any money until you receive complete, satisfactory answers in writing to the following questions:

- What exactly do I need to do to earn money?
- What will I get for my investment?
- Do I have to buy anything at my own expense?
- What quality standards must I meet for products I produce?
- Will I receive a salary or do I work on commission?
- How do I get paid?
- Do I need to recruit others to the program?
- How do I get my money back if I am not satisfied?

If you don't receive satisfactory answers to your questions, walk away from the promotion. Chances are good that the promotion is really a scam.

# Common Work-at-Home Scams

If you see a promotion advertising the possibility of making good money from home but the promotion isn't clear about what kind of business it is, what the product might be, how you would contact possible customers, or what the total costs might be, be cautious. This "great new way to make money" may be nothing more than a scam.



money, you will receive information telling you how to earn money by stuffing envelopes at home. What you actually get are instructions to sell this scheme to others by placing ads in newspapers to illegally entice new victims. You make nothing unless you recruit others to work for you.

Work-at-home scams don't include the details because the advertisers aren't really interested in helping you make money. Instead, they are more interested in taking you for as much money as they can and then disappearing from the scene. They are successful because they appeal to our desires to earn more money, avoid having a boss, work fewer hours, and stop commuting. Often scammers tap into people's dreams of being rich and famous. "All you have to do is spend a few minutes a day to earn the money you need to make all your dreams come true."

Here are some of the more common work-at-home scams to watch out for:

**Envelope Stuffing.** This is the most common work-at-home scam, says the U.S. Postal Inspection Service. The promise is that if you send in

It seems like every newspaper or weekly circular has at least one ad in it promising hundreds of dollars a week, just for stuffing envelopes. Some even promise to pay \$4 or \$5 per envelope stuffed. So, many people send off their hard-earned money for the required "registration fees" so they can get started on this easy work.

The most prevalent envelope stuffing con game requires that you send in a fee, say \$25.00, for which you receive nothing more than a copy of the ad you originally responded to, along with the wording to a classified ad telling people how much money they can make stuffing envelopes, and to send a self-addressed stamped envelope for information. When you receive someone's envelope, you send them a copy of the ad. You have just "stuffed an enve-

lope." If the person sends in the registration fee to the operator (like you did), the operator will send you \$1 (or whatever was promised in the ad) for "stuffing the envelope." The operator is left with a profit of \$23. Based on typical marketing statistics, you'd have to pay postage for 200 envelopes to get 1 paid response. So at current first-class rates, you pay almost \$100 in postage to receive \$1-2 in return. Not a very good business investment for you.

**Medical Billing Centers.** You send money for software to run a bill collection service from your home. The scam artists promise that the "market is wide open" and they have "lined up" clients for you. In reality, you stand to lose your entire \$2,000 to \$8,000 investment. The software is only an assortment of forms and collection letters that anyone could design. The names of companies they send you are not clients; they are just names and addresses that have been pulled from the phone book.

**Assembly or Craft Work.** You send money for supplies to assemble products such as aprons, baby clothes, jewelry, or Christmas decorations. Sometimes you must buy the equipment from the promoter. You're told that there is a ready market for the products or that the company will buy the products from you. The catch? Your items never meet "quality standards" so you end up having to sell the items yourself.

**Business Opportunities.** You send money for information about starting a business from your home. The details are vague but the promises are big and include claims that "we will provide all the training you need." The catch? The fraudulent salespersons will constantly try to sell you more information about special "training and support systems" and "your personal coach." Anyone who really had business ideas as good as these claim to be would never offer this information to thousands of strangers. ■

# TIPS & TRICKS

## One Penny at a Time

“A penny saved is a penny earned.” This saying from previous generations offers a piece of wise advice. When we think of saving money or reducing expenses, we often think of significant amounts of money, but sometimes it’s the little savings that mount up over time that become significant in the long run. When we begin a plan to become debt free, we ask ourselves “Where can I save money?” And it might seem that there is nowhere. It might seem that we have made all the cuts we can possibly make.

That is where the pennies come in. When it feels like there is just nowhere left to conserve, we can still find ways to save a few pennies. Here we’ve collected some of our favorite ideas for putting the pennies in your piggybank instead of someone else’s pocket.

### Avoiding penny meltdown

Your refrigerator is probably the single biggest user of electricity in your house. Did you know that one of the best ways to reduce the amount of energy it uses is to clean the coils? Every six months will help you use less energy and save money. (Flip up or remove the kick plate or toe grill,

and clean with a vacuum attachment or bottle brush. Make sure to unplug the fridge or turn off its circuit breaker first.) So will keeping the fridge set between 38 and 40 degrees and the freezer between 0 and 5 degrees — the settings where the refrigerator operates most efficiently.

### Keeping your pennies on standby

Chances are, when you are through watching television, playing computer games, or watching a movie using your DVD player, you turn these electronics off so that you don’t waste energy. But did you know that you can save even more pennies by unplugging them? Even when they’re turned off, the standby electricity these electronics use is almost the same as leaving a light bulb turned on continuously. You can make saving pennies like this easy on yourself by plugging several electronics, say the television, DVD player, and video game, into a single power strip and just switching the power strip off.

Even small gadgets like mobile phones, digital cameras, and handheld vacuums can lead to small savings. Once they’re charged, keep them unplugged until they need charging again instead of leaving

them on the charger for long periods of time.

### Don’t flush money down the drain

More and more we hear that a large amount of the water you use in your home, as much as 40 percent, goes down the toilet. It may not be in your budget to replace your toilet with a new “low-flow toilet,” but there is something you can do yourself that will have a similar effect. You can cut the amount of water you flush by half or more by putting a brick or plastic milk jug filled with pebbles in the toilet tank. The space the brick or jug takes up will reduce the amount of water that’s needed to fill the tank, so you save gallons of water – and pennies – with each flush.

### Tip yourself

Your dryer has a lint filter to catch the lint that comes off your clothes as they dry. But that lint is not meant to stay in the filter. If you clean out the lint filter of your clothes dryer each time you dry a load of clothes, you’ll reduce the amount of electricity you use by up to 30 percent. That can put quite a few pennies in your piggybank. Make sure you know where the lint filter is on your dryer and make a habit of pulling it out each time you dry clothes to clean off the lint that has collected there. ■

## We’re Going Green!

Family Financial Education Foundation is dedicated to improving your financial and environmental future. In an effort to go “green,” we are making our Educational Volumes and our Dollars & Sense newsletters available via email and on our website. Visit our website for educational resources and more information on coming changes.

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