



**DEPARTMENT OF JUSTICE**  
OFFICE OF THE ATTORNEY GENERAL

**MEMORANDUM**

DATE: February 12, 2015

TO: Honorable Shemia Fagan, Chair  
House Committee on Consumer Protection and Government Effectiveness

FROM: Janet Borth, Assistant Attorney General

SUBJECT: HB2383 – Registration of “Business Opportunity” Solicitors

**RECOMMENDED ACTION**

This testimony is presented in support of HB2383. We recommend that the Committee approve HB2383 with a do pass recommendation.

**BACKGROUND ON THE FRAUD**

- This scam-prone industry lures consumers into purchasing work-from-home businesses that claim to earn thousands of dollars each month.
- The “businesses” targeted by this bill provide no real value – the consumers usually receive a website that looks identical to thousands of others and generate little, and often no revenue. Consumers may then be sold additional services like “coaching” sessions that are either never delivered or are pdfs of documents already free to the consumer.
- The Department of Justice Consumer Complaint Hotline has received over 250 complaints regarding this problem, citing \$1.1 million in losses. Often more vulnerable Oregonians are targeted.
- The Federal Trade Commission estimates that only one in 55 of this type of business is legitimate.

**HOW HB2383 PREVENTS SCAM ARTISTS FROM TARGETING OREGONIANS**

- The bill requires “business opportunity” solicitors to register as a “telephonic sellers.”
- Under existing law, telephonic sellers must register with the Department of Justice under the name with which the seller conducts business, and consent to using the address listed as an acceptable one for service of process.
- Requiring registration would allow the Department to more proactively monitor and resolve complaints with registered businesses.
- If the Department learns of an unregistered business opportunity solicitor, the Department can quickly engage the offending business, preventing future victims.

**THERE IS NO KNOWN FISCAL IMPACT FOR THE DEPARTMENT OF JUSTICE**

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