

Crackdown on online consumer fraud is long overdue



PC
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Better late than never. Finally, a coalition of federal and state consumer protection agencies, helped by similar groups in a half-dozen other countries, are cracking down on the thousands of Internet Web sites that have been running phony get-rich-quick schemes, work-at-home scams, dubious online shopping mall "investment opportunities" and a whole slew of other multilevel marketing come-ons and rip-offs.

In all, about 1,600 fraud sites have been identified by the coalition so far and about 40 percent of them reportedly shut down or changed their pitches after being warned by the consumer agencies.

Those that are still running are now being investigated for possible criminal charges.

It's a start, I suppose.

But I'd guess there are 5,000

other rip-off sites out there in cyberspace that are still trying to trick unsuspecting Net users into sending them money to make "fabulous returns" that inevitably turn out to be nothing.

Typical of the phony offers you can find on the Net are promises of income of \$20,000 a month through vending machine business, \$1,000 an hour from Web surfing, and \$1 million through variations of pyramid schemes. Most such sites target stay-at-home moms, the elderly, the disabled and students who want to earn money from home.

Watch for scams

Online auctions may be the latest Internet rage but they are also the latest hunting ground for fraud artists. A Los Angeles Police Department investigation has received complaints from over 100 people who have been ripped off in a pretty elaborate scheme involving the sale of computer parts and peripherals by an auction seller based in nearby Van Nuys, Calif.

The victims thought they were successful bidders and sent in

their payments but never got the items they purchased. That's just one case in a torrent of complaints being filed all across the country. The LAPD plans a conference with federal investigators to see how online auctions can be more reliable. But for those ripped off so far, there's little hope of getting their money back.

Concerns raised

A new anti-fraud online surveillance system by the U.S. Securities and Exchange Commission is drawing concerns from some online finance sites and privacy advocates. The automated system allows the SEC to secretly monitor and gather information from Web sites, message boards and chat rooms, which is loaded into a database that is analyzed by SEC investigators.

Although the SEC says it will throw away any data collected that doesn't indicate possible wrongdoing, an official from the accounting firm Price Waterhouse sums up much of the criticism by blasting the SEC, saying the secret surveillance is the

Internet equivalent of wiretapping.

Maybe the consumer agencies cracking down on fraud sites should have also looked at automotive Web sites. An independent study by CNW Marketing/Research says auto-related Web sites often overstate the price of a new car by thousands of dollars and that some sites allow consumers to configure cars and options that automakers are unable to deliver.

The national study measured what eight Web sites claimed were the manufacturers' suggested retail prices and dealer invoice prices for 86 models against actual manufacturers' data. "Considering that nearly 40 percent of new car buyers use the Internet as part of their shopping process, such misinformation is horribly misleading," the study said.

Legal to link

A federal judge ruled that it is legal for online companies to offer links to Web sites run by rivals, a service many new Internet firms use to attract new

users. The case involved a suit by Ticketmaster, which was mad that a competing online ticket sales site was linking to Ticketmaster.

But it also affects thousands of other sites, large and small, that "aggregate," or list links to stories and information produced by other sites. The judge ruled that linking was not illegal as long as Web users understand whose site they are on and that one company has not simply duplicated another's page. Groups advocating a free and open Internet praised the ruling. Ticketmaster says it will try to reinstate the case.

Protest gas prices

You can vent your anger over high gas-pump prices at a new Web site, greencar.org, that targets the big Three automakers for being ignorant of the need for fuel efficient, "green" vehicles.

Anyone logging onto the site can send e-mails to Ford, DaimlerChrysler and General Motors, and express outrage over American dependence on oil — and the more acute problem of having to pay more than \$1.50 for a gallon

of gas. The group behind the Web site says the average fuel efficiency of 1999 model cars is only 23.8 miles per gallon, the lowest since 1980, reflecting the recent love affair many have for large sport utility vehicles and trucks.

Ready for the latest fashion trend? Try "e-jewelry." In Israel this week at a technology show called the Unwired World, models are showing earrings that light up when e-mail messages come in. You can also wear a mouse as a bracelet around your wrist that allows for Internet navigation by pointing in the air. You can check it out at Web site called www.charmedtechnology.com.

Mike Wendland reports about computers and the Internet for NBC television stations coast-to-coast. His "Net News Daily" Internet reports are on WWW, NewsRadio 950 Monday-Friday at 6:26 p.m. and his "PC Talk" call-in radio show is heard every weekend on TalkRadio 1270, WXYT. You can reach Mike through his Web site at www.pcmike.com.

BUSINESS CALENDAR

Items from the Observerland area for the Business Calendar can be sent to: Observer Newspaper, 36251 Schoolcraft Road, Livonia, MI 48150 attention: Business Calendar.

WED, APRIL 5

WOMEN'S CONFERENCE
The Michigan Business and Professional Association will sponsor the 4th annual Women's Leadership Conference and Distinguished Service Awards Luncheon Wednesday, April 5 at Burton Manor in Livonia. Registration begins at 7:30 a.m. Conference is scheduled from 8:30 a.m. to 2 p.m. Two workshops are planned: "How to Build a Successful Personal Strategic Plan" followed by "Is Your Business Checklist in Order?" The total cost is \$50; cost for luncheon only is \$25. For information about attending, co-sponsoring or advertising, contact MBPA at (810) 979-6322.

BUSINESS NETWORK INTERNATIONAL
Regular meeting of Laurel Park Chapter will be held 7:30 a.m. at Archie's Restaurant, 30471 Plymouth Road. Call (810) 323-3800.

ANN ARBOR IT FORUM
The Ann Arbor IT Zone and the Ann Arbor Software Council will sponsor a forum titled "Technology Changes. Economic Laws Do Not" 5:30 p.m. at the Ann Crowne Plaza Hotel Ballroom, 610 Briarwood Circle, corner of State Street and I-94. Registration and book signing begins

4:30 p.m. Cost is free to members, \$15 for non-members and \$5 for students. Call (734) 623-8286 or e-mail annarbor@itzone.org.

FRI, APRIL 7

BUSINESS NETWORK INTERNATIONAL
Regular meeting of the Livonia Chapter will be held 7:30 a.m. at the Senate Koney Island on Plymouth Road near Stark. Call (810) 323-3800.

FRIDAY, APRIL 14

BUSINESS IN CHINA
Oakland University's Professional Development and Education Outreach, School of Education

and Human Services (SEHS) will present "Opening Doors in the 21st Century, Creating Business Opportunities in China after WTO." The seminar will be held from 8 a.m. to 4 p.m. Friday, April 14 in Oakland University's Meadow Brook Ballroom. Co-sponsors include: The Detroit Regional Chamber, Pontiac Expert Assistance Center - U.S. Department of Commerce, Michigan Economic Development Corporation, and Leonard Woodcock Legacy. The seminar is an introductory course for individuals and organizations interested in developing or expanding markets in China. Jerome D. Hill, J.D., Ph.D. and Ledong Li will share their expertise on expanding interests and overcoming the challenges of doing business in China. Cost is

\$295 and includes a Chinese luncheon and handout material. The registration deadline is Wednesday, April 6. Enrollment is limited. Contact the Professional Development office at (248) 370-3033 for a brochure or to register for the seminar. Fax registration with VISA or MasterCard payment is accepted at (248) 370-3137.

SECRETARIES WEEK
The Tri-County Chapter of the International Association of Administrative Professionals will present a business seminar titled "Assistants and Executives Working in Partnership" 8 a.m. to 1 p.m. at the Athenaeum Hotel in Detroit. Seminar/luncheon tickets are \$35 for IAAP members and \$40 for non-members. For more information, call (313)

235-9232 or fax (313) 235-0188.

FRI, MAY 12

FIESTA HISPANA BALL
The Michigan Hispanic Chamber of Commerce hosts its 11th Anniversary Fiesta Hispana Ball at the Ritz Carlton in Dearborn. The VIP reception begins at 6:30 p.m. followed by dinner and dancing at 7:30 p.m. Mr. Bo Anderson, executive in charge of worldwide purchasing for General Motors Corp., is event chairman. The ball provides an opportunity to network with business representatives and meet corporate sponsors. For tickets, contact MHCC at (248) 208-9915.

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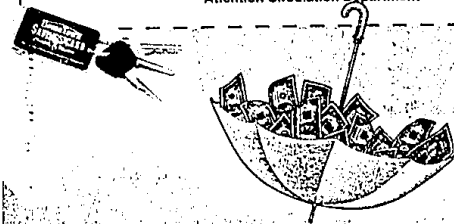
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