

Job Search Firms: Big Pitches at Big Fees, but Few Jobs



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NAPERVILLE, Ill. — In retrospect, Kerry Fischman said he should have paid more attention to the nagging concern he felt when the saleswoman from the job search company kept pressing him to sign the contract and send in his [credit card](#) number.

Peter Wynn Thompson for The New York Times

Kerry Fischman of Naperville, Ill., paid \$8,250 to the ITS Corporation for help in his job search. Mr. Fischman said it did little more than redo his résumé and push him to cold-call employers.

But it had been just two weeks since he lost his management job in safety and compliance at Georgia Pacific, the paper products company, and the maelstrom of emotions was still fresh.

“Obviously, the anxiety and the fear were there,” Mr. Fischman said. “That’s all you ever heard on the news, how many more thousands, tens of thousands, lost their jobs.”

Seeking an edge, Mr. Fischman paid the company, the [ITS](#) Corporation, \$8,250 in December, believing it would help him land a six-figure job in the Denver area, which he said the saleswoman promised. But the company did little more than redo his résumé and push him to cold-call employers, he said.

Mr. Fischman, 58, now believes the company misrepresented its services and exaggerated its capabilities. He eventually found a job, but without the help of ITS, and received a partial refund after threatening to report the company to the authorities.

Company officials deny that ITS misrepresented itself. But Mr. Fischman’s experience highlights the vulnerability of job seekers as they cast about for help in the most difficult job market in decades and encounter a bewildering and largely unregulated array of individuals and businesses offering assistance. While some customers have

benefited from their work, others have accused the companies of using misleading sales tactics.

“Career management” or “career marketing” companies like ITS, which charge large up-front fees, are easy to stumble upon on employment Web sites. Often, as in Mr. Fischman’s case, they contact job seekers after they post their résumés. They usually focus on professionals and managers, massaging their egos by boasting that they accept only the most marketable candidates. Some companies place advertisements that appear to be job postings but instead are lures for sales pitches.

The offices of several state attorneys general said they had fielded complaints about career counseling companies during this recession.

“Many employment services provide valuable help, but others misrepresent themselves and their services in an attempt to take your money,” said the Illinois attorney general, [Lisa Madigan](#), who succeeded several years ago in having one career counseling company, Bernard Haldane Associates, banned from doing business in the state. “To find legitimate agencies for your needs, it’s critical to do your homework first.”

Over the years, several state attorneys general have filed lawsuits after consumers said they had been misled. In the mid-1980s, the New Jersey attorney general’s office sued several career counseling companies founded by Robert J. Gerberg Sr., whose son, Robert J. Gerberg Jr., now runs ITS. (The elder Mr. Gerberg is a senior consultant to the company.) A judge later found that the companies had violated state consumer fraud laws “through the use of various misrepresentations and misleading statements to consumers.” The company was ordered to change its practices.

The elder Mr. Gerberg said the complaints in the lawsuit represented a tiny fraction of the companies’ clients. The younger Mr. Gerberg said ITS had tens of thousands of satisfied customers but declined to let The New York Times talk to any clients chosen at random.

Many of the companies do little more than provide ordinary job search assistance: overhauling résumés and cover letters, giving advice on how to network and helping sort through public job listings. While this can be a legitimate and useful service, much of it can be obtained more cheaply.

Edward Bockman, 44, who managed the technology center of an Illinois college before losing his job during a restructuring, paid a career management company \$5,000 in late 2007 after responding to what he thought was a job posting for professionals looking to earn \$100,000 a year.

Instead, he got a sales pitch from Benchmark Professional Careers in Chicago. He said he was told that a search for someone his age would normally take 13 months but that the company would cut that in half. Mr. Bockman said he believed that the company was a high-end recruiter, with access to a vast “hidden job market,” as he said company officials put it, that gave it connections to positions unavailable to regular job seekers.

Only later, after he began working with the company, did he realize it did not have any special pathways to job openings.

He demanded a refund but got nowhere. Two years later, he still does not have a job, and the company’s \$5,000 charge on his credit card helped push him and his wife to file for bankruptcy.

Corporate records show Benchmark is one of several business names for the same company, KHTX Management, which lists an address in Harlingen, Tex., that is a [U.P.S.](#) store. According to records, it is run by Larry Keim, who has been quoted in newspaper articles as a job search expert.

Mr. Keim’s phone number is unpublished, and messages left at [Berkeley Palmer](#), a different name for the company in Overland Park, Kan., were not returned. The company’s advertisements, now under the name BCS, still appear on job search Web sites.

In the case of ITS, Mr. Fischman made an appointment to stop by the company’s Denver office when he was in town visiting his daughter. He asked a representative of the company whether it could get him a job in Denver, with a relocation package, at a low-six-figure salary similar to his old one. The representative immediately said the company could, he said, claiming ITS had a 95 percent placement rate.

Mr. Fischman said later that he knew no one could guarantee him a job but that he was under the impression he would have an inside track on positions the company scouted out for him. He also was intrigued by promises of access to “unpublished” jobs.

But he was never given access to a list of such jobs. Instead, he said, his counselor directed him to an online database of companies and executives, telling him he should contact them himself to inquire about openings.

“They were just giving me names and information,” he said.

The company told him it had faxed or e-mailed his résumé to hundreds of companies, but he said he never heard from any.

Mr. Fischman said he should have been more careful. But it is difficult to find much about the company on the Internet. It has several Web sites and operates under different names.

The Denver Better Business Bureau [lists 58 complaints](#) in the last three years under ITS Corporation — there are nearly two dozen more under related company names — but gives the company an A-plus rating because it is classified as a large company, so the number of complaints is considered relatively small.

Bureau officials, however, conceded that the classification of the company’s size was based solely on its word. The younger Mr. Gerberg, chief executive of America’s Job Network, which he described as the parent company of ITS, said what set the company apart was specialized software that filtered through listings from hundreds of job sites. He said the company assisted 500 to 700 people a month, including “lots of celebrity clients.”

Mr. Gerberg noted that ITS’s contract clearly said it did not guarantee jobs. It is also carefully worded to say that the company merely provides leads to unpublished openings.

“It’s very difficult to imagine our clients that come on board have some misunderstanding on what we do and don’t do,” Mr. Gerberg said.

He also said the company had a money-back guarantee, but Mr. Fischman said the period for requesting a refund passed very early, before he understood what the company was doing.

Interviews with three other disgruntled former ITS clients who filed complaints with the Better Business Bureau found that one got a full refund after filing his grievance; another got half of his money back, and another got nothing.

The company gave The Times a list of 11 clients who ITS said were satisfied. One of them, [Ira Glasser](#), 50, a hedge fund executive from New York, was enthusiastic in an interview about his experience, saying he found the structured assistance useful. Another, Bruce Reid, 49, a product engineering manager from Sullivan, Ill., said that he might have, in retrospect, paid too much, but that he was satisfied because he found a job.

In Mr. Fischman's case, after much back and forth with company officials, he threatened to report the company to the Colorado attorney general. ITS then offered to refund him \$2,450, but only if he signed a release that pledged him to keep his experience confidential.

Mr. Fischman was hardly satisfied but accepted the offer. By then, he had taken a job with [United Airlines](#). He got the job on his own, using his old résumé.

Kitty Bennett contributed research.

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