

Business Opportunities Scams Facebook Chat Transcript

The following is a transcript of the FTC's official Q and A with Janice Kopec answering questions from the public about business opportunities on November 15, 2012. The chat was scheduled from 3:00pm-3:30pm

ET. We've listed the comments directed to the FTC and answers in order for ease of reading. This information, without names removed and in the actual order posts came in, remains public on the [FTC's Facebook Page](#).

Staff Opening Comment: Hi everyone - this is Janice Kopec, FTC staff attorney, ready to answer any questions you have about business opportunities. Please post your comments in this thread. I'll be here until 3:30pm ET. Thanks!!

Comment 1: So you will be here for 26 minutes?

Staff Response: I'll be here at least until 3:30pm, but happy to be available longer if there are more questions!

Comment 2: How do u mean? Is it for people looking for job or business?

Staff Response: We are answering questions primarily about business opportunities or work at home businesses. For more information see www.ftc.gov/bizopps

Comment 3: Does it only count as a scam if the interested person pays money?

Staff Response: Under the recently amended Business Opportunity Rule, there is a requirement that a seller of a business opportunity charge consumers a fee, but there is no minimum amount. Information about the amended Business Opportunity Rule is here: www.ftc.gov/bizopps

Comment 4: How do you handle internet scams since they are probably next to impossible to trace and address.

Staff Response: Internet scams are a challenge, but we have many resources available to investigate these frauds. Consumer complaints are one source; consumers can file a complaint at www.ftc.gov/complaint

Comment 5: How do you identify the people who are responsible for scam emails? Does the FTC work with email providers to get information on users' spam reports?

Staff Response: We collect and review complaints and spam emails in our Consumer Sentinel system. Please visit www.onguardonline.gov/spam which has information about reporting and reducing spam.

Comment 6: Even reputable "work at home" companies want my SS# for tax purposes, how do I make sure I'm working with a reputable company before I give it to them?

Staff Response: General information about how to check the legitimacy of a work-at-home opportunity is available at <http://ftc.gov/bcp/edu/pubs/consumer/invest/inv14.shtm> For example, you'll want to check out the company with your local consumer protection agency, state Attorney General and the Better Business Bureau, not only where the company is located, but also where you live.

Comment 7: What's the deal with MLMs requiring members to purchase stocks monthly? They say its required to continue receiving company benefits.. They call this monthly autoship.. is this even legal?

Staff Response: Information about multilevel marketing is available at <http://business.ftc.gov/documents/inv08-bottom-line-about-multi-level-marketing-plans>

Comment 8: Where can we find info on the crackdown and the companies under investigation? There are many legit ones of course but more than enough fraudulent ones too.

Staff Response: Information about today's announcement, including details about the new cases is available at <http://www.ftc.gov/opa/2012/11/lostopp.shtm>

Comment 9: In the "Six Figure Program" case announced today (Online Entrepreneur), the complaint says the defendants provided "outlets, accounts, or customers for the purchaser's goods or services." I'm trying to understand what the purchaser's "goods or services" were and whether the "outlets, accounts, and customers" provided by the defendants were the big companies with affiliate programs, or the consumers who visited the purchaser's website?

Staff Response: Your question is best directed to the specific case team members. Contact information for each case team is provided at the bottom of the press release available here <http://www.ftc.gov/opa/2012/11/lostopp.shtm>

Comment 10: I have a question.... why some Salvadorians trademarks and business are having so many difficulties to bring products and goods to UK and Europe? Specially that the Salvadorian community in this area it is quite big and increasing in numbers...I can see products from other Central American countries but very little or almost non Salvadorian at all.

Staff Response: The Federal Trade Commission deals with consumer protection and competition issues in the United States. For more information about what we do, please see www.ftc.gov.

Comment 11: I established an LLC for consulting purposes, but have been asked to consult on one of my hobbies - gun safety. Should I establish a separate LLC to meet these needs and possibly purchase guns and add training?

Staff Response: The FTC doesn't provide individual legal advice. You may wish to consult with a private attorney.

Staff Closing Comment: Thanks everyone for participating in our chat! For tips on avoiding business opportunity scams, please see www.ftc.gov/bizopps