

Justice & Consumer Services

Consumer Tip

AVOID FALLING FOR A BUSINESS OPPORTUNITY SCAM

It's the American dream to own your business; especially during tough economic times. Although many achieve this dream, others run into financial ruin by falling prey to scams claiming that substantial profits can be attained. A business opportunity is an offer to assist a person in starting his or her own business by providing products, equipment, supplies or training needed to maintain the business.

Business opportunities scams can range from advertising a medical billing service to work at home schemes or establishing a vending machine route. Many times, these promoters require an initial investment fee payable before you receive anything in return.

To protect citizens, Florida law requires the seller of a business opportunity to be registered with the Florida Department of Agriculture & Consumer Services and provide a disclosure document that includes the information necessary for the investor to make an informed decision. If you are looking to start your own business by investing in a business opportunity, here are a few tips to consider.

- **Don't believe claims that you can make money with little or no effort.** It takes hard work to run your own business, and no one can guarantee how much profit you'll make.
- **Be cautious about emails offering business opportunities.** Many unsolicited emails are fraudulent.
- **Get information in writing before you decide.** Florida law requires that disclosure documents be given to you three days before you sign. Federal law requires franchise and business opportunity sellers to give you detailed written information at least 10 days before you pay any money or agree to purchase.
- **Talk to current owners.** Ask them if their experiences and profit match what the company promised.
- **Do some research.** Visit a small business administration center for information and programs about how to run a business. For more information about franchises and business opportunity scams go to www.pinellascounty.org/consumer and view the video **Fraud: An Inside Look**. If you would like to speak with someone regarding a consumer complaint, please call 727-464-6200.