

Internet 101: How to Avoid Business Opportunity Scams!

By Dave Turner

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Nearly everyday I receive an e-mail from someone telling me that they were scammed, or asking me if such and such company is a scam. Because of the amount of e-mail I received, I decided to write this article. Even though this article was written with a slant toward business opportunities, it applies to any type of Internet or mail order offer. If you heed the advice in this article, you will greatly reduce your chances of becoming a scam victim yourself.

First of all, when checking out business opportunities, make sure the website you're visiting or the materials you're reading contain all three of the following:

1. A real persons name (not just a company or business name)
2. A verifiable telephone number
3. A street address (not just a P.O. Box)

If all three of the above are not present, walk away from the offer.

Also, don't consider any business opportunity that doesn't offer at least a thirty-day money back guarantee. Anything less than that is unacceptable.

Listed below are the ten most common scams:

1. Business Opportunities Scams:

These offers make it sound like it's easy to start a business that will earn you piles of cash with little or no effort on your part; usually accompanied by pictures or banners of mansions, fancy cars and piles of money.

2. Chain Letters:

In this classic scam, you're asked to send a small amount of money (usually \$5.00) to each of several names on a list, and then forward the letter including your name at the top of the list, via bulk e-mail. Many of these letters claim to be legal. They even include a section of the U.S. Postal Code on illegal schemes. Don't be fooled. They are not legal. And if you participate, not only will you be

breaking the law, you'll lose your money as well.

3. Work-At-Home-Schemes:

The most common work-at-home scam promises that you'll earn money for stuffing envelopes. For example, you're promised you'll earn \$2.00 for every envelope you stuff. After you pay a registration fee, of course. In reality, after you pay the fee, you're instructed to place classified ads and send out the same envelope-stuffing ad to others. The only money you'll earn will come from other people who fall for the scam and pay to register. Another variation of this scam is home assembly or craftwork.

4. Bulk E-mail Scams:

These solicitations offer to sell you bulk e-mail addresses (spam software) or services to send spam on your behalf. Example: "Reach 15 million websites, \$44.95"! The software is usually of poor quality. It's spam and a scam. Don't do it.

5. Cable De-scrambler kits:

These scams offer kits or information on how to receive cable transmissions without paying any subscription fees. There are two major problems with these offers: 1.the kits and information don't work. 2.Cable television theft is illegal, and you stand an excellent chance of paying a huge fine and/or going to jail!

6. Guaranteed Loans or Credit Scams:

This scam comes in a variety of flavors: home equity loans that don't require equity in your home, personal loans regardless of credit history, etc. After you pay the application fees, you receive a letter saying that your loan request was denied. Usually, you never hear from these companies again.

7. Credit Repair Scams:

These scams promise to erase accurate, negative information from your credit file so that you can qualify for loans, mortgages, unsecured credit cards, etc. It doesn't work. Not only that. If you follow their advice and lie on loan or credit applications, misrepresent your social security number, or get an Employer Identification Number from the Internal Revenue Service under false pretenses, you will be committing fraud and violating federal laws. Another variation of this scam is the promise of a brand new credit file. Don't do it.

8. Vacation or Prize Award Scams:

In these scams you receive notification congratulating you because you've won a fabulous vacation, a car or some other prize award. All you have to do to collect your prize is pay a small fee (usually several hundred dollars). In return, what you end up getting is a toy car, (I kid you not) or a vacation certificate to the Bahamas or some other exotic vacation spot. It's really a lousy deal. You have to pay for your own airfare, and the accommodations that they arrange are usually in rundown hotels. Let the buyer beware!

9. Investment Schemes:

These scams offer get-rich-quick schemes to make unlimited profits on the world currency market. There are many variations of this scam, but they all promise the same thing: Wealth without work!

10. Multi-level Marketing (MLM) or Network Marketing Scams:

I know I'm going to ruffle a few feathers with this one, so let me just say right now that all MLM or network marketing companies are not scams. Obviously, there are some good, reputable companies out there. However, there are so many bad ones that I'm compelled to include the entire industry on this list. Before getting involved with any MLM or network marketing company, investigate, investigate and then investigate some more. Don't get caught up in the hype. And here's a fact no

MLM or network marketing company will ever tell you--not even the legitimate ones: Unless you have outstanding sales ability and/or people skills, it is extremely difficult to make any money in MLM or network marketing.

Before purchasing any business opportunity, you should always check first to see if the company has had any complaints lodged against it. The following websites publish complaints and/or scams:

<http://www.scamwatch.com>

<http://www.worldwidescam.com>

<http://www.sohojobs.org>

<http://www.bbb.org>

If you do get scammed, report it to the aforementioned websites immediately. You probably won't be able to recover your money. Few people ever do. But at least by reporting the crime and making it public record, you make it harder for that company to scam anyone else.

In closing, always carefully investigate any business opportunity, and remember: If it sounds too good to be true, it probably is!

Til' next time...

Dave Turner is a writer and entrepreneur with over twenty years of small business experience. Questions? Comments? Dave can be reached at <mailto:dave@freebizadvice.com>

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