

 **07hr_sb0080_SC-LEUA_pt07**



Details:

(FORM UPDATED: 08/11/2010)

WISCONSIN STATE LEGISLATURE ... PUBLIC HEARING - COMMITTEE RECORDS

2007-08

(session year)

Senate

(Assembly, Senate or Joint)

Committee on ... Labor, Elections and Urban Affairs (SC-LEUA)

COMMITTEE NOTICES ...

- Committee Reports ... **CR**
- Executive Sessions ... **ES**
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INFORMATION COLLECTED BY COMMITTEE FOR AND AGAINST PROPOSAL

- Appointments ... **Appt** (w/Record of Comm. Proceedings)
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- Hearing Records ... bills and resolutions (w/Record of Comm. Proceedings)
(**ab** = Assembly Bill) (**ar** = Assembly Resolution) (**ajr** = Assembly Joint Resolution)
(**sb** = Senate Bill) (**sr** = Senate Resolution) (**sjr** = Senate Joint Resolution)
- Miscellaneous ... **Misc**

* Contents organized for archiving by: Mike Barman (LRB) (November/2010)



Ms. Virginia Zwickey
613 Anthony Ln.
Madison, WI 53711

WWW.HRW.ORG

WDATCP

APR 12 2007

Division of Trade &
Consumer Protection

Packet

DAVID D. TATAR
Div of Trade & Consu
Wis Dept of Agricultu
2811 Agriculture Dr.
Madison, WI 53708

Author: Virginia ZWICKEY at SAS-PO
Date: 10/26/95 2:57 PM
Priority: Normal
TO: /R=WHEEL/R=AM/U=tatardd/FFN=TATARDD/@mr.datcp.state.wi.us at IPNET
BCC: Virginia ZWICKEY
Subject: nov 2 report

----- Message Contents -----

Dave-- I am leaving in one hour for my trip, so will do what i can for a report. You can copy and forward if it is useful. See you after Nov. 13, vz

To the Department of Agriculture, Trade and Consumer Protection--

Oct. 26, 1995 I wish to add my support to the new regulations having to do with employment recruitment (ATCP 116). Over the years I have seen much harm done by misrepresentation of earnings where an investment is required.

On Friday I am on my way to a national conference on student employment and this subject will undoubtedly be raised again. It is usually the same companies that cause problems in different parts of the U.S> and it usually revolves around misrepresentation, unwillingness of recruiters to follow rules and policies of universities, aggressive recruiting styles, withholding of information, and operating with normal business ethics.

I can recall the student in my office who told me after a summer out-of-town sales job was finished selling books door-to-door-- "How could I have pitched these books to poor people? How could I have done that? The answer is that naive and vulnerable jobseekers are pitched by skilled and slick recruiters who know how to play the game very well with students and other (as well as the customers). Students need reliable employment to further their education and I have known of too many students waste their time on inflated promises--some of whom have had to give up an "opportunity" and try to find jobs in the middle of the summer after reality hits home.

Student employment administrators want to do a good job, and good law and administrative rules will help in giving us the tools we need to do it and to weed out recruiters who are out to "make a buck" no matter what. The games I have seen in the past are to make the opportunity sound so good that students will pay out money for outlays such as training fees & kits without solid earning potential.

I have also brought up the issue of the classified ads promising huge amounts of money for "reading books<" working in Alaska, stuffing envelopes, etc. In all of these cases, the point of the ad is to sell a directory or written information, which is not only worthless, but which should not be seen as being an "employment offer" or "Employment service>" They are neither. The ones I have seen are all fraudulent without exception. A directory may give some addresses for employment, but the publishers have no connection with these businesses and there are many inaccuracies in phone numbers, names, addresses as well. So if I understand this correctly, these types of ads would be in violation of the proposed rules since they require an investment and are misleading.

To check things out, I sent my name in for one "work at home" offer and now have a boxful of variations on the same themes to make money. I see these ads continuing in the student newspapers and even in Madison Newspapers at times.

I do believe that efforts should continue to refine and improve these rules to protect not only the jobseeking consumer, but 99.9% of the business community who are out there doing an honest job with employees. I did not have the time to reach out to a lot of other administrators in the state, but you can count on it that your efforts are being appreciated at the UW and elsewhere.

--Virginia Zwickey, Coordinator

UW Student Job Center
432 N. Murray St. - Room 204
Madison, WI 53706-1496 263-0765

May 4, 1990

Mr. George Danchuk
Dept of Agriculture, Trade & Consumer Protection
State of Wisconsin
P.O. Box 8911
Madison, WI 53708 (266-7222)

Dear Mr. Danchuk:

I understand that you are continuing the investigation into the practices of Southwestern Company of Tennessee. As I told you today, several representatives of the University placement offices and myself are meeting next week to discuss the concerns we share with you.

The eventual outcome for the University system, I hope, will be a clarification of some of the issues surrounding University policy and the use of University facilities system wide. You deserve a lot of credit for helping bring review of these policies to the forefront.

I think it is important that this investigation continues throughout the state. One of the problems in getting documentation is that even aggrieved students feel intimidated by employers, and so do some of the people working in placement and student employment offices. When we had some press last year warning students to look out for deceptive employment practices, many of them stopped by to talk. In other words, people will talk if there is someone to listen. Getting them to file a formal complaint is another matter, however.

Today I was sorry to hear a report from another campus where a letter had been received from an elder gentleman who wrote in a sense blaming the University for the "booksellers" for a bad experience in the East with Wisconsin students. He did not name SW, but the University investigated and it was them indeed.

The man charged that while he was hospitalized, the students ate his food, brought in a student without permission, ran up a big phone bill that was left unpaid, and that his wife's engagement and wedding ring had disappeared.

The student who came into the home without permission said he left as soon as he was asked to. He also said he had a rough time with the experience costing him money and the company hounding him for some money he still owed that he couldn't afford to pay. Some students make big-time money working 75-80 hours a week door-to-door, but others have their dreams and trust shattered by the reality of the experience.

Enclosed is a poster from the company implying Placement endorsement or possibly sponsorship, which they do not have, of course. Southwestern was sponsored by several placement centers and have had problems with all of them. We stopped sponsoring them a couple of years ago mainly because of excessive and manipulative recruitment techniques and violations of University directives and policies, as well as serious concerns about the working conditions, educational disruption, stress and financial problems of students who dropped out and who either made no money or ended up owing money to the company, etc.

this happened to our office and

After I called you today with additional concerns, I was not surprised to learn that you had received "testimonials". This happened to our office and

learn that you had received "testimonials"

Also, we experienced a parade of Southwestern student recruiters stopping by our office to (politely) protest. Yesterday a parent called from out-of-town who misrepresented herself at first, but very emotionally threatened to report me to President Shaw and to her "Parent Support Group." She was not interested in a rational discourse.

I trust the State of Wisconsin will also pursue this case based on merit and not on any perceived subtle or overt intimidation. If the state can't stand up to the pressure, how do you expect students to do so. (The representatives of the company have been quite charming and congenial in meetings, however.)


Our standards, your investigation, and the Attorney General's, presumably their own reviews, have resulted in some improvements in the company's operations. However, the problems don't seem to go away. A Southwestern recruiter starting working our students at the Spring Job Fair where employers had paid fees to participate. We had another report about students being approached on the street under false pretenses and then being recruited.

Last year, we had reports of recruiters working in libraries, study areas, dorms, etc. I think students deserve to study and go about their business without harrassment.

Mr. Danchuk, I apologize that I haven't been able to write a more informative letter. I tried to summarize the problems and provide some documentation, but it's a very time-consuming process. I tried to complete it last year but was unable to. We have a fair amount of documentation and comments

NOTE: At one point I had a group of about 8 or 10 "students" appear without an appointment in my office to discourage me from our policy of not listing Southwestern at the UW Student Job Center

*Virginia Twickley
4/10/07*



Barksdale Federal Credit Union

Back ←



After you've worked hard all school year, it's tough to think about finding a job to raise money to do it all over again next year. Yes, it can be hard to find a decent paying summer job, much less one that's rewarding. But here's some practical information to make the search a little less painful and a lot more profitable.

Before you start job hunting, answer these questions:

- How much do you need to earn? Are you working to save money for tuition? Expenses? A car? Or are you looking for a rewarding experience? The amount of money you need by the end of the summer will restrict your choices.
- How mobile are you? Do you have a car? Are you willing to travel? Is a bus stop close to your house? Let potential employers know if you're limited to public transportation routes. And always factor in any transportation expenses and the time it will take you to get to and from work before you accept a job.
- What are your skills? If you have experience in any area, from child care to computers, it's a plus. The more

experience you have, the easier it is to get a job; and the more skilled you are, the hotter the job prospects, says Marty Rome, spokesperson for Kelly Services, Inc.

If you want to try something new, think of ways your skills could transfer to another job. For example, if you've waited tables for a few years and you want an office job, tout your customer service skills and your ability to handle many tasks at once. If you've been baby-sitting for years, your skills may be valued at a corporate day care, a health club, a city summer recreation program, or a summer camp.

- How adventurous are you? Are you a homebody or do you crave new experiences? If you want to get away for the summer but don't want to end up broke, factor in how much you'll be spending on phone bills, transportation, housing, and food.
- Do you know anyone who can help? Connections are still a great way to land a job. Some large organizations have summer job programs that give first preference to employees' children or relatives. Also, if you know anyone who works in a field where you either have experience or that is related to your education, give the person a call or send a note of interest with your resume.

Job hunting: on foot, on phone, or on-line

If you're in college, first check with your university's student job center, which serves as a clearinghouse for job opportunities. For example, the Student Job Center at the University of Wisconsin (UW) at Madison screens a variety of job postings, says Virginia Zwickey, coordinator of the UW job center.

Zwickey says local summer jobs are in relatively short supply, and the center has more listings for out-of-town jobs. "The best way to land a summer job is to find a year-round job that continues in the summer," Zwickey says. Rome agrees, "If students work for us during the school year, we can transfer credentials to their hometown Kelly office for quicker employment during the summer."

If you're connected to the Internet, you can find thousands of jobs posted on-line; just be sure to verify that they're legitimate and right for you. Your school's web page is

a great place to start. You also can search the web using search words such as *student jobs* or *summer jobs*. A search under *education and employment* at Yahoo! (www.yahoo.com) listed thousands of summer job opportunities under categories such as national parks, summer camps, resorts, and ranches. The jobs ranged from wait staff, cooks, nurses, wranglers, maintenance, and security, to clerical positions.

Other web searches may yield sites for other university job centers, or summer job opportunities listed by state or job type. There is either an e-mail address or name and phone number to contact for more information or an application packet.

"There are wide-open opportunities for students at summer camps," says Zwickey, whose Student Job Center holds a summer camp job fair each February with eight to 10 states represented. With camps for inner-city kids, wilderness adventure, computers, performing arts, and canoeing, to name a few, the job experience can be varied and rewarding. And residence camps typically provide workers with food and lodging, which saves you money while you earn money.

Don't limit yourself to reading want ads. Many jobs never make it to the classifieds. You're better off visiting personnel offices at several companies and filling out applications to leave with your resume. Each spring the UW job center holds a job fair promoting local jobs. Check out your campus student job center for a similar program.

"You should never have to pay any up-front fees to get a job or information."

Job scams

Steer clear of classified ads offering cruise ship or postal jobs, or moneymaking opportunities such as stuffing envelopes or reading books. All you need to do is send in money to get more information! "These people are not employers," Zwickey says. "They are selling worthless books at inflated prices." One student showed Zwickey a cruise ship job book that she says "had 14 listings with only two working phone numbers. One job listing required applicants to go to Hawaii to apply."

"You should never have to pay any up-front fees to get a job or information," cautions Jody Collins, an assistant attorney general in Florida. "Anything that says money is required is a tip-off that it's a scam." Zwickey agrees and adds these other warning signs:

- The emphasis is on the money you can make, not on the job description.
- Company representatives are overly aggressive in efforts to recruit you.
- The language in the ad is vague, and you can't get information over the phone, only during an interview.

I was thinking of describing Southwestern here.

*Virginia Zwickey
4/10/07*

Although Zwickey says selling for an honest company can be an excellent background for students, there's a lot of hype and students have to be very careful. "We had a company that recruited kids and wouldn't let them sell in their own territory. They pressured kids to work unhealthy hours 12 hours a day, six days a week, and on the seventh day they have meetings," Zwickey says. Students had to pay for training, transportation, and lodging pushing overpriced books door-to-door using marginally ethical sales tactics. They were too far away and too broke to get home. Because of this, Zwickey says the Student Job Center generally does not post jobs seeking to hire students as independent contractors.

Selling yourself

Be honest, be direct, be neat, and show enthusiasm, advises Zwickey. "Most employers tell us they'd rather choose dependable over bright and difficult. Attitude and aptitude are the two most important things." She says a good attitude goes a long way and makes people want to give you a chance. Show that you can follow directions, be pleasant, and trustworthy.

Now you're armed with the knowledge to land a summer job that's right for you. Happy hunting.

GO TO

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**Vector Marketing**Up-to-Date News, Listings & Info Research
Businesses at Hoover's!**Cutco Knives**

Find Cutco Knives Info. Fast & Easy

STOP the Scamful ways of Vector Marketing and Cutco Cutlery

[View Current Signatures](#) - [Sign the Petition](#)

To: Vector Marketing and Cutco Cutlery

To whomever it may concern,

This petition is created in an attempt to stop the dishonest company, VECTOR MARKETING/CUTCO CUTLERY, and prevent the company from scamming any more innocent college students (victims).

I was actually one of the thousands and thousands of victims that have almost been apart of this ridiculous excuse of a company.

If you have been a victim (or know anyone who has been a victim) of this very dishonest company and their ridiculous ways of marketing, please sign this petition and get the word out to as many people as possible. Those people will also tell all that they can (much like Vector's very own pyramid scheme or Multi-Level Marketing tactic). The more people that know about this company, the less that will be apart of this "brainwashing cult".

Even if you haven't been employed at this company, and wouldn't like your friends/relatives to be part of such a company, please sign this petition.

Even the vector managers (if they were smart) wouldn't sign this!! if there are comments that defend Vector on this petition, you will know the people are Vector/Cutco "spies" as this is a petition 'Against' Vector. So Please keep a look out.

(Some of the following information has been transcribed from <http://vectormarketing.cjb.net>, a very informative website about the scamming ways of Vector/Cutco Cutlery that I strongly advice that everyone should check out before reading any further)! This website is admittedly, mostly one-sided. Use the following text at your own discretion:

To take a quote from 'The Complaint Station' from a person who works at a student employment office at a college in the US,

"Vector managers and former employees, including those who post at this site (The Complaint Station - <http://www.thecomplaintstation.com/cgi-bin/frames.cgi?0192>) are masters of 'spin.' If you talk with these folks, or read their posts, you'll see that any objections raised are answered with the same pat responses. But as is frequently the case, the truth has many pieces to it, and Vector's employees have mastered the art of 'choosing the truth, carefully.'

Well, enough from me. Look at these websites for complete information and make a wise decision. Don't be fooled by the trolls who defend Cutco here at The Complaint Station. Even if they are telling some version of the truth, they are the VERY small minority who do well with this.

FRIENDS DON'T LET FRIENDS WORK FOR VECTOR!"

Now, My opinion (along with many others) is that Vector Marketing is a SCAM. They might send you letters in the mail, put ads in the newspaper, on your campus bulletin, and in other creative places all boasting work usually for \$15+ an hour. Vector targets people just out of high school and maybe a couple years older in college because young students generally are trainable, ignorant of corporate practices, non-threatening to potential customers, and don't have many other work options. When you call up they probably won't tell you exactly what type of work you will be doing, but they will most likely say that it is not telemarketing or door-to-door soliciting. Telemarketing AND door-to-door soliciting is, however, what this COMPANY is all about, they just have had a miraculous way of disguising it.

The job is selling Cutco knives at peoples' homes and they probably want as many people as possible to sell them in order to sell as many knives as possible. You yourself have to fork out money for a set of knives too (\$175, supposedly discounted from \$650), in order to display them to potential customers, and they are incredibly expensive. Not only that, but they only give you one day to buy it at that price before they double it (\$350). If they were to tell you all of this straightforward and right away, they would probably have a more difficult time recruiting. But the knives are good, but not the best, and relatively NOT worth the high price. The knives most people have in their home are perfectly fine anyway, and they would only be throwing away cash on something they don't need. Besides, if they wanted new knives, they would go to the retail store and buy some, they don't need salespeople hunting them down and bothering them about it.

I also suggest that you check the following website for information regarding the performance and more regarding Vector/Cutco:

http://www.geocities.com/cutcocomplaints/cutco_vector_alcas.html

You do NOT get paid for training and throughout the job you will probably be forced to attend workshops (that are a lot like sale pitches) and meetings you don't get paid to attend either (some of their conferences you even have to pay to attend)! Many sales reps complain of needing to constantly check in to their office, which they aren't paid for either. Some people have even reported their office closing down and not getting paid at all. Some people even lose more money than they gain.

In order to get a regular (40 hour a week) full-time paycheck you must somehow manage to get to 40 or so homes a week (8 appointments a day, this may take at least 16 hours of work per day) which is almost impossible. Altogether it would take at least 2 hours (not to mention time spent training, checking in to the office, attending meetings and conferences, and more that you don't get paid for). Vector does not pay for knives, clothes, gas, phone calls that are involved in a typical sale. There are numerous occasions where the company doesn't even pay the employees if they do not meet certain requirements. It turns out most of the time, that a minimum wage job will earn a great deal more amount of money than being a Vector representative, not to mention there is a huge amount of time, money, and stress saved. With a normal job, you are guaranteed a paycheck, with Vector, you are NOT!

How many companies have a whole message board dedicated to complaints about their company? Vector probably pays people to seek out these message boards (The Complaint Station - <http://www.thecomplaintstation.com/cgi-bin/frames.cgi?0192>) and defend their company and it is one of the most popular complaint message boards around, none of their competitors seem to have one. What can one expect from a company that hires mostly young inexperienced people to sell knives, especially to their friends/family! Vector claims that the students will feel more comfortable, but actually friends/family are more likely to buy it from you than a stranger would. Think about it, the students are going into strangers' homes with a bag full of knives, doesn't that sound just a little bit suspicious and dangerous?

Vector defends their program and calls people who quit within the first two weeks either lazy or poor sellers. Finding out the truth about a shady company and quitting does not necessarily make a person 'Lazy.'

This page only covers a minor fraction of the MANY topics about the corrupted ways of marketing of Vector/Cutco Cutlery. But you get the point. I do not want to sound like a broken record, but please remember to check <http://vectormarketing.cjb.net> as not all topics were fully covered here.

So sign this petition and support our cause if you do not want your child/friend/relative to fall into this scheme. The more names, The Better!

Thank you for reading

Sincerely,

The Undersigned

[Click Here to Sign Petition](#)

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The STOP the Scamful ways of Vector Marketing and Cutco Cutlery Petition to Vector Marketing and Cutco Cutlery was created by Former Vector Employees (students/victims) and written by Disgruntled Worker. This petition is hosted here at www.PetitionOnline.com as a public service. There is no express or implied endorsement of this petition by Artifice, Inc. or our sponsors. The petition scripts are created by Mike Wheeler at Artifice, Inc. For Technical Support please use our simple Petition Help form.

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<http://www.PetitionOnline.com/vector/petition.html>

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About the ads below...

How to get Rip-off Revenge™



E-mail to a Friend
 Printer Friendly Version
 Category:
Sales People

Submitted: 3/4/2005 5:12:49 PM
 Modified: 3/4/2005 5:13:00 PM

Vector Marketing, Cutco SCAM Ripoff Peabody Massachusetts

Company
Cutco, Vector
 Address:

Peabody Massachusetts
 U.S.A.
 Phone Number:
 215-794-8330
 Fax:

I was suckered into Vector a summer ago. They made me attend two 8 hour training sessions which were unpaid. In addition they require other meetings weekly which are unpaid and conferences which you must pay for to travel all over the country. **KEEP IN MIND YOU HAVE TO PAY FOR THE TRIP.** Then you must purchase a training set for 110 dollars and are very hostile when you try to refund the set. Vector Marketing makes claims of 15 dollars per hour or percentage of sales, whichever is greater. They do not pay 15 dollars an hour, instead they pay 15 dollars per appointment. It is impossible to set up 8 appointments in a day because of all the traveling you have to do. Usually you can get 4 appointments in a day, so you make a whopping 60 dollars which are taxed.

Did I mention that **YOU HAVE TO PAY FOR YOUR GAS AS WELL???** The managers call your house all day long making sure that you are setting up appointments and also require that you come into the office once a week to try and make appointments, this time in the office is also **UNPAID.** It is bordering harassment if you ask me. You must also put your family and friends through hell by making them sit there and watch your presentation and you feel even worse when they buy a set out of pity and it costs them 700+ dollars for stupid knives. After you give them a demonstration you ask them for names of people to give the demonstration to in the future, and most people are very reluctant to give you names, so you are basically left **BEGGING** them for names. I cant count how many times I have received "fake" names because the people were so against giving you contacts. If you dont get contacts, you dont get demonstrations, without demonstrations you make no sales, and make zero money.

The worst thing of all is the embarrassment you feel on the phone when you

**HELP US
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Prescription Drug Card Rip-Off?

Are you a member of a prescription drug plan or do you have a prescription drug card through any organization, such as

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- MatureRx
- CoventryAdvantraRx
- Humana
- Unicare
- HealthNet
- SierraRx
- United Healthcare
- VeteransAdvantage

If so, you may have unknowingly been injured financially and therefore be entitled to reimbursement of your losses.

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www.ZoomTalent.com

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you to know!

[Rip-off Report Corporate Advocacy Business Remediation & Customer Satisfaction Program; ED Magedson, Founder Rip-off Report explains how this program works to benefit consumers & businesses](#)

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So maybe you can finally COLLECT \$\$\$ **WANTED** Moms or dads who are owed more than six months child support by a deadbeat spouse...

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Editor@ripoffreport.com

Rip-off Report will forward your filed Report to Producers.

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call some person you dont know and some old man YELLS at you and says he will report you to the police as a telemarketer and for going door to door. I was made a training manager, and was required to train others how to sell the knives on live demonstrations and figured this was my big break, I was wrong. You hold the manager position but get paid no better and you are also required to be in the office everyday and you are unpaid for these hours as well. My whole family also made jokes about the scam company I worked for and belittled me constantly because from day one my parents told me it was a scam. They (cutco) essentially brainwash you and make you memorize responses for customers who decline a presentation. Who the hell wants to have some unknown teenage boy with a set of knives into your house? Sound normal to you? As for the knives, they are great and I have no complaints with them, my problem lies with the company and the treatment of the employees. My story is all true, and you cant debate the facts.

**Carl
Georgetown, Massachusetts
U.S.A.**

Company Search

If you would like to see more Rip-off Reports™ on Cutco, Vector, please use the search box below

Cutco, Vector Search

In order to assure the best results in your search:

- Keep the name short & simple, and try different variations of the name.
- Do not include ".com", "S", "Inc.", "Corp", or "LLC" at the end of the Company name.
- Use only the first/main part of a name to get best results.
- Only search one name at a time if Company has many AKA's.

[Click here](#) to go to our **advanced search** page.

REBUTTAL BOX

**MY COMPANY HAS BEEN REPORTED!
HOW DO I RESPOND?**

Are you an owner, employee or ex-employee with either negative or positive information about the company or can you provide "insider information" on this company? Do you have a consumer suggestion on how to resolve this problem or how to avoid it in the future? ONLY these types of responses will be added to the filed report, and will be posted within 24 hours of receipt. Make your voice heard. Let them know your side, too!

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or

***If you are also a victim of the same company or person, YOU NEED TO FILE YOUR OWN RIP-OFF REPORT.

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How to get Rip-off Revenge™

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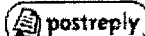
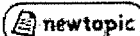
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Forum for Student and Youth Activists

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Vector Marketing/Cutco knife selling scam

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Author

Message

aludate

Posted: Tue Oct 26, 2004 4:20 am Post subject: Vector Marketing/Cutco knife selling scam



Joined: 26 Oct 2004
Posts: 1

In case any of you didn't already know, this company advertises vague "Customer Service and sales" work in "housewares and sporting goods" with "no door-to-door or telemarketing" for over "\$12/base-appt" all over the US and Canada and it's main recruiting website is www.workforstudents.com

It turns out to be a kitchen knife selling scheme: after you pay about \$150 for a demo set (that may be refundable) you are turned loose to sell these knife sets to your friends and family costing anywhere from \$200-\$2000 with a starting commission rate of 10%. Then you're supposed to ask them for the contact info of their friends and family and do the same. As reps are often misled about their job, they are also often misled about the quality of the knives. You are hired as an independent contractor instead of an employee and that basically allows them to withhold pay for training, phone time, etc. There is a base pay per appt you don't sell at, as long as it is qualified by their standards (one-on-one done fully to someone over 25 with a job). They've admitted to fraud in settlements with the Australian Consumer and Competition Commission (1999), Wisconsin Consumer Protection Dept and a County Court in Oregon (1994), and Arizona Attorney General (1992). Wisconsin surveyed 940 Vector Marketing recruits in 1992 and found that almost half either earned nothing or lost money working for Vector and they earned less than \$3 a day on average selling cutlery for Vector.

Many sites and newspaper articles have also been done on Vector such as:

RipoffReport:

<http://www.badbusinessbureau.com/reports/ripoff71189.htm>

Oregon Statesman Journal

<http://news.statesmanjournal.com/article.cfm?i=85450>

Channel 10 News Albany:

<http://www.wten.com/Global/story.asp?S=682631>

Cornell University:

<http://www.cornelldailysun.com/vnews/display.v/ART/2003/10/23/108143310240755c0e1bbe5>

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thewetzelpretzel
Guest

Posted: Thu Nov 18, 2004 4:54 pm Post subject: GET YOUR FACTS STRAIGHT




i started working for vector in august. its now almost december, and i have made about \$18,000. the knives are excelents, the sharpest things ever created. I know... I bought the 150 dollar starter kit and then the \$800 set i bought for my mother. All of my friends and family, and even complete strangers own it. It has been an awesome investment and makes the kitchen life so much easier. I have made a ton of cash and every single one of my customers i go back to i ask to write a report on their cutco, and out of 76 customers nobody had 1 bad

comment, everyone of them have thanked me and invited me bac kto their home for future business. ON top of all that i have made 34 credits for college, and vector is a course taught at some large colleges. i have gained communication skills, sales skills, advertising skills, marketing skills, become a certified field trainer, and i am on my way to becoming a district manager, all in one year. so learn what you are talking about befor you comment. And there is no door to door or cold calling (telemarketing). i hate when you people talk about things you never tried or tried half assed.....

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Guest

Posted: Mon Dec 27, 2004 5:12 pm Post subject:

 quote


The person above is either full of crap, top 1% of sales, or management. Why would they post on this unless they were management, or recruitment? They just want to sell their product. Selling their product means misleading more recruitment "representitives" because they say vector is sold through word of mouth of customers. This is false. Vector is really sold by the word of the representitives mouth and connections, rather than the customers. The new "representitives" could mean less to the managers, besides the fact that every "representitive" knows hundreads of people. That is the only reason why they recruit new people so often. The recruits connections is their real marketing campaign. If this wasn't true, at 18\$'s an hour (what I was promised) their sales positions would be full all of the time.

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Andy Baby

Guest

Posted: Sat Feb 12, 2005 7:30 pm Post subject: Cutco scam


 quote

This company is a rip off. Expect loud music and a very high energy sale pitch when you get to the interview. They change locations frequently and when the time comes to close an office - make sure they don't owe you any money or incentives. It will be very difficult to collect.

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tcyung

Posted: Mon May 30, 2005 11:38 am Post subject:

 quote

Joined: 30 May 2005
Posts: 1

I would soo have to agree that this vector marketing is full of fucked up crap... It's a TOTAL scam... they r saying that u get paid \$15 bucks per appointment and each appointment is about an hr... .but the truth is that, it's like \$5 an hr afterward without the time and gas wasted. I have wasted soo much \$\$ on this job and more importantly the time!! I cant get another job even they say that it's flexible hrs. But they have all the shitty team meetting and stuff...

They keep telling you all those successful story, but the truth is that those are the TOP 1% of people in the company. This thing is earning sooo much from the product and US !!! They are sooo taking advantages of the students.. !

COMMON VECTOR ~! GIVE IS A BREAK ! WE ARE ALL STUDENTS ... WE DON'T HAVE MUCH, WE HAVE TO PAY FOR TUITION, DON'T SCAM OUR MONEY!!


**To MIKE SMITH (York Region Office - Ontario): Stop the scam! u r just being a total jerk there! you r gay

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 profile  pm

a former employee

Posted: Wed Jun 08, 2005 5:37 am Post subject: Stop being so angry

 quote

Joined: 08 Jun 2005
Posts: 1

I'm a former employee of Vector. And when I say employee, I mean employee. I worked at one of the regional headquarters. And I left under some of the most unfavorable circumstances, so indeed, if I was feeling bitter, I could come up with all kinds of negative things to say about this company. What I am seeing here is a bunch of made up speculation and, frankly, a lot of bitter

junk being sprayed left and right. I see a lot of 'poor me, poor me' - are you people really such pathetic little victims?

One of my main duties was to ensure that people's base pay was handled properly. I also handled complaints regarding managers, sales reps, customers, legal inquiries. I saw everything there was to see in that company, I was very much behind the scenes. It's all fine and good for people to go through the interview process, launch and then not make much of the opportunity, and that is their choice, but to come around, finding these little niches to tell their sob stories is... pathetic at best. To say that Vector is a scam because not everyone makes it to the top is silliness.

What you are really saying is, 'I'm average and I wish I could be better than that, but I don't want to work at it, so it must be their fault.' You can not deny the success stories that come from that company. You can minimize them, down play them, high light all the people who didn't make it, but to deny the good that has come about in the people who have made the most of their opportunity is to speak of what you do not know.

I *saw* the Executive Vice President or Regional Sales Director upset or in turmoil when a sales rep encountered a problem or a manager got the bad end of a deal. I saw these people bend over backwards to help a customer whose order wasn't handled the best way, I've seen them come down on a big seller when they tried to go around the rules of competition set up for the entire company - it's a big company, these things happen. I have seen such amazing success stories come out of that company. The bottom line is that all it takes if for you to want the success. Vector is but a vehicle. No, they aren't going to hand you the money, prestige and perks of becoming an established, proven sales person, but they certainly go out of their way to ensure your success, I mean, obviously, theirs is contingent upon such.

You can go around spouting off quite old information about two lawsuits, but... seriously, what have you got lately other than a bunch of internet corners full of whining complainers, 'poor me, poor me, I'm a starving college student and someone held a gun to my head and forced me to accept the position...' Those law suits did in fact happen. Hello? TWO lawsuits in two decades? Hmmm. We're talking about a multi million dollar company. Sounds quite impressive to me.



Rag on the product if you wish. It's sitting in my kitchen right now and it rocks.

Rag on the pay program even though I spent six years helping people get the money deserved (and for some, money not deserved).

Rag on the people even though there aren't too many companies with executives who are so tied in to their people that they lose sleep when something has gone wrong and they are the first to get on the horn to celebrate even the little successes.

It doesn't matter. The people who are here complaining about Vector will be complaining about many other things throughout the course of their lives. Good luck with that.


Sincerely,
Not brain washed. Not a manager. Not a Vector spy. Seeing is believing.

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drhazeem

Posted: Sun Jul 03, 2005 7:04 am Post subject: Cutco

 [quote](#)

Joined: 03 Jul 2005
Posts: 1

I'm not here to rag on Cutco. I'm here to tell the truth about what I've seen.

1. Cutco hires inexperienced students with no sales background experience... hmmm...

strange...

2. The feel of the class is, "lets have fun." It was actually, quite childish to me. The loud music, the attitude of my manager, even one girl in particular.
3. The managers are never clear about the product til the first day of training.
4. "Employees," which aren't by law employees, must sit for 6 plus hours straight, three days in a row, with no bathroom or lunch breaks.
5. Through out the presentation students are entering and leaving the office. "students" who haven't been on the job very long... hmmm.. wait a minute.. didn't the sales rep say we met on Mondays, Tuesdays, Thursdays, something like that.. I could have sword I saw a whole bunch, Friday, Saturday, Tuesday. every day I was there actually, and some how ALL of the ones that stopped by were doing REALLY well? It leaves me to believe it's a scam, and they're either paying people to lie, or paying high end workers to come in in the middle of the presentations.
6. Another thing, Notice when you're signing those two forms, The manager doesn't give you ANY time to read the information, and again, turns on the loud music so It's impossible to read it. with ilke, the minute we have.
7. Hey, you know how your manager says how much he cares, and wants you to succeed, and to call him any time, when you're in the middle of a meeting, and he'll be there? It isn't because he cares, he doesn't give a damn about you. He gets a chunk out of what you sell. About half the cost of the product goes to upper salesmen. A good chunk of what you should get, goes to the guy ahead of you. That's how sales work.
8. I have relatives that worked for vector, If I had known I wouldn't have chose vector, that were charged for the set, because they weren't given the time to read the contracts.

These people posting, all though they don't put it in the most professional way, are correct. They are correct because vector chooses, or shall I say, prays, on young students who have never been employed, know nothing about sales. If these were grown business men, I'd agree, they should get on with their lives, but these are students just looking for a good way to pay college bills.

You state people complain because they aren't very good. Do you want to know something? I've been a top seller before. However, that was because the product fit their current pay check and it was reliable. I had used it and could show them first hand it worked. Cutco may be a good product, but I can't verify that. All I know is my manager said, "well some people say" I hear no names. I also know, the people I know live from pay check to pay check. Sure, they buy crappy knives and they go out in five years (which I don't believe. you can get them professionally sharpened. I have.) but that's the money most families currently have in hand. It's like renting an apartment. Sure, you pay 600 a month and you won't have any thing to show for it, but you don't have 1200 a month to start paying house payments.

I know from previous sales that I'm more than average. I also so believe that some of the success stories are fabricated. I notice my manager using this phrase all the time, "I know these people" and who are these people.

"Rag on the people even though there aren't too many companies with executives who are so tied in to their people that they lose sleep when something has gone wrong and they are the first to get on the horn to celebrate even the little successes. "

I don't know how you can dis these people when you say thing like this. The executives don't give a damn about you. They feed off your sales. You make it seem like all these people don't know what they are talking about. It seems like you don't know much either.

[Back to top](#)[profile](#) [pm](#)**jaja**

Posted: Tue Aug 09, 2005 12:09 am Post subject: cutco cutlery and vector

[quote](#)Joined: 09 Aug 2005
Posts: 1
Location: so cal

Wow you kids must've really sucked! All you have to do is read this stuff out of a book, you don't even have to memorize it and it sells itself! Stop crying about it, there's no excuse except that you didn't follow simple directions and gave up.

[Back to top](#)[profile](#) [pm](#)**memememe**
Regular

Posted: Thu Aug 25, 2005 9:49 pm Post subject:

[quote](#)Joined: 25 Aug 2005
Posts: 2

i am not a brainwashed cult member of vector most importantly- i used to work there and let me say, it is only a scam if you make it one. it is actually the opportunity of a lifetime IF you have what it takes, which most people don't. if you follow the program and give it the good old 'college' try you will be so freaking loaded in no time and not even have to work if you didn't want to. i saw people come & go because they didn't have the drive to succeed, it aint hard just do something besides sit on your butt and it could happen to you too.

about the people you saw in there being paid to do that, that is beyond false. the sales reps that go into the office for something besides a meeting are the best in that office and enjoy being there.

i agree with the 'poor me' crap- it is nobody fault but your own if you sign something without reading it, if you needed more time to read it why did you sign it.

vector can make u rich or it can kick the crap out of you- whichever one you let it do oh and CUTCO freeeeaking rocks, best cutlery for sure, ask ANYONE

sincerely,
someone who is able to think on their own and not cast judgement on things i don't know about

[Back to top](#)[profile](#) [pm](#)**Keither**

Posted: Thu Sep 08, 2005 9:34 am Post subject: Dont knock vector til you try it eh? I TRIED IT YOU NIT!

[quote](#)Joined: 08 Sep 2005
Posts: 1

Yeah, Vector does suck.. and for all you people out there saying "dont knock it til you try it," well guess what @sshholes, i did try it and i was damn good at it, til my office decided to screw me and about 35 other young kids out of a tidy sum, my tidy sum being about 13 grand.. now put that in your pipe and smoke it! I saw a few other guys there the day I went down to the office, and we were gonna go in together, because they too had checks that had never been mailed to them. when we went downstairs in the building the office was in, a janitor notified us that there was nobody using the office space once used by vector, and they had moved out about 4 days prior. He ended up letting us in the room, and if i was alone i wouldnt have believed it... this joint looked like it hadnt had a human enter it in years... almost like creepy sort of, it even smelled old... all the folding tables were gone, the folding dividers... gone..... and most of all, everyone that worked there... gone. iit was like they had never been there... and like i said, if there werent a few other guys with me, oh scuze me, and one girl, i would have thought i was crazy and i had imagined the whole thing.. the only thing left in that room were the two desks that came with the office. i swear, its one of the wierdest things ive ever seen.

back to what i was saying though, later on when i got home, i checked online with my girlfriend... and all i can say is I WAS S-H-O-C-K-E-D
SHOCKED! at all the horror stories just like mine that i found / read. I could only read about 20 of them before i got a pounding migraine(sp?) but im telling you, there were hundreds and thousands of them... so yes... VECTOR / CUTCO... are nothing but scams. so you people who stick up for these huge corp's can die many years from now knowing that you lied to your friends and family to make a quick buck.. your are horrible people.. and when it happens to you, you know, what happened to me, youll see... ROT IN HELL CAPITALIST BASTARDS!!!!!!

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Posted: Tue Sep 20, 2005 6:24 am Post subject:

[quote](#)Joined: 20 Sep 2005
Posts: 1

if you dont wanna read my "essay" just go to this website for those who it may concern:
<http://www.petitiononline.com/vector/petition.html> or
<http://www.radified.com/blog/archives/000055.html>

If you know what im talking about its the Vector Marketing company.... you see on the street or on your campus a job that offers \$16/ per appointment after training(which isnt paid) and the rest of the bullshit comes from there...

if you still dunno wat im talkin about, its the job where you try to sell those high quality CUTCO knives... either ur a victim of ur time bein wasted with that company, know a friend, or ur jus familiar with it... im making this post to inform potential people who would wanna try it out and hear feedback from others... heres my quick story:

total scam... its so embarrassing because i have to eat it all up inside because i cant let my friends know what a bullshit "opportunity" it was, when they were making more money than me weekly working their regular jobs(catering hall)... i "worked" for the one in New York in the WINTER.. having to trade my warmer jeans n sneakers to dress up in thin dress pants n shoes and walk through snow and 20 degree weather with wind chills at night... constantly wanting me to go to these weekly meetings that STARTED at 9PM!!!! got out at about 10:30 to watch the 2 or 3 LUCKY reps who happened to have good PAYING customers. we had to cheer for them and be "INSPIRED" ...then had to make my way back home on BUS, since i had no car, though the cold and get home at midnight... constantly calling me to "check up" and asking why i didnt call daily..... the stress of sitting there to gain courage to call potential customers, (who if you go deep into referrals, YOU DONT KNOW) then having to listen to the "im busy" "not interested".... after all that only making one HALFWAY DECENT CHECK of 96 dollars for a few appointments cuz after a few bad no sales, ur manager will put you on a no base pay list and its supposed to "MOTIVATE" you to do better and you can only earn money on comissions... IF you even sell anything!!!!!!

[Back to top](#)[profile](#) [pm](#)**Jim008**

Posted: Tue Sep 27, 2005 10:24 pm Post subject:

[quote](#)Joined: 27 Sep 2005
Posts: 1

Vector is a cult and the only person profitting are the cult leaders making you believe in the lies.

Notice that every person who posts for vector does not refute any of the facts presentated other than calling us cry babies. That's what they brainwash you into believing in their day long seminars, those who question the cult are "negative thinkers".

If you have or will go to a seminar, record the things they say and research them. I found that every word that came out of the cult leader's mouth was a lie.

Just don't fall into their trap, because you'll either become one of the con artist recruiters or get finiacially leechd dry by the company.

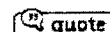
Don't believe me? Just research every fact and statistic that they tell/give you and you'll find out that the company is pulling one of the longest running cons.

It's fucked up when i realized how these seminars are mind control sessions that makes you vector slaves.

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admin
Regular

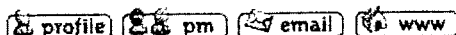
Posted: Fri Sep 30, 2005 8:47 pm Post subject:



Joined: 10 Sep 2002
Posts: 100
Location: Philadelphia, PA

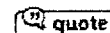
I wonder what other corporations are trying to scam young people? I guess they assume that young people are more likely to fall for their schemes, which is sad.

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memememe
Regular

Posted: Sun Oct 02, 2005 10:46 pm Post subject:



Joined: 25 Aug 2005
Posts: 2

if it sucked so bad for you and you had to go through all that drama why did you stick around long enough to supposedly get scammed

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ladyslew

Posted: Thu Oct 13, 2005 7:12 pm Post subject: Cutco knives are the best!



Joined: 13 Oct 2005
Posts: 1
Location: Maryland

I purchased Cutco knives when my son sold them 3 years ago. OK, he didn't make much money at it and the job didn't last very long. I just figured selling wasn't for him, after all everyone is not good at that kind of thing. He kept the knife set and he uses it to this day. His new wife also loves the knives, says she never realized how easy it could be to cut things and she likes cooking more now. She's 19. ;)

I recently moved, and the moving company lost several of my boxes - almost all kitchen items. One of those boxes contained my own beloved Cutco knives. Yes - I really do love those knives. There is nothing else in all those boxes that I feel devastated over the loss.

So, with my own children grown and no longer in college, the prime spot to find a Cutco salesperson, I got on the Internet to search for Cutco knives. I was shocked to find this post as one of the top results on Google. Cutco products are worth every penny you spend for them. I much prefer my Cutco knives to my mother's even more expensive German knives (can't think of the brand at the moment). In the 3 years I had the knives they never once needed sharpening, and they cut every bit as well as the first day I bought them.

So, while maybe their recruiting practices are not the best, but their products are worth every penny.

Now PLEASE, those of you who sell Cutco knives I wish you luck, but stop contacting me! I replaced my knives long ago.

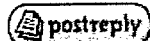
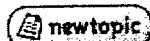
Diane Hain
Lady Slew
lady_slew@yahoo.com

Last edited by ladyslew on Mon Mar 27, 2006 7:37 pm; edited 1 time in total

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Plotkin, Adam

From: Williams, Jana
Sent: Tuesday, April 17, 2007 9:42 AM
To: Plotkin, Adam
Subject: FYI

SB 80
folder

Just an FYI, attorney Matt Flynn just called for Spencer. Says he's a long-time friend of SC's and he'd like to discuss SB 80 with him. I did not ask if he was for or against the bill. Anyway, I'll leave a message for him to call at 414-277-5315.

Jana R. Williams
Senior Constituent Case Manager
Office of Senator Spencer Coggs
P.O. Box 7882
Madison, WI 53707-7882
608-266-2500 phone
608-282-3546 fax

SC - I gave him a call to sound him out - he works for Quarkes (same as Pete Christianson) and wants to ask you to do the amendment Erpenbach won't.

FYI, Erpenbach + DATCP gave the thumbs down on the language that Pete gave us last week.

Gave Matt the heads up that you're in session today and that since Erp doesn't think an amendment works - you likely won't entertain the amendment

Matt really does want a call back from you still



Communications & External Relations

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April 17, 2007

Senator Spencer Coggs
Chair, Committee on Labor, Elections and Urban Affairs
Wisconsin State Senate
PO Box 7882
Madison, WI 53707

Dear Senator Coggs:

I am writing to clarify some recent communications regarding SB 80, a bill relating to regulation of traveling sales crews. I understand that your committee members have received copies of three letters, written by individual UW employees, expressing concerns about this legislation and/or support for a specific vendor that might be affected by the legislation.

Whenever the UW System takes an official position on any legislation or public policy matter, that position is drafted by my office, approved by the UW System President and submitted to the UW System Board of Regents for final approval. Only after that process is complete do we publish the university's official position statement on our Government Relations web site, at: <http://www.uwsa.edu/govrel/pending/index.htm>. As you can see from the information posted today on that site, we have not had time to draft, approve, and post any official position on SB 80. However, we will likely do so very soon, with our primary consideration being the safety of our 160,000 UW students.

The letters you received on this matter were provided by individual UW campus employees, conveying their personal opinions and ideas. These expressions should not be viewed as the official positions of the three UW campuses, or as statements of support from the UW System as a whole. Again, the latter would require approval by our Board of Regents, and we have neither sought nor obtained that approval.

Please excuse any confusion this may have caused. Feel free to contact my office at 608-262-4464 if you need any additional clarification.

Thank you.

Respectfully,

A handwritten signature in black ink that reads "David F. Giroux".

David F. Giroux
Executive Director,
Communications and External Relations



REPLY TO:
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(651) 482-8909 fax
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April 17, 2007

Senator G. Spencer Coggs, Chair
Room 123 South
State Capitol
P.O. Box 7882
Madison, WI 53707-7882

Re: SB80 before the Senate Committee on Labor,
Elections and Urban Affairs

Dear Senator Coggs:

As a lawyer in Minnesota, I have been following with some interest the political debate on WI SB 80. I regret that misinformation has found its way into that debate. I represented Southwestern Company in connection with alleged negligence claims brought by Brian Grewe relative to the personal injuries he sustained in a 2002 automobile accident.

Southwestern is quite concerned with false statements relative to the *Grewe* matter that have been made. These false statements have been made not only in your public hearing, and, presumably, in private sessions, but also in the dedicated parents' website.

For instance, the dedicated parents' website contains the statement: "United States District Judge Determines Southwestern Sales Agent To Be An Employee Of The Company And Not An Independent Contractor." The website follows the quoted language with a cite to *Grewe* case, in which I appeared as counsel for Southwestern Company, and a link to an order issued in the case by Minnesota Federal District

April 17, 2007

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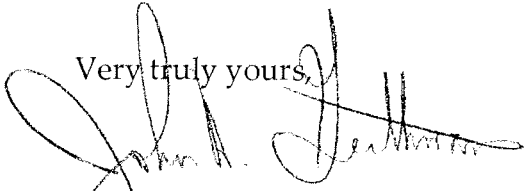
Court Judge John Tunheim. These characterizations of the trial court's purported findings in the *Grewe* case are absolutely false.

Essentially the same misrepresentation with regard to the *Grewe* case was incorporated into the Wisconsin state Senate testimony last week. Again, I know that the representations regarding the *Grewe* case are false because I was there.

Judge Tunheim made NO FINDING that Grewe was an employee of Southwestern. In fact, Grewe himself alleged in the lawsuit that he was an independent contractor. Grewe made no claim in the lawsuit that he was Southwestern's employee. Grewe's presentation of himself as an independent contractor was accepted by Judge Tunheim in his order. Judge Tunheim not only never found that Grewe was Southwestern's employee, he never ruled on the merits of the case at all. Judge Tunheim only ruled that there was a jury issue as to whether Southwestern could be held legally liable for the negligent driving of its independent contractors.

Any allegations or testimony (including misinformation disseminated in connection with the Wisconsin political debate over "traveling sales crews") that Judge Tunheim found Brian Grewe to be Southwestern's employee are both false and highly irresponsible. Please correct the record for the sake of Justice and clarity. You may call me directly if you need additional information about the ruling of Judge Tunheim in the *Grewe* case.

Very truly yours,



John H. Guthmann
jguthmann@hdbob.com



Plotkin, Adam

From: Plotkin, Adam
Sent: Wednesday, April 18, 2007 10:46 AM
To: Bishop, Jennifer; Browne, Michael; Churchill, Jolene; Dicks, Helen; Emerson, James; Erickson, Pat; Esser, Jennifer; Kolbow, Regina; Plotkin, Adam; Sen.Grothman; Sen.Lasee; Sen.Lehman; Sen.Wirch; Stoll, Joanna; Stromme, Denise; Van Ess, Thomas; Whitesel, Russ
Subject: DATCP Response to SB 80 Amendment Language

Members & Staff,

See below the response from DATCP to the proposed amendment language distributed by Pete Christianson at the end of the public hearing last week.

More documents will be distributed shortly.

Thank you,
Adam

Adam Plotkin
Clerk, Committee on Labor, Elections, and Urban Affairs
Office of Senator Spencer Coggs
phone, 608-266-2500
fax, 608-282-3546

From: Rabbitt, Jim L - DATCP
Sent: Tuesday, April 17, 2007 9:39 AM
To: Knutson, Tryg; Richard, JoAnna - DWD; Jenkins, Janet A - DATCP
Subject: RE:

Tryg,

In my opinion, this proposed language will encourage companies to change their business model to place more burden on the "individual" since each exemption is predicated on the individual accepting responsibility for some portion of the operation.

I fail to see how the subject matter of the proposed exemptions relate to the standards in the bill. If the individual crew members meet the exemptions, the company would not have to maintain their transport vans in a safe manner or follow safe handling or transport rules for hazardous materials. They would have no responsibility to screen employees to ensure that the crew is not exposed to members or supervisors with criminal records. The proposed exemptions do nothing to remove the dangers that prompted the original bill.

04/18/2007

Also too many "or" clauses make exemption almost automatic: Sellers are very often responsible for collection of money (exemption 2), and for delivery of product which often also includes making up the shortfalls (exemption 3). Having nexus in the state may be as simple as registering with the Secretary of State (exemption 5).

Our concern is that businesses will alter their structure to meet exemptions in our laws and therefore the exemptions must be carefully crafted to not also negatively impact the protections that the law intends. These exemptions do not accomplish that.

Jim



Date?

Basically Erp's
testimony on SB80
↑

TALKING POINTS ON "MALINDA'S ACT" – TRAVELING SALES CREW REGULATION

- The tragic traveling sales crew van crash on March 25, 1999 in Janesville, which killed 7 people and severely injured 5 others, brought the need to regulate this industry to my attention.
- This bill is named after Malinda Turvey, one of the victims of the Janesville van crash. Her father, Phil Ellenbecker, has worked tirelessly on this legislation with me.
- There are few regulations on the traveling sales crew industry and those regulations that do exist are nearly impossible to enforce.
- Passage of this bill will ensure that the abuse of traveling sales crew employees and customers comes to an end or is curtailed significantly.
- I have worked closely with DWD, DOJ and DATCP to ensure they have the tools necessary to enforce regulations on the traveling sales crew industry.
- After the creation of the No Call list, telemarketing operations are being converted into traveling sales crews—once again bothering people at their homes.
- The bill creates a definition of traveling sales crews, so it will not affect non-profits, such as Girl Scouts (definition: two or more individuals who are employed as salespersons or in related support work, who travel together in a group, and who are absent overnight from their permanent residences for the purpose of selling goods or services to consumers from house to house, on any street or in any other place that is open to the public.)

Bill also states that this: "bill does not apply to fundraising sales by a nonprofit organization or school and does not preempt a county, city, village, or town from enacting a local ordinance regulating the sale of goods or services to consumers from house to house, on any street, or in any other place that is open to the public."

- The traveling sales crew industry often attracts employees who are trying to escape from something—such as runaways or criminals with a prior record.
- The transient nature of the industry makes it difficult to catch any of the employees or their employers when a crime is committed. For example, if a crew is caught selling without a permit in a community that requires registration of sales crews, the manager of the crew will post bail for the employee that is arrested and then skip town. Even though it is the fault of management that they did not follow the law—it is the employee who is left with the criminal record.

The intent of this bill is to address the two primary problems of the traveling sales crew industry:

1. Abuse of employees, through the industry's flagrant regard for federal and state labor laws
2. Protection of consumers to ensure they are receiving the product they have ordered and also to ensure homeowners are not facing dangerous criminals knocking on their doors

Key components of the bill that protect traveling sales crew employees:

- Prohibits the hiring of minors
- Requires employers of sales crews to issue a disclosure statement to salespersons at time of hire providing specific information about the business and how it operates.

- Requires that all members of sales crews be considered employees and prohibits the use of independent contractors as crewmember salespersons. Defining the employees as independent contractors allows the business to avoid paying taxes and worker's compensation.
- Requires at least semi-monthly payment of all wages earned. (some employees never see paychecks)
- All vehicles used to transport workers must be certified to all safety codes. (seat belts for all passengers—might have helped in Janesville van crash)
- If the transport of hazardous materials is required, the type of materials to be sold must be disclosed and proof must be given that the employees are trained to safely handle the hazardous chemicals.
- Employer cannot abandon employees because the employees are injured or have been arrested. (this happens far too often—employees are abandoned without any money, food or ID—no way to call family to tell them where they are)
- Prohibits an employer from taking away a worker's money, ID, phone or any other personal property during the course of employment with the traveling sales crew. (they take away these items from the workers so they cannot try to flee from these situations, which can be abusive—no way to call family or friends to rescue them.)
- Prohibits the employer from restricting communication between the worker and family or friends.

Key components of the bill that protect consumers and homeowners:

- Requires employers who utilize traveling sales crews in Wisconsin or who recruit crewmembers in Wisconsin to obtain a "certificate of registration" from DWD prior to entering the state. The information collected as part of the application process will allow us to know who is selling here—and if any of the crewmembers has a prior conviction record.
- Creates a DWD ID badge for traveling sales crew workers—workers must carry this state issued ID, as well as a copy of the certificate of registration with them at all times.
- Prior to selling door-to-door in any community, a stamp must be requested and issued by that municipality. The stamp must be placed on the registration certificate. The employer is also required to notify local law enforcement when they plan to be doing sales activities.
- Requires employers of traveling sales crews to post a \$10,000 bond or equivalent as part of the registration process.
- Limits the times of day salespersons on a traveling sales crew can engage in sales activities. (between 9AM and 9PM only)
- Allows local law enforcement to issue citations to any crew workers violating the provisions of the bill—money collected through citations to be retained by local governments.



Joanna

SB 80
Folder

Date?

I just talked to Joanna Richard. Apparently Tryg's characterization of Southwestern is pretty accurate. The recent Worker's Comp court case brought the problems with Southwestern to light for them. Apparently SWern doesn't operate much in Wisconsin, they really just recruit students from Wisconsin. There are degrees of coverage based on residency as far as Worker's Comp and Unemployment are concerned. WC applies to Wisconsin students working anywhere. UI is only for people working in Wisconsin.

According to her, the classification between independent contractor and employee doesn't matter as far as UI is concerned. There are a series of criteria that employers have to meet, which SWern does, to be required to pay UI.

DWD was part of trying to compromise last year, but then Van Roy even backed out of the compromise and that's where the wheels came off the wagon. DWD would prefer that the bill be exactly what they have in SB 80. I don't know that they would say that publicly or not.

Jim

Talked to Jim Rabbitt at DATCP, VERY interesting. DATCP's main concern is worker safety, and for that reason they don't have as big a stake as DWD does in the bill, but he had the same opinion about the way the process went with the amendment last session. As we know, their main concern is the employee versus independent contractor issue, but Jim doesn't know how to get them an exemption without creating a major loophole.

Now, here's the really good part. Remember how they said they've had a great relationship with UW campuses for recruiting? Sometime in the early 90's, they were BANNED FROM ALL CAMPUSES for about 5 years because so many students were coming back and complaining that they wound up not making any money after expenses. They were finally readmitted when they promised to release a list of all UW student "employees" to DATCP each year so the department could contact them directly if they wanted. Apparently they continue to send that list to this date, even though for DATCP it's a mostly moot issue.

I asked Jim to track down the name and phone number of the now retired UW job center director in case we'd like to have him come and address that issue, but I'm going to ask Spencer if he wants that to happen.

So, the tack I'm going to suggest to Spencer is that we can't give them an exemption without creating a major loophole. Even with the UW ban, I don't see how asking people testifying how much money they earned will help the cause.



From Wivch's office.

Senate Bill 80 regulates companies who conduct traveling sales.

SB 80
Folder

The bill would make the company accountable for Workers Comp issues, Unemployment issues, and would require the company to register with DWD and eliminates the idea of "independent contractors."

Date ?

Wisconsin AFL-CIO is registered in FAVOR of the bill.

Meeting with Pete Christianson (lobbyist for Southwestern) and Katie Barmann (from Southwestern)

Southwestern Company is a company based out of Nashville, TN that recruits college aged students to become independent contractors and sell educational materials. The company provides a week long training in Nashville and then the students travel (by themselves) to a place dictated by Southwestern (students from Wisconsin do not sell in Wisconsin).

The employees then set up their own business, find their own place to live and must have their own form of transportation (different than other traveling sales companies that provide a 15 passenger van and have the people go together).

Southwestern feels that SB 80 wouldn't allow them to employ Wisconsin students because it would make them change their "business model" -- ie it would make them have to be accountable for the people that they employ.

The employee obtains a sellers permit, manages their inventory and money and works in their own area for the summer. They use their own vehicle and Southwest doesn't ensure that the people driving those vehicles have valid driver's licenses or insurance but are told to not even bother applying if they don't.

It is important to note that although Southwest does recruit on college campuses, they employ a small number of students (average is between 40 and 60 from Wisconsin)

Southwestern is looking for an exemption from this bill and worked with Rep. VanRoy's office last session to kill it. When asked how they would change it they had no answer.

DWD – Discussion with Joanna Richard

There has been a recent federal worker's comp court case that has brought problems with Southwestern to light. Apparently Southwestern doesn't operate much in Wisconsin, they just recruit here.

However, if SB 80 became law, Southwestern would have to follow the Worker's Comp laws of Wisconsin for its Wisconsin students, regardless of where they are working, and Unemployment for those people working here in Wisconsin.

DWD would prefer that the bill be as written.

DATCP – Discussion with Jim Rabbit

DATCP's main concern is worker safety and for that reason that don't have as big a stake as DWD does in the bill. Jim is not sure of how to create an exemption that will not create a major loophole for other businesses.

Sometime in the early 90's Southwestern was banned from all UW campuses for about 5 years because students were coming back and complaining that they didn't make any money after expenses. Because of this, Southwestern now has to release a list of all UW students it "employs" to DATCP each year so that the department can be in contact with them.

Amending SB 80

The amendment last session that was created by VanRoy's office virtually gutted the bill.

Pete Christianson said that he was going to work with Russ Whitesel from Leg Council to work on an amendment that would create an exemption for Southwestern. Russ Whitesel never was contacted.

Pete may have contacted Sen. Grothman to put together an amendment that will look similar to the VanRoy one last session.



QUESTIONS FOR SOUTHWESTERN TESTIFIERS

SB 80
Folder

Date?

1. The Southwestern business model treats the employees as Independent Contractors, yet this bill will affect the model because the employees are grouped together with a “manager” that they report to each day – Sounds like the business model is set up to call them one thing, treat them another way. Why can’t Southwestern Company change their business model and truly treat these employees as true “Independent Contractors” and that way not be affected by this bill?
 - a. With Q’s 2, 3, 9, 10, & 11 – get Katie Barman from Southwestern to describe the business model focusing on the discrepancy between their being “independent contractors” and having Southwestern require things like carpool, selling outside the state of recruitment, operate in crews, etc. Have her describe the typical day for a seller.
2. Couldn’t Southwestern simply not remove the students from where they reside, eliminating the need to relocate them, assist with arranging transportation and housing, which, in effect, forces their “independent contractor” into traveling sales crew models? IE: Let the students live and work where they are already established instead of relocating them – seems there is an ulterior motive in this practice.....
 - a. See 1a. A recurring question – how difficult would it be to alter the business model to conform to the new bill?
3. Why can’t Southwestern employees work alone, instead of in a Crew that subject them to the provisions of this bill? That clearly diverts the issue...
 - a. See 1a. Have Katie confirm this before asking, they may have a sufficiently vague answer to this question.
4. How would Southwestern propose altering the language, that won’t create a loophole for others to utilize to continue operating in Wisconsin?
 - a. KEY QUESTION – To me, this is the problem with attempting to create an exemption for them. In addition, if they are an upstanding company that already follows most of the provisions of the bill, what effect does the employee provision have for them?
5. How many kids don’t succeed working for Southwestern?
 - a. I would avoid this one.
6. Do kids ever end up owing Southwestern money at the end of the Summer selling season? How does that work?
 - a. This apparently was the heart of the problem when they were banned from UW campuses in the early 90’s. We may not have anyone there to confirm the entire history on that issue, so we could reword this to ask “what, to your recollection, is the reason for the ban from UW?” That would only be after the ban issue is brought up and anecdotally confirmed by DATCP.
7. Exactly how many kids are hired from Wisconsin each year and from which college campus’?

- a. A fair question, follow up with – “if this only affects X number of your employees, would it be that difficult to accommodate?” My understanding is that they higher 40 – 60 Wisconsin students per year.
8. Which states are our college kids shipped off to? Why?
 - a. Or, “why are they shipped out of state instead of working in the state in which they’re recruited?”
 9. If they are independent contractors, why does Southwestern arrange the carpools?
 - a. They’re going to say to facilitate the process and make it easier. I think Question 8 is better than this one.
 10. Why does Southwestern orchestrate the living accommodations for these workers, where they often live in groups of 3 or 4, if they are truly “independent contractors”?
 - a. Same as Questions 9.
 11. Isn’t Southwestern’s business model really just a means of circumventing labor laws in each state?
 - a. Not a bad question, but re-word to ask “does the status as independent contractor affect how Southwestern is treated under state labor laws?” And ask that of both Katie Barman and Joanna Richard.

In general, I think we need to be careful about attacking Southwestern. The main focus should be how can we create an exemption for Southwestern? Both technically, and in a way that wouldn’t create a loophole for some of the less reputable companies to avoid the new regulations.



Dr. Ralph Brigham
Global Director of Campus Relations
Southwestern Company
Nashville, TN

Date?
SB 80
Folder

Dr. Brigham:

In the summer of 2004, I was invited by Southwestern Company to observe one of their summer Sales Schools in Nashville, TN. As a result of this visit, I was able to see first-hand the type of training Southwestern provides university students prior to their summer direct sales job experience.

Much of the training that I observed was based on the history of the Southwestern Company as well as the world of sales including direct sales. For those students interested in entrepreneurialism, the school provides training sessions on goal setting, self-motivation, sales and the Southwestern products. Students were trained by Southwestern professionals as well as past student representatives.

As with most work experiences, many students commented on what they had learned about the field of direct sales as well as what they learned about their own professional goals. According to company records, UW-La Crosse students have done well with Southwestern Company. In 2005, UW-La Crosse student representatives made the Top 25 Campus Award Worldwide with personal sales of \$355,776.

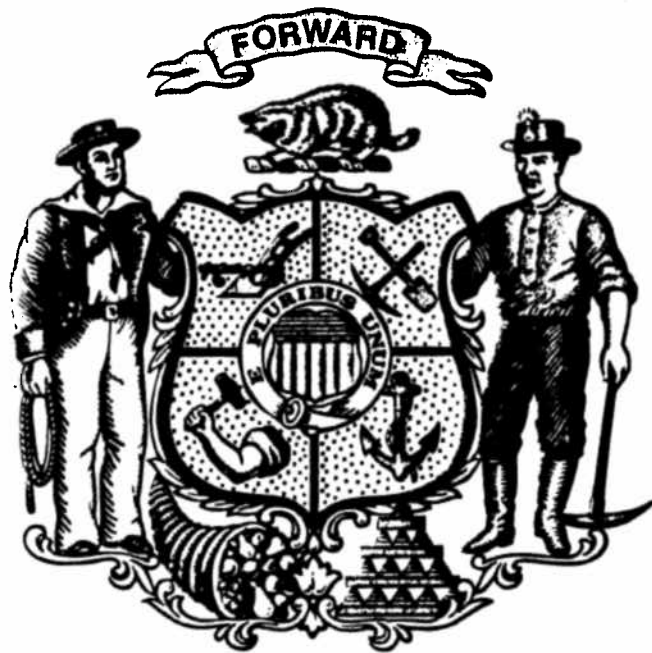
In recent years, Southwestern Company has worked closely with University officials to abide by ethical recruiting practices. UW-La Crosse students do not receive academic internship credit for their summer job experience with Southwestern Company; therefore, recruiting representatives rent space at Cartwright Center (student center). The Director of University Centers closely monitors all recruiting processes in the building. Southwestern Company representatives are following the guidelines set forth by the university.

Although not all students find a fit with the company, many students are able to market, in a positive light, the skills they gained during their Southwestern experience on their resumes.

Sincerely,

Karolyn Bald

Student Services Coordinator
University of Wisconsin-La Crosse





UNIVERSITY of WISCONSIN - EAU CLAIRE

Career Services • 230 Schofield Hall • (715) 836-5358

TO: Senate Committee on Labor, Elections, and Urban Affairs
FROM: Jeanne Skoug, Director
RE: Senate Bill 80

Date ?

I have had the opportunity to work with a number of Southwestern managers, recruiters and sales people for over 14 years. I have worked closely with the campus recruiters here at UW-Eau Claire for the last nine years, as well as for five years previously at The University of Montana. As a result, I have had the opportunity to closely observe their recruiting practices and the quality of information they provide to prospective student dealers and their parents. I have also had the opportunity to visit with many of the students following their summer sales experience. All have been enthusiastically positive about their work experience with Southwestern.

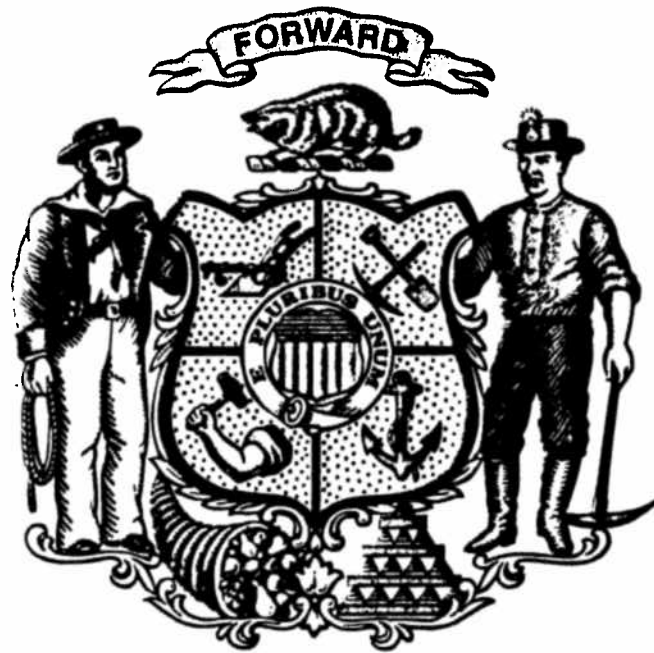
I believe they are an extremely reputable company and offer excellent entrepreneurial opportunities for our students. Several years ago I had the opportunity to visit their corporate office in Nashville, Tennessee. I spent several days touring the company, meeting with President Jerry Heffel and his executive staff and observing the Southwestern Sales School.

As a result of my visit, I was even more impressed and awed by their level of commitment to delivering quality leadership training to their student sales team. It was very apparent that their goal of developing an ethical and highly skilled student sales team was on equal par with their goal of helping our youth of today prepare to be successful leaders for tomorrow. They comprehensively and enthusiastically provided a well-grounded training program to help their student dealers create success this summer as well as to lay the ground work for a successful rest of their life. I can assure you that the Southwestern Sales School is extremely successful in teaching students sales principles, as well as life principles and entrepreneurial skills.

In reference to Senate Bill 80, I would like to make the following points:

- Southwestern does not operate like the "van crews,"
- Parents of the student dealers are actively involved in their decision to sell books,
- Southwestern has been officially recognized by the Career Services office at UW-Eau Claire,
- Southwestern recruits ethically on campus and abides by the National Association of Colleges and Employers' (NACE) Principles of Professional Conduct and campus policies, and that they are trained by an effective Campus Relations office, and
- that employers, from many fields, are eager to hire students with Southwestern experience,

It is my hope that Wisconsin will respectfully refrain from passing a bill that would hurt Wisconsin students' opportunity to run a business and finance their education.



Packet?

SB 80

Date?

- ask kids there for support - how much did they take home?
- indy. contractors so they can avoid labor laws
- worker's comp equals a problem
- La Crosse from ~~the~~ Houston to Nashville, forced drive to get back for checkout, driver crashed - kid paralyzed waist down (\$500k settlement)
- campus recruiters, organizers and you across country - away from friends & family
- Southwestern not awful, but would create loophole that other cos. could use

Trya sending talking points

Speaking order:

- Erpenback (w/ or w/o Pope-Roberts)
- Southwestern Rep
- Joanna Richard, DWD
- Jim Rabbit, DATCP
- Alkarnate
- Julie X
- Phil Ellenbacher → (not Southwestern Co.)

ask sc if possible should go before SW



THE SOUTHWESTERN COMPANY

BUILDING CHARACTER IN YOUNG PEOPLE SINCE 1868

KATIE BARMANN

DISTRICT SALES MANAGER

2451 Atrium Way Nashville, TN 37214 Phone 615/391-2728

P.O. Box 305140 Nashville, TN 37230 FAX 615/391-2906

Voice Mail: 615/391-2595 ext. 2728#

Email: kbarmann@southwestern.com

www.southwestern.com

Katie Barman (SW) & Pete Christianson
Quarks & Brady

- Pete hired after out of Senate last session
- SW book publisher from Nashville, TN
 - last summer, WI kids went to CA
 - kids find their own place to live & own way there
 - try to have them in homes that are checked prior
 - get selling permits
 - \$20-30/wk for rent
 - average earning is \$8700/summer
- want exemption for direct sellers
 - don't have final language, will work with Russ
 - worked with Tanya in Van Roy's

→ get 40% commission
make \$100 on \$270 net

- recruiting
 - almost every 4 year campus in WI
 - run info meeting
 - SWern is unique
 - meetings w/ Espenbach?

- Katie Barman from SW will be there
- meeting w/ comte. members
- whole business model won't work
 - can't be employees, independent contractors

Jim Rabbitt, DATCP Joanna Richard, DWD

- SW doesn't operate a lot in WI
 - recent Worker's Comp case opened the books on them
 - classification doesn't matter for UI under WI law
 - WC applies to WI students anywhere, UI is only if they work here
-

Jim Rabbitt, DATCP

- Worker safety is main issue
- very nervous about employees ~~at~~ instead of contractors
- have decades of experience w/ them
- tried to work w/ them last year - couldn't find exemption
- SW sends list of employees to DATCP
- UW had banned them about early 90's
 - many students came back w/ no \$
 - banned for 5 years
 - to get back, give DATCP list of employees so they can be contacted directly

Tryg - barred from all Iowa campuses

4/11

Jim Rabbitt - UW Job Ctr. Director was
Virginia Zwicki

Derrick Willard, Assoc. VP of Gov't Rel. @ Iowa
319-335-3714 (asst. Noreen)