

Work-at-Home Scams Persist



The Office of the
Minnesota Attorney General
helping people afford their lives and live with dignity, safety, and respect

“Jaime” was unemployed and looking for a job. While applying for a job online, a pop-up window appeared, advertising a job where she could make \$1,500 per month working from home. Jaime called the telephone number and spoke with a representative, who instructed Jaime to pay \$149 to receive information about the job opportunity. After paying the fee, Jaime never heard back from the company.

Work-at-Home Scams Persist

Unfortunately, Jaime’s experience is not uncommon. By some estimates, for every 60 work-at-home offers, perhaps one is legitimate. The Federal Trade Commission reports receiving several thousand complaints each year regarding business opportunity and work-at-home scams.

Work-at-home scams promise that you can make money working out of your home. In the past, the scams involved activities like stuffing envelopes or making phone calls. Today, the scams persist with new twists, such as claiming you can make money reading emails, working the Internet, sampling products, being a mystery shopper, or completing surveys. In most cases, the scams require you to pay money upfront in exchange for an “opportunity” to work from home. They often take advantage of peoples’ desperate need for income.

Baiting Job Seekers

In the past, work-at-home scams were publicized using flyers, mailings, or roadside signs. Those ways still exist. But in today’s Internet age, fraudsters are just as likely to advertise the scams through pop-up Internet ads, emails, instant messages, advertisements on social networks, or manipulation of job recruiting websites. Internet advertisements may quickly and easily drive people to the scammer’s websites. Some websites are high-tech,

using tracking software to identify what states the visitors are in and the sites they have visited, and then tailor the scam to visitors’ locations and interests. Some employers also report being victimized by fraudsters who hijack their identities and trick unsuspecting job seekers into believing they are applying for jobs at legitimate companies.

Many of the scams ask job seekers to pay an upfront fee. In some cases, the scammer may ask the job seeker to pay a flat fee to gain the opportunity to apply for a job. In another twist, the scammer may send the new recruit a counterfeit check that looks real. The scammer asks the job seeker to cash the check and then wire back the cost of purchasing needed materials for the job. After the check is deposited, it bounces; by then, the recruit has already wired money to the scammer. Some of the scams dupe people out of \$20, while others hit people for thousands of dollars.

Tips to Avoid Work-at-Home Scams

- Don’t reply to unsolicited emails or pop-up Internet ads offering a work-at-home opportunity.
- If the job opportunity requires you to pay money in advance, be wary. Legitimate companies usually pay you to work for them, not the other way around.
- Before agreeing to any work-at-home job, require companies to provide information on all the costs and requirements upfront.
- Lack of detail about the company and its business or using general descriptions about itself, such as “systems” or “program,” are red flags for a work-at-home scam.
- Research the company and find out what kind of business it provides by contacting reputable sources, such as the Better Business Bureau or the Secretary of State’s Office.

- Do not assume a company is legitimate based on the glossiness of its website. Great-looking websites can now be created for a nominal price.
- Be wary of exaggerated claims of likely earnings or profits. If it sounds too good to be true, it probably is. Remember, the vast majority of work-at-home pitches are scams.

What to Do If You Have Been Targeted by a Work-at-Home Scam

- If you have provided your bank account number to a scammer, consider closing the account to prevent additional unauthorized charges.
- Providing personal information to unknown sources may expose you to identity theft. If you provided personal information to a scammer, take precautionary measures to protect yourself, such as placing a freeze on your credit report.
- These scams are crimes. If you have lost money, contact your local and federal law enforcement agencies.
- Many work-at-home scams operate across state borders. Accordingly, you may wish to file a report with the Federal Trade Commission as follows:

Federal Trade Commission
Consumer Response Center
600 Pennsylvania Avenue NW
Washington, DC 20580
(877) 382-4357
TTY: (866) 653-4261
www.reportfraud.ftc.gov