

## What Should We Say About...

### LET'S AVOID THE FBI AND THE BAD PRESS IT BRINGS

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The chiropractic profession is being overrun with internet start-up companies attempting to redirect money out of your pockets and into theirs. Well versed in the art of hype, they are promising great riches if only you will direct your patients (and website visitors) to buy from you through them.

It sounds convoluted, but the pitch is simple: "We'll build you a web store with hundreds of products from companies you already know and trust. You will get 50 percent of everything your patients, or anyone else, buys from your web store." (*Clarification: To anyone going to "your" store, it looks like your website, but the website is on their server and the credit card transactions go through them.*)

Chiropractic state associations and departments of justice across the country are receiving requests from doctors asking about the legality of these arrangements. After hearing this pitch, members of the California Chiropractic Association called the CCA looking for legal advice. Realizing it was a complex issue, the CCA sought the most qualified chiropractic attorney to research and provide clarification. After considering a number of well-qualified attorneys, the CCA chose Michael Schroeder, the vice president of the National Association of Chiropractic Attorneys. His article, beginning on the front page, makes it abundantly clear that these types of schemes are kickbacks and illegal.

According to Mr. Schroeder, the problem comes with whose web store it really is. What the start-ups don't come right out and tell you is that the web store is not really yours. It's their store riding on your name using your relationship with your patients to make the sale. The money goes into their account and they give you what attorney Schroeder clearly demonstrates is an illegal kickback in violation of federal and state laws.

The motives behind this activity should be obvious:

1. Because internet "start-ups" are in desperate need to show revenue, processing sales from "your" web store through their bank account artificially boosts their income figures. This makes them look more viable when they go back to the venture capitalists for the next round of funding needed to keep them alive for another year.
2. Selling (or even giving away) products to your patients makes your patients their customers. By cutting you out of the relationship, they keep the customer (formally your patient) even after you leave the program. And any information they gather about those customers is theirs to use or sell as they wish. This is a simple way to acquire thousands of customers by playing off your relationship with your patients.
3. Once they have acquired thousands of customers (formerly your patients), they can sell the company based solely on the number of customers (historically the value is computed

somewhere around \$100 per customer). With quick profits in hand, they are off to another profession.

What do you say about internet start-ups who create these web stores for doctors of chiropractic and put DCs in position to violate federal and state laws? Don't these

companies have a responsibility to investigate the legality of these schemes and the potential prosecution and liabilities to which they're exposing DCs? Should these companies be trusted in the future, even if they can figure out a way to re-work their programs? Are they "pro-chiropractic," or just in it for the fast buck?

One hopes that only a handful of DCs have bought into these programs. Those DCs who have will undoubtedly be embarrassed and angry. While they should immediately contact an attorney with Mr. Schroeder's article in hand, if I were in that situation I would:

1. Return all kickback payments.
2. Shut down the web store and website immediately.
3. Demand a full refund from the offending start-up company.
4. Explain the situation to patients who have made purchases and make apologies as needed.

Some DCs may also be tempted to focus some of their wrath at the companies that have signed agreements with these start-ups to sell the products through them. Having talked with a few of these companies, I don't really feel that a long history of supporting the chiropractic profession should be marred by a single incidence of misplaced trust. It is my impression that they believed these start-ups were acting legally and feel just as betrayed as those DCs who paid them to build their websites and (illegal) web stores.

Others may feel some animosity toward those chiropractic leaders who accepted start-up company stock to be members of the "advisory committee" and allow their names to be used by the start-up company sales force. Again, knowing many of these people, I believe you have to look at their overall contribution to the profession and assume they too have a certain feeling of betrayal.

The information presented by Mr. Schroeder will, one hopes, cause all DCs involved in these illegal web stores to shut them down immediately. It will not be too long before an FBI agent spends an afternoon ordering products from these web stores and issues the corresponding search and seizure warrants (using his PC from the comfort of his office to browse through the start up company's website directory).

With a little luck and full cooperation, we can avoid seeing articles about DCs arrested for illegal web stores in newspaper headlines and across the internet.

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