

# BUSINESS; NAVIGATING THE GIG ECONOMY; Job schemes are rising, so seekers beware; Income scams come with 'offer,' then ask for a personal check.

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## FULL TEXT

Job seekers, beware: Job scams have risen to record highs.

Such scams tend to rev up whenever the economy is on the ropes, and the slowdown induced by the COVID-19 pandemic has fueled them like never before. That's partly because the pandemic solves the crook's biggest problem: explaining why the "employer" doesn't want to meet in person.

High unemployment and the long delay for a second round of pandemic unemployment assistance also makes victims more vulnerable. And because work-from-home jobs truly are proliferating, crooks hide in the crowd, making their offers appear so similar to real ones that it can be hard to tell the difference.

The Federal Trade Commission reported this month that "income" scams – most of which involve bogus job offers – have jumped during the pandemic, reaching an all-time high in the second quarter of this year. Victims lost \$150 million to these cons in the first nine months of 2020.

"Many people have lost their jobs and are desperate," says Linda Sherry, director of Consumer Action, a Washington advocacy group. "At the same time, everyone is hearing about all these people who are working from home. Scammers swoop in to capitalize on that."

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### What crooks want

The con artists are going after any of four things: identifying information, such as Social Security or credit card numbers, to pull off identity theft; passwords to get into your financial accounts; access to your computer (which they'll use to get access to your financial accounts); or a personal check from you.

The most costly of these cons is the check because there's no fraud protection for victims.

Unlike PayPal, credit and debit card transactions that limit fraud losses for victims, if you write a personal check to a crook, you are on the hook for the full amount. In the majority of cases, there is no way to get your money back. Worse, if you deposit the crook's check into your account, you could also face other repercussions such as having your bank account closed or being prosecuted for fraud. Banks are sometimes skeptical of the victims.

Fake checks are at the heart of roughly one-third of the latest job cons, according to the Federal Trade Commission. Typically, these cons involve "hiring" the victim, who is then given a check from the crook posing as their new employer. The bogus employer will have some reason for providing a payment that far exceeds what you'd spend.

The crooks might tell you that they haven't yet set up a corporate account in the U.S. and need you to deposit their out-of-state or out-of-country check to secure office space or buy office supplies, for instance. Mystery shoppers and people willing to wrap their car in advertising are told the checks are meant for buying products for the shop or getting the car wrapped.

This scam is effective because the con artists can tell you to deposit their check and wait until it "clears" before using that money to send or spend money elsewhere. That makes the fake check appear legitimate.

What the crook knows and you probably don't is that banks must provide provisional credit for most checks within two days. That does not mean that the check has cleared. It can take weeks before the bank realizes that the check is fake. Even if it takes months, the bank can debit your account for the full amount of the fake check. Victim's median loss is \$2,300, the FTC says. Young workers in their 20s are the most common targets.

### Learn the red flags

Legitimate job sites such as Indeed and Glassdoor try to screen out crooks. But the crooks are agile, which means you have to be skeptical of any job posting.

You should be able to spot and avoid job scams before you're taken by paying attention to the red flags.

Red flags vary from con to con, but they usually include at least one of these:

- \* The employer doesn't have a corporate email address. Instead, they're using Gmail or another nonexclusive service. A corporate email usually has the company's name after the @ symbol, such as kathykristof@sidehusl.com.
- \* The employer won't hold a videoconference. During the pandemic, legitimate employers set up meetings with job candidates, even if it's via Zoom. Scammers typically want to communicate only by chat, text or email. They don't want you to see their faces.
- \* The employer sends a link for you to fill out their job application. You should be able to access a legitimate company's application by going through the corporate website. Beware of links. They can go to sites that load malware onto your computer.
- \* The employer contacted you out of the blue, not because you sent them an application or because of a friend's referral. If you were contacted because of a referral, a legitimate employer will tell you who recommended you.
- \* You are asked for identifying information, such as Social Security numbers or bank account information, before you've been formally hired.
- \* The employer wants to send you a check before you start work.
- \* The employer wants you to send them a check to pay an application fee or processing fee. (A handful of sites reviewed on SideHusl.com require applicants to pay for their own background checks. However, this is relatively rare and only comes up in predictable settings, such as when you're applying for jobs caring for children and the elderly.)

"Times that are hard for consumers are great for crooks," says Susan Grant, director of consumer protection at the Consumer Federation of America. "They take advantage of people's economic despair."

Caption: PHOTO: BECAUSE HIRING is so often done online, particularly during the COVID-19 pandemic, job seekers should be cautious of scams and watch for red flags.

PHOTOGRAPHER:Stew Milne Associated Press

Credit: Kristof is the editor of SideHusl.com, an independent site that reviews hundreds of money-making opportunities in the gig economy.

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