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Scam Artists Target the Unemployed: How to Avoid Being a Victim

By [SHERYL NANCE-NASH](#) Posted 10:00 AM 03/29/11 [Economy](#), [People](#)
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Some people kick you when you're down, and with the effects of the recession lingering on through the jobless recovery, there are plenty of people down there to kick. Scams targeting the unemployed and cash-strapped are on the rise, and the con artists are getting more creative and sneaky.



Constantini Michele/Getty Images

The Federal Trade Commission and its partners recently announced that they have brought more than 90 enforcement actions in a stepped-up campaign against scammers who falsely promise "guaranteed" jobs and opportunities to "be your own boss" to those who are struggling with unemployment and diminished incomes as a result of the recession.

"Working for a nonprofit credit counseling agency, we see too many people who are taken in by these scams because they are desperate and looking for a way out," says Linnea Stephan, a certified financial planner with Lutheran Social Service of Minnesota. "That means that the rules on what to look for change, as the scammers will do whatever they can to look and sound legit," she adds.

Earn Big Money on the Internet!

For example, Ivy Capital and 29 co-defendants allegedly took more than \$40 million from people who paid thousands of dollars believing Ivy Capital would help them develop their own Internet businesses and earn up to \$10,000 a month. According to the FTC [complaint](#), Ivy Capital's telemarketers asked consumers how much credit they had on their credit cards, then talked them into using a substantial portion of their available credit to purchase a business coaching program.

But the promised products and services were worthless, the complaint alleged. Ivy Capital's "expert" coaches lacked the promised knowledge and experience, its website-building software programs did not work properly, and the lawyers and accountants whom the defendants said would provide assistance were nonexistent. People paid up to \$20,000 for a business coaching program and related products and services, but got very little in return.

As alleged in the FTC's complaint, Ivy Capital's telemarketers called people who responded to email and advertising about work-at-home or Internet business opportunities from companies such as Jennifer Johnson's Home Job Placement Program and Brent Austin's Automated Wealth System. The ads originated from fictional companies Ivy Capital created to generate sales leads -- potential customers' names and phone numbers -- for its real operation. The complaint further alleged that in calls that could last for more than an hour, telemarketers used high-

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pressure sales tactics and unrealistic promises. Shortly after signing up for the program, Ivy Capital's customers received sales calls from companies affiliated with it offering additional business services, including access to credit and expert tax advice that could cost thousands of dollars more. Ivy offered a refund program that, in practice, made it difficult for people to get their money back if they canceled.

Ivy Capital defendants allegedly misrepresented their program's earning potential, the goods and services they would provide, and failed to fully disclose and honor their refund policy, in violation of the FTC Act. They called telephone numbers on the Do Not Call Registry, and did not pay the fee for accessing the registry, in violation of the Telemarketing Sales Rule.

Fake Jobs, Fake Connections, Real Fees

In another scheme, the National Sales Group, Anthony J. Newton, Jeremy S. Colley and I Life Marketing, also doing business as Executive Sales Network and Certified Sales Jobs, allegedly made false claims to people about employment opportunities.

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According to the FTC's [complaint](#), they advertised nonexistent sales jobs with good pay and benefits on CareerBuilder.com and other online job boards, and their telemarketers falsely told people the company recruited for Fortune 1000 employers and had a unique ability to get them interviewed and hired.

The FTC alleged that the defendants charged fees they said covered background checks and other services, and often overcharged, taking \$97 from people who agreed to pay \$29 or \$38. They also charged some people recurring fees of \$13.71 or more per month without their consent.

According to other documents filed in court, the operation generated more than 17,000 complaints to law enforcement agencies, online forums, and job boards -- CareerBuilder.com dropped the company

from its website due to complaints -- and defrauded people of at least \$8 million.

'Miracles Do Happen, but Not Via Spam.'

Those with their guards down can be unwitting pawns to predators. "Desperate times make believers out of otherwise reasonable people," says Christine Durst, a home-based career and Internet safety expert, and co-founder of RatRaceRebellion.com, which offers screened work-at-home jobs. "The recession certainly plays a key role in the increased gullibility factor," she adds.

But there are signs that should make you stop in your tracks despite your situation. "Don't fall for unbelievable pay -- 'Make \$5,000 a week working part-time!' Exaggerated claims of income are a sure sign of a scam," says Durst.

Be leery of an ad that arrives as spam in your email. "As if by a miracle, an ad for home-based work just landed in your email box. How would this man from Romania have known you were looking for home-based work? Miracles do happen, but not via spam," she says.

If you receive unsolicited job offers in your email, they are probably the result of a scammer having "harvested" your email address from another location frequented by people who are seeking work. "Move it into your trash file without using the 'remove me from this list' link you're likely to find at the bottom of the page. The links are often used to confirm that your email address is active, and using them can result in even more spam," she cautions.

Think twice about any request for your numbers -- be they credit card numbers, social security numbers or bank account numbers.

The 'SCRAM' Principles

Bethany Mooradian, author of *I Got Scammed So You Don't Have To!*, shares her "SCRAM" principles.

- **Scrutinize the source.** What time of day did they contact you? (Overseas contact happens when you're sleeping)? What is the IP address of the company located?
- **Check for affiliate links, fees and surveys.** If it has affiliate links, those affiliates are earning a commission.
- **Research the heck out of every detail.** Google the company, check out the Better Business Bureau (www.bbb.org), and www.badbusinessbureau.com, for starters, she says.

• **Ask for more information.** Mostly it's scammers who will want to talk more to you about the job or opportunity. Real employers are too flooded with resumes to talk to you, adds Mooradian.

• **Mouse over images and links.** You can see the real destination image and link simply by hovering your mouse. "That way if a company is using Bank of America's images to claim legitimacy, but in reality the links go elsewhere, you'll see beforehand," she says.

If you remember nothing else, remember this: "If you have to pay for anything," says Joan Mershon, an employment and life skills trainer, forget about it.

For example, look out for "alleged resume writers" who claim to be connected with recruiters and charge fees of \$800 or more for resume writing that results in nothing, says Alexis Moore of Survivors in Action, a nonprofit that serves victims of crime. "There are many organizations that will provide free resume help," she adds.

Career coach Michael Coritsidis also gives thumbs down to alleged temp agencies that "guarantee" you a job, but require money up front. "Most legitimate agencies are contracted by companies who pay them a fee," he says.

Lastly, trust your gut. Says Coritsidis: "If it's too good to be true, it's too good to be true!"

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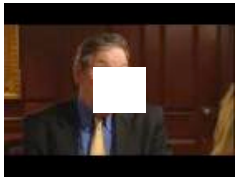
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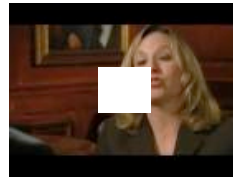
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O Drama has very little to do with the plight of most...good or bad. It is they who has done it to themselves.

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richsonny61 12:08 AM Mar 30, 2011

(0) (0)

Good thing we have all this technology to make it some much easier for liars to work their magic and steal all you have worked for -Yep its a good thing we have all this stupid technology -right ? Dont worry that will come up with more stupid technology that makes even easier to rip you off -welcome to the future - the world was a better place 60 yrs ago -at least no one could steal your life from you sitting in a desert half a world away back then -huh !

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CnOWrms1 10:04 PM Mar 29, 2011

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Out-of-touch-with-struggling-American-families Obama lectured/preached sacrifice and discipline, as Americans watched their economy (imploded by Obama) go directly to he**.

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CnOWrms1 10:01 PM Mar 29, 2011

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If you still believe that spending more is good the the economy, here's an investment: It is never too late to get your flotus calendars for 2011. The Words of flotus 2011 Daily. The world loves and admires flotus. The Words of flotus daily calendar is filled with her smart, lively, and moving quotations.

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CnOWrms1 9:55 PM Mar 29, 2011

(1) (1)

There are two different kinds of fake jobs. Here's an example of one of the other fake jobs: Tuesday, March 29, 2011 1:00 pm || Departs White House 2:05 pm || Arrives New York City 4:45 pm || Delivers remarks at the dedication of the Ronald H. Brown United States Mission to the United Nations Building :00 pm || Delivers remarks at DNC fundraiser 9:00 pm || Remarks at a second DNC fundraiser 10:10 pm || Departs New York City 11:10 pm || Arrives White House, but it's amazing how much this type of schedule can allow more golfing.

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CHADMAN 9:40 PM Mar 29, 2011

(3) (0)

Yes, I agree with this article. As a job seeker, I have encountered this garbage quite frequently.

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LaharID2 9:15 PM Mar 29, 2011

(1) (0)

So the BBB stands for Bad Business Bureau lol That's funny

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ilkee 9:55 PM Mar 29, 2011

(1) (0)

That's right, they protect thier business members, that's where they get thier money.

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inasctg56 8:53 PM Mar 29, 2011

(5) (2)

And yet the republicans always fight any kind of consumer protections.

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kittyjoy 8:03 PM Mar 29, 2011

(1) (0)

herb-a-life..stock..did..well..but..the..coaching..is..a..joke..for..a..fee

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hessnjhckygrl13 5:43 PM Mar 29, 2011

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This is all just so depressing! Now you have to know when you're being scammed on the Internet! I guess I end up never working again and die a pauper!

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
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