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*****CONSUMER ALERT*****

ATTORNEY GENERAL RAOUL URGES ILLINOIS RESIDENTS TO BE ALERT FOR WORK-FROM-HOME SCAMS AND PYRAMID SCHEMES

Chicago — Attorney General Kwame Raoul today urged residents throughout Illinois to be on alert for work-from-home, employment and pyramid schemes that can be used to steal money or personal information.

The Attorney General's office is warning the public of scammers seeking to take advantage of the COVID-19 pandemic's economic impact by using job opportunities or promotions that guarantee they can earn large amounts of money working from home but require an up-front fee to cover materials or training.

Raoul's office regularly receives complaints about work-from-home and pyramid schemes, as well as various employment scams. Generally, such scams begin with participants being asked to make an initial investment, but ultimately, the victim is left without any of the promised profit and can even lose money.

"Thousands of Illinois residents are unemployed or underemployed as a result of the COVID-19 pandemic. As individuals look for opportunities that will allow them to provide for their families, scammers are looking for opportunities to steal money and personal information," Raoul said. "The most important thing people should keep in mind is that if an offer sounds too good to be true, it probably is. Disregard any promotion that requires you to pay money to make money, and report the communication to my office."

Common work-from-home scams promise significant earnings – made by stuffing and mailing envelopes, making crafts that a company will purchase and sell, or processing medical insurance claims – once the consumer purchases materials, training or costly equipment. Raoul says people should disregard offers that require them to spend money in order to make money, and report the promotion to the Attorney General's office.

Raoul is also warning job-seekers to be cautious about providing personal information when searching and applying for jobs online. In some cases, scammers obtain personal information by posting phony jobs on legitimate job sites and prompting job-seekers to provide personal or financial information in order to apply. In other cases, fraudulent employers tell job-seekers that they have been hired and need to send information, including social security numbers and financial information, in order to start the hiring process.

Additionally, the Attorney General's office is recommending that people be alert for pyramid schemes disguised as gifting clubs. Generally, pyramid schemes rely upon a few people at the top who recruit participants who must recruit more participants, and participants are promised large sums of money if they successfully recruit others to pay money to join the pyramid. So-called gifting clubs ask members to give money or gifts to other members in order to receive money or gifts. Gifting clubs may claim to be legal, unlike pyramid schemes, because they do not involve sales; however, to the extent that they lure participants in with the promise of a payout for recruiting additional participants, they are no more legal than traditional pyramid schemes.

Attorney General Raoul is urging Illinois residents to protect themselves by taking the following precautions:

- **Do not send money or gifts to someone you do not know.** Promises of "doubling your money" or "getting many gifts" are often hallmarks of pyramid schemes. There is no guarantee you will get anything for your effort, and you risk identity theft by giving out personal information.

- **Look at the promised results.** Carefully review any offer that promises to help you get rich quick or promises to be an easy path to prosperity. Remember, if it sounds too good to be true, it probably is.
- **Consider what you need to do to make a profit.** Often, these scams require you to solicit other people or companies to make money. Be wary of any job opportunity that requires you to market services or products.
- **Avoid paying for materials or training.** Legitimate job opportunities usually do not require you to purchase materials to sell, or pay for classes or learning materials.
- **Safeguard private information.** Do not send private information, including Social Security numbers, bank account numbers, debit or credit card information, or phone numbers to people you do not know.
- **Check the company's contact information and website.** Verify that the company is legitimate before continuing with the application process. This can be done by checking the address, telephone number and website.

Additional information about [work-from-home scams](#), [employment scams](#) and [pyramid schemes](#) is available for free on the Attorney General's website. Attorney General Raoul encourages residents to call his Consumer Fraud Hotline at 1-800-386-5438 (Chicago), 1-800-243-0618 (Springfield) or 1-800-243-0607 (Carbondale) or [file an online complaint](#) if they believe they have experienced or witnessed any of these scams.