

## **Consumer Reports WebWatch Cybercrime Prevention Project Fact Sheet #6: Don't Get Hooked by Work-at-Home Scams**

This is the sixth consumer fact sheet in the Consumer Reports WebWatch “Look Before You Click” campaign, supported by a grant from the New York State Attorney General’s office, to help educate New York consumers about Internet fraud. It’s about work-at-home scams, and provides tips for consumers to avoid getting taken in these tough economic times.

If you’ve ever been tempted by an offer in your e-mail box to work from home and make hundreds, even thousands of dollars a day, first remind yourself of that old saying, “if something sounds too good to be true, it is.” Then be aware that according to some sources, work-at-home scams make more than \$400 billion a year – for criminals.

Sure, it’s easy to be tempted, when gas prices are high, the economy is sluggish at best, and ever-crowded roads make commuting a daily hardship. But know that criminals are counting on the combined appeal of convenience (who wouldn’t like to spend more time at home with the family?) and the lure of big money (most come-ons feature pictures of big houses, nice cars, tropical landscapes and pools).

As with many other cons, the Internet has made it easy for more and more criminals to reach more and more people. So, to make it perfectly clear: Ignore and delete any unsolicited e-mail you get promising or offering you work from home. Legitimate employers don’t work this way. You also may get solicited online in other ways besides direct e-mail – pop-up ads, for instance, or paid search results. Often, work-at-home scams ask you to send money to buy a book, software, computer equipment, a listing of Web sites that will pay you to take surveys, supplies for making crafts to sell, and other offers. What you get in return for your money most often doesn’t measure up:

- Books or reports prove to be poorly produced or even photocopied, with information easily obtainable from free sources such as libraries or discount and used book stores.
- Software of poor quality that, in some cases, may contain programs harmful to your computer (badware).
- Lists of Web sites that are no longer functional, or that turn out to be lists of other Web sites.
- Poor-quality supplies that the so-called “buyer” will reject for a variety of reasons.

Victims of these types of scams have reported losing as much as \$70,000. Once the scammers “hook” you, they may try all kinds of tactics to get more money from you.

### **You Might Get in Trouble!**

Some work-at-home “opportunities” encourage you to engage in illegal activity. Often these involve forwarding stolen merchandise to others, or depositing bogus checks in your bank account. People have been arrested for engaging in these activities, even though the scammers made an effort to make the activity sound harmless or common.

Other schemes seek to encourage you to recruit other people to give each other amounts of money (“gifting”). No matter what you are told, “gifting” is not legal, unique or even new – examples in the U.S. date back to 19th Century New England. “Gifting” is a variation on the pyramid scheme, illegal in the United States and several other countries. What distinguishes pyramid schemes from other forms of community marketing – and makes them illegal – is that no

product is involved. If someone tries to involve you in a multi-level marketing scheme in which there's no tangible product being sold, don't get involved.

### **Job-Seeking Makes You Vulnerable**

Criminals know job seekers are vulnerable financially and emotionally, and for that reason, even some classified print advertisements in newspapers and other venues can turn out to be fraudulent. In general, you should be concerned if:

- The job offered focuses on selling and recruiting but doesn't involve an actual product of value.
- The job interview process requires some sort of advance fee. Real employers don't charge advance fees.
- Real employers generally require experience and clearly spell out the terms of employment – they don't blindly recruit people with spam e-mails.
- Real employers have real-world attributes you can check – reputation, business records such as operating licenses; other employees you can talk to.

Many legitimate employers these days recognize the need for flexible schedules and telecommuting opportunities for employees. If you want to work at home, your best opportunity may be the mainstream job market. Keep records of your job search, and report criminals by contacting your state's consumer affairs agency or attorney general's office.

If you believe you received fraudulent products through the mail, or you have been asked to participate in a scheme to re-package and re-mail products, contact the [U.S. Postal Inspection Service](#). For more information on pyramid schemes and multi-level marketing, go to the [U.S. Federal Trade Commission](#). For more advice on how to avoid these scams, and what to do if you've been victimized, visit the [Better Business Bureau](#).