

*** DON'T BE FOOLED ***

Work From Home Scams

NATIONAL CONSUMER AGENCY URGES CONSUMERS TO BE WARY OF WORK-FROM-HOME SCAMS

Tuesday, 31st March – This April fools day, the NCA is urging consumers to be especially wary of work-from-home scams which are likely to become more prevalent with unemployment rates on the rise and many people looking for ways to make money during the economic downturn.

Ann Fitzgerald, Chief Executive of the NCA said, “Scam artists are ruthless and see the recession as a way to capitalise on people in a vulnerable position. They spot the trends early making their scams seem as authentic as possible and in doing so exploit others recklessly.

“We are warning people to be particularly cautious when responding to work-from-home job adverts. Our advice is that if a job seems too good to be true, it usually is. Consumers should thoroughly research any work-from-home offer and not get involved unless they are 100% sure the business is legitimate.”

Scams come in many guises and can be difficult to spot but the ultimate objective is to try to obtain money from consumers in return for a token of little value, or nothing at all.

In general, the first point of contact with a scam is seeing some form of advertising (in a paper, magazine, a flyer, a pop-up message or email on a computer etc) or receiving some form of notice about your personal details.

Ms Fitzgerald continued; “Unfortunately, scams artists are criminals who see this current situation as a gold mine. Consumers should never divulge personal, banking or credit card details to people or companies they don’t know or for whom they cannot establish credentials.

“The best way to trip up a scammer is to refuse to engage with them. If the scammers don’t get business they generally give up. There are of course, legitimate work-from-home schemes out there but by following our guidelines consumers can ensure that they are dealing with a legitimate proposition.”

Consumers can find more information in relation to these and other scams on the NCA website www.consumerconnect.ie.

Types of Job Scams

- **‘Envelope stuffing’ scheme:** In this classic scam, an advertisement appears offering work packing envelopes and asking you to forward a fee for the raw materials. When you respond to the advert with the fee, instead of getting materials to send out on behalf of a company, you get instructions to place an ad like the one you saw, asking people to send you money for information about the same work. This is an illegal pyramid scheme because there is no real product or service being offered. You won’t get rich, and you could be prosecuted for fraud.
- **Making products and selling them back to the company:** An advertisement offers work putting products together, such as model kits or toy dolls, and selling them back to the company. In this case, while you do get the raw materials, when you return the completed product, you are often told there is no market for the product or that the work is defective. Either way you don’t get paid and the company get their manufacturing for free.
- **Reshipping Fraud:** (or postal forwarding) scam victims are typically offered an at-home job that involves repackaging goods, which may have been stolen, and forwarding them abroad. Scammers ask victims to pay their own postal charges, and then repay them with a fake cheque. Those who fall for reshipping scams may be liable for shipping charges and possibly prosecution for fraud or handling stolen goods. To add insult to injury you have paid the postal costs as well.
- **An advance on your pay:** This scam takes the form of an advertisement offering a work from home opportunity where you get paid an advance before you do any work. You generally receive a “payment” cheque as an advance payment and shortly afterwards you are notified you have been overpaid. You are also asked to send a cheque for the amount of the overpayment back to the “employer”. By the time it becomes clear that the “payment” cheque has bounced, you may find that the cheque you sent back has been cashed. Persons in this situation are known as “money mules”.

HOW TO SPOT A JOB SCAM – 10 EASY TIPS

1. **Know who you’re dealing with:** The company may not be offering to employ you directly, only to sell you training and materials and to find customers for your work.
2. **The job advert asks for money to get a job:** Would any employer ask for money to process an application?
3. **The e-mail address is a free account:** Free email accounts are provided by the likes of Yahoo, Hotmail and others. Usually a genuine company email account will have the format [somebodysname@thecompany.com](#).
4. **Check References:** If the advert contains references or testimonials from people who are already doing this work, ask for their details so that you can

talk with them about their experiences. A reputable company shouldn't have a problem giving you this information

5. **You can't determine the nature of the job:** These adverts are full of enthusiasm about income possibilities doing a job that requires little or no effort, but they never tell you what the job actually involves.
6. **It guarantees an income:** Legitimate employers advertise salaries, not "guaranteed income". Commission-based jobs make clear that monies are earned on an Opportunity To Earn (OTE) basis.
7. **'Earn €1000s weekly':** Why would an employer offer you €1000s to do a job for which they could pay a minimum wage and keep the profit themselves?
8. **'No skills or experience are necessary':** There are very few jobs that require no skills or experience.
9. **'Don't believe that you can make big profits easily':** Operating a home-based business is just like any other business – it requires hard work, skill, good products or services and time to make a profit.
10. **Get all the details:** A legitimate company will be happy to give you information about exactly what you will be doing and for whom.

For more information on your consumer rights call our Consumer Helpline on Lo-call 1890 432 432* or (01) 402 5555

Lines open Monday-Friday, 8am-6pm