

# Work At Home Scams

- Anecdotal evidence suggests increase (increase in calls and e-mails to WebWatch)
  - AARP research suggests these scams are a \$427 billion-a-year business
- State of economy is a triple-whammy, attractive trend for criminals: recession, rising gas and other prices, home value decreases

# Step One: The Come-On

- Unsolicited e-mail (spam): Internet as enabler of 'old' con
- Classified ad
- Flyer, sticker, windshield insert
- Possibly a friend or acquaintance

# Step Two: The Hook

- Promise of big \$\$\$\$
- Testimonials, usually flimsy
- Images of big homes with pools, palm trees, nice cars – or home life with kids
- Appeal to other issue (elderly, disabled)

# Step Three: The System

- The Upfront Fee: Send us \$19.95 (or hundreds of \$\$ more) for book, software, equipment, etc. Max loss: \$70,000
- The Laundry: Deposit these checks for us in your bank account and “pay forward;” re-mail packages of goods, etc.
- The Pyramid: Recruit others to sell products; to ‘gift’ each other; or just to recruit others

# Step Four: The Con

- Upfront fee produces useless information, poor quality materials, 'opportunity' in crowded market, or nothing. Goods you might produce at home are rejected
- Bank informs you checks are bouncing
- Creating a 'downline' of distributors proves difficult; you get stuck with bill for start-up kit
- 'Business opportunity' requires more \$\$\$ from you for coaching, training, etc.

# DANGER!

- Money laundering is illegal and you could face fines or worse
- Forwarding stolen property is illegal and you could face fines or worse
- Some scams double-dip in identity theft
- Lose money and time at an already difficult time in your life

# Red Flags

- No real product
- Real employers don't charge advance fees
- Real employers generally require experience and skill and spell out terms
- Real employers have real-world attributes you can check (reputation, records, other employees)

# What You Can Do

- Research – do your homework before getting involved (is there a market?)
- Quick Internet search (name + “complaints,” for instance)
- BBB, AARP, FTC, Consumer Reports WebWatch have info
- Ask for a refund. If refused, say you plan to contact law enforcement
- Real employers do offer telecommuting

# Keep Records, Report Criminals

- Contact local state consumer affairs agency or attorney general's office
- U.S. Postal Inspection Service
- National Fraud Information Center
- Federal Trade Commission

# Sources

- BBB
- AARP
- National Consumers League
- FTC
- Consumer Reports WebWatch