



# CENTER FOR ECONOMIC DEVELOPMENT

# NewsWire

March 4, 2009

## HELPING ENTREPRENEURS AND BUSINESSES GROW AND SUCCEED

A joint program of the Labovitz School of Business and Economics, Natural Resources Research Institute, and Swenson College of Science and Engineering.

### PROJECT GATE II

Growing America through Entrepreneurship



Have you recently lost your job through no fault of your own?

Are you at least fifty years of age? Are you interested in starting your own business? If so, Project Gate II may be able to help.

Project Gate is a program sponsored by DEED, the MN Department of Employment and Economic Development, to help dislocated workers 50 years of age and older decide if they want to start a business. Project Gate does not provide loans, but does provide the opportunity to gain the skills needed to start a business.

Anyone who fits the criteria of a dislocated worker and is age 50 or older is encouraged to talk with a Dislocated Worker Program Counselor. The counselor will enroll you in the program and have you take a pre-assessment to determine your strengths and weaknesses. You will then attend an orientation seminar given by a Small Business Development Center (SBDC) consultant.

After the orientation you and your Program Counselor will make arrangements for you to meet one-on-one with an SBDC consultant, who will work with you to determine what educational opportunities would help you get started on a

## Duluth Women's Expo

SATURDAY, MARCH 7, 2009

9:00 AM – 4:00 PM

DECC

ADMISSION FREE with ticket



It's hard to believe it, but the Duluth Women's Expo is right around the corner! We are looking forward to a tremendous event. The Duluth Women's Expo was created to give you a fun environment for finding all the info you need to make educated decisions - whether you are calling the shots at home or at work!

Featuring:

- Exhibits
- Fashion Show
- Seminars & Events
- Entertainment
- Samples & Demos
- Pampering
- Health Screenings
- Shopping
- Networking
- & Much More!



For FREE tickets to the Duluth Women's Expo: UMD Center for Economic Development, 11 E. Superior Street, Suite 210, Duluth, MN 55802, call: 218-727-1177, or [www.duluthwomensexpo.com](http://www.duluthwomensexpo.com)

## Scam Alert! There are No Obama Stimulus Checks or Grants

We are releasing this as a newsletter because we have seen the "Obama" ads pop up on our website, websites of other SBDC entities and many of our SBDC corporate partners and sponsors. So please feel free to republish it on your web sites, blogs, newsletters or any other medium, in hopes of warning the SBDC community about the scam.

Over the past few weeks, the internet and e-mail boxes have been assaulted by advertisements and e-mails claiming grant money or stimulus checks are waiting for you. **THEY ARE NOT.**

The new stimulus bill does not include any tax refund like we saw last spring/summer. There are no stimulus checks coming and please disregard any website or e-mail that tells you otherwise. What the new stimulus bill does is put more money into existing programs to build infrastructure and this is where the next claim comes in, grants.

## Project Gate II (Cont.)

*business plan.* This program is offered throughout Minnesota. All Workforce Centers are participating in the program and a prospective applicant just needs to get in touch with a Dislocated Worker Program Counselor to start the process.

This is a six step program to starting a business which consists of the following:

1. Contact a Dislocated Worker Program Counselor.
2. Take the "How ready am I to Start a New Business Self Assessment Tool"
3. Attend an Orientation Session at the Workforce Center.
4. Complete a "Business Readiness Assessment" with the assistance of an SBDC consultant.
5. Work with the Work Force Center Counselor and the SBDC consultant to develop an educational plan.
6. Attend the recommended skills training opportunities provided by technical service providers throughout the region, and complete a business plan.

For more information:

- **Duluth**  
218-723-4730
- **Virginia**  
218-728-2499
- **International Falls**  
218-283-9427
- **Grand Rapids**  
218-327-4480
- **Cloquet**  
218-878-4414
- **Hibbing**  
218-262-6777
- **TOLL FREE**  
1-888-438-5627

For more information:

[www.mnwfc.org/field](http://www.mnwfc.org/field)

## Scam Alert (Cont.)

The new Obama grants these sites claim are now available, **DO NOT EXIST**. Yes, there will be new grant money but most of it is going to existing programs and state and local organizations that already have grants or grant programs.

Almost every website that uses an ad server, does not pre-filter the ads. Sites have been bombarded with "Obama grant" ads for the past week. These Obama ads seem to be omnipresent and are on many major and reputable sites, including the world's most popular website, Yahoo. Facebook, was also showing the ads, but is now trying to remove the ads, after protests from its users. Even this Alert will find its way to many websites that will have these ads on the same page as this article.

If you follow the ads, you find pages with questionable advertising practices like fake blogs with fake comments and a fake "ads by Google" block that is really just one image file that takes you to another sister site. They use JavaScript to take over your browser or trick you into staying on their page when you try and close it.

Another tactic is to show you pictures of people and checks with real names. The pictures are of the same people and checks but they have many different names on many different sites. Some sites have a person that starts talking to you telling you that you can get money back in as little as a week and all you need to do is fill out a contact information form and pay \$1.99 shipping and handling for free grant software.

These scams have always been around but they are using the hype Obama's presidency has created along with political rhetoric that has equated the Economic Stimulus package with terms like "government rebate checks and grants". Plus, with the decline of online advertising in the past few months, these scam sites can get on more web pages cheaper than ever before.

A quick review of the privacy policy of one of the sites sets off a few alarms. The first is that the privacy policy is three years old, a little dated. Another is that they do tell you that they share information with third parties; however, they do not say which information they share. Seeing how they collect credit card information and your phone number is a huge red flag. Also, the company that most of these sites are coming from has been accused of credit card fraud by many consumers. The contact info seems almost impossible to find and most do not find a way to get a hold of the company until after they receive credit card bills including subscriptions they did not know they signed up for. The sites do warn you of the subscriptions on the submit credit card information page.

Here is the disclaimer off one of the sites. I removed company names to avoid any legal issues.

*By clicking "Submit" I am authorizing "website" to charge my credit or debit card a \$2.78 processing fee for my 7 days trial membership. After the 7 day trial, if I do not call customer service to cancel, the account I provided here will be charged \$39.95 each month thereafter. I may cancel by calling the customer service number of "website" listed in the Terms and Conditions.*

*I also agree to the 10 day bonus trial to "another company." To start my trial, there is a one-time activation fee of \$1.95. After the trial, unless I cancel, "another company" will charge my account \$19.95 each month thereafter. I may cancel by calling the toll-free number located at "this website".*

*As an additional bonus, I agree to receive a 14-day trial to "another company". After the trial period, unless I cancel, "another company" will charge my account \$12.95 a month.*

As you can see from this disclaimer, the \$1.99 shipping for the free grant software ends up costing you \$95.63 the first month and \$72.85 every month thereafter until you cancel the subscriptions. You may or may not be able to find their contact information.

*Scam Alert (Cont.)*

The contact information we were able to find coincided with addresses of post offices or Fed Ex stores that have mailboxes for rent in them.

***So, please do not respond to the e-mails or sign up on one of these fake Obama Grant sites. Read all disclaimers and privacy policies before sharing any personal or financial information on the web.***

A quick review of these two items could have saved anyone who has fallen for these scams a lot of money. Here at SBDCNet, we always try to filter out grant ads from our website, <http://sbdcnnet.org/>. Most grant ads we have seen are predatory. The past few days our workload has become immense, having to pull ads from quite a few pages that we were unable to get these new "Obama ads" to stop appearing on.

Why is it so hard to block them? First of all, these ads are coming from hundreds of websites not just one, even though it seems they are coming from only a couple of companies. Second, most web ad servers force you to be reactive instead of proactive. They either do not offer pre-filtering, however if they do, the pre-filters often do not work well. Thus, usually the first time a webmaster sees an ad after it is already up on the site and hundreds or thousands of visitors may have already viewed it. Also, webmasters are not allowed to click their own ads as they are paid per click. Thus, often they have to find the ad elsewhere to be able to click it, then hunt down the site and block it from showing up on their site. When the same scam is using hundreds of different sites, it becomes hundreds of times harder to block all of them and get them completely off of a site. So, many sites that are trying to get rid of the ads may not be able to completely remove them.

We will continue to block all grant ads and if you find any questionable ads, please report them to us by using our contact page, <http://sbdcnnet.org/contact-3.php>.

This is released with the hope of republication. Feel free to republish it to reach your intended audience.

Jarrett Byrom is the Website & Marketing Coordinator for the Small Business Development Center National Information Clearinghouse (SBDCNet). He can be contacted at [SBDCNet@utsa.edu](mailto:SBDCNet@utsa.edu). The SBDCNet is part of the Small Business Administration's Small Business Development Center (SBDC) Network, a free, open to the public resource, to help entrepreneurs start or expand their own business. For more information, please visit [SBDCNet.org](http://SBDCNet.org).



The University of Minnesota Duluth Center for Economic Development offers numerous workshops to help entrepreneurs and employees operate more efficiently. All workshops are held at the Duluth Technology Village, 11 E. Superior Street, Suite 210 unless otherwise noted. To register call: 218-726-7298, 888-387-4594 or register online: [www.umdced.com/workshops](http://www.umdced.com/workshops).

**The mission of the University of Minnesota Duluth Center for Economic Development is to assist entrepreneurs and businesses to grow and succeed.**

*Funded in part through a cooperative agreement with the U.S. Small Business Administration, Minnesota Department of Employment and Economic Development and sponsoring centers. Reasonable accommodations for persons with disabilities will be made if requested at least two weeks in advance. For arrangements, contact: UMD Center for Economic Development, 11 E. Superior Street, Suite 210, 218-726-7298.*

**1986 – 2009** Celebrating 23 years of excellence and also recognizing UMD's 25 year partnership with the Minnesota Small Business Development Centers

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