

Many work-at-home offers aren't legitimate

"Work at home - make money, money, money." "For only \$29.99 you can receive a work-at-home investment kit that'll make you rich." "You too can be a millionaire."

Out of work consumers may find these newspaper ads very attractive, but many of the offers aren't legitimate, say experts at Ontario's Consumer Ministry.

"By promising large, quick profits through work-at-home plans, many scam artists hope to take advantage of those trying to find jobs," says Marilyn Gurevsky of the Ministry of Consumer and Commercial Relations (MCCR).

"Job-hunters should be suspicious of any job that asks for money."

Typically, work-at-home scams involve envelope stuffing or making crafts that the employer will sell. Though details differ, all schemes of this type are really selling something.

Here's how two types work. A carefully worded newspaper ad suggests that job-hunters write to a post-office-box number or telephone for information on how to get rich quick.

Those who respond usually receive a kit containing testimonials and photos of people posed with yachts and mansions promoters say were earned through the program.

The consumer is then asked to send more money for their instructional kit.

In the case of the envelope-stuffing scam, the kit usually contains only an explanation of how to duplicate the procedure to exploit other innocent job-hunters.

The craft-making scheme generally offers employment making dolls, place-mats or some other decorative item. Consumers are told they must pay for materials up front, but the firm will buy the completed items for resale.

Kits and instructions are usual-

ly priced from \$5 to \$30, and a registration fee may also be requested. The materials may be quite adequate to make attractive articles. Problems arise when the consumer tries to sell finished articles back to the company, and the promoters refuse to accept them.

The reasons given may vary with the conditions listed in the fine print of the promotional kit. A standard line is that the completed articles aren't of "acceptable quality."

Bolder promoters may ask for a credit-card number, claiming it

is needed as a security deposit on the materials being sent. But Gurevsky warns that, frequently, materials sent will be worth only a fraction of the amount charged.

"It may be difficult or impossible to reverse charges on a credit card once they've been made," she cautions.

Ontario's consumer ministry suggests consumers should only give credit-card numbers over the telephone when they know the firm's reputation and have placed the call themselves.

Whether the deal is struck over the telephone or through the mail, it's often impossible to get

any money back from work-at-home scam artists. The careful wording of their advertising and promotional kits frequently keeps them just within the letter of the law.

Gurevsky says the only way to avoid losing money to these people is to do your research before sending money.

Anyone who has information about a work-at-home scam is asked to contact their local police department or the nearest MCCR Consumer Services Bureau office, listed in the telephone directory Blue Pages.

Income inequality remains despite income tax changes

By TOM MITHOELL
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Ottawa - Redistribution of personal income is one of the aims of the federal government system of taxation and transfer payments to people.

Statistics Canada recently released figures on 1989 income before and after tax and transfers. They can provide a measure of the system's efficiency in this regard.

The income study divided the population into quintiles, five sections ranging from the lowest one-fifth of all incomes to the highest one-fifth. Then it looked at how taxes and transfer payments - programs such as family allowance, old age pensions and unemployment insurance - shifted the shares of income among these quintiles.

The study showed that, before any tax was assessed or any transfer payments were made, the lowest one-fifth of the population had just 1.2 per cent of all the

income and the highest had 47.2 per cent. After the transfer payments were added in and taxation was taken into account, the lowest quintile's share of the total income pie moved up to 5.6 per cent and the top quintile's share was trimmed to 40.7 per cent. The second lowest quintile moved from 8.7 per cent before any tax-or-transfer adjustment to 11.6 per cent afterward.

Since the tendency is toward equality when incomes at the low end are increased and those at the high end are reduced, the figures show that the system moved things in the direction of income equality.

The changes made through taxes and transfers were naturally largest at the upper and lower income extremes, where the differences were greatest. At the exact middle quintile, for example, the change was quite small, from 16.9 per cent of the income pie before any taxes or transfers to 17.5 per cent afterward.

Both the money transfers and

taxation played their part in the equalization process. In that lowest quintile where the income share was just 1.2 per cent based on income alone, adding in the transfers raised this share to 4.8 per cent. After taxation was taken into account, it moved up another notch to the 5.6 per cent level mentioned earlier. Similarly, the top quintile's share went from 47.2 per cent down to 43.2 per cent with transfer payments in the picture and dropped the next step down to 40.7 per cent after income tax was applied.

Which of the two, income taxes or transfers, was more important in terms of equalization?

The study, Income after tax, distributions by size in Canada (Catalogue 13-210), looked at the tax-and-transfer record from 1971 to 1989. Over those 18 years, government transfer payments played an increasingly more important role in equalization, it said, and there was "little change in the impact of income taxes in reducing income inequality."



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