

How To Spot a Scam a Mile Off

By Elena Fawkner

How To Spot a Scam a Mile Off

Elena Fawkner
jan@ahbbo.com

A Home-Based Business Online <http://www.ahbbo.com>

How to Spot a Scam a Mile Off

© 2001 Elena Fawkner

Received the following forwarded email from a subscriber this morning:

"I am an Executive Director with the Nigerian National Petroleum Corporation (NNPC) and a member of the Contract Advisory Committee (CAC). I am seeking your assistance to enable me transfer the sum of \$26,500,000 (Twenty Six Million, Five hundred Thousand United States Dollars) into your private/company account."

Carole told me she has received "3 or 4 of these in the last week, I think from different people. I deleted the others. It makes me nervous. Sounds like a dangerous scam. "

That's exactly what it is, of course. Maybe you're reading this thinking "I can't believe people are still falling for the Nigeria scam after all this time". On the other hand, maybe you're reading this thinking, "Wow, I might have responded to that. How am I supposed to know what's a scam and what's real?"

The reality is that there are hundreds of thousands of people coming online, for the first time, each year. Many of these people have simply not been exposed to scams like the ones that are constantly touted on the Internet before. Many of these people come online to try and find a way to make money with their computers and/or they're looking for ideas for making money from home.

The fact that they may not recognize scams off the bat doesn't mean they're naive or stupid, it just means that they haven't been in an environment where this sort of stuff came their way before

now. And don't the scammers know it.

Like vultures circling overhead, they await their prey. They know they have only a narrow window of opportunity because it doesn't take newbies long to catch on so they have to be quick about it. And how do they do that? They hang out where newbies hang out so they can get them while they're still young and fresh and vulnerable. They're nothing but predators looking to pick off the easiest game. Wouldn't want to have to engage in any real work, after all. In this article we look at several main scams and how to recognize them.

= Nigerian Advance Fee Scheme

The gist of this worldwide scheme is that small to medium-size businesses receive a letter from someone who purports to be an official of the Nigerian government or major utility or similar who needs to transfer some huge amount of money out of the country. The money typically is an overpayment by the government on a procurement contract. The object of the exercise is to get you to provide your bank account details (for the purpose of wire transferring the money of course). Surprise surprise, there's a transfer all right but not INTO your account!

= The FTC "Dirty Dozen"

These are the top 12 scams that have been identified by the (U.S.) Federal Trade Commission as the most likely to arrive via email:

1. Business Opportunities - often pyramid schemes (see below) thinly disguised as legitimate opportunities to earn money. What to look for: high returns with little or no effort or cash outlay required.

2. Bulk Email - offers of lists of thousands of email addresses all of whom, of course, are just dying to receive your marketing message. What to look for: "Bulk Email Works! 10,000 addresses for \$9.99."

3. Chain Letters - send \$5 to the next name on the list then cross the bottom name off the list, replace it with your own, then forward the letter to 500 of your nearest and dearest. What to look for: A jail cell. This is a pyramid scheme and is illegal. The letter goes to great pains to say that it is not illegal.

4. Envelope Stuffing - think you're going to be paid for stuffing envelopes? Think again. You get a kit that you can turn around to recruit others to an envelope stuffing scam of your very own! Watch out for craft assembly work as well. You'll probably find all of your hard work is not up to their exacting "quality standards" and therefore you won't get paid for your work.

5. Health and Diet Scams - magic pills that eradicate the need to eat fewer calories than you expend in order to lose weight. They don't work.

6. Effortless Income - no such thing. As the FTC says, if they worked, everyone would be doing it.

7. Free Goods - you're told you'll get a free computer. You have to pay a fee to join a club and then told you have to recruit other members. You get paid in computers. They're nothing but pyramid schemes.

8. Investment Opportunities - look for outrageously high rates of return with no risk.

9. Cable Descrambler Kits - they probably won't work and even if they do, you're stealing a service from a cable company and committing a crime.

10. Guaranteed Loans or Credit - pay a fee and you're given a list of lenders, all of whom turn you down. Credit cards never arrive.

11. Credit Repair - no matter how bad your credit, pay these people and they'll fix it. They generally just advise you how to lie on future credit applications - how to commit fraud in other words.

12. Vacation Prize Promotions - your accommodations will be so bad you'll want to pay for an upgrade. You'll probably have to pay to schedule a vacation at the time you want as well.

= Pyramid Schemes

Make money by recruiting members into the program without giving anything of equal value in exchange for membership fees. Contrast MLM (multi-level marketing schemes). These are not pyramid schemes because they involve the sale of products and services in return for membership.

= Medical Billing

Prepackaged businesses requiring an investment of \$2,000 to \$8,000. Few people who purchase one of these "businesses" are able to find clients, start a business and generate revenues. Competition in this area is fierce and concentrated around a few big, well-entrenched firms.

= Your In Box

Finally, go to your in-box now. You'll find no end of scams sitting right there. Here's one that just arrived in mine ...

"Subject: How to make \$1,000,000 in 20 weeks selling to

Newcomers on the Net"

Like all the rest, it gets the one-finger salute - index finger to the delete key. Works beautifully every time.

Where to go for more information on internet scams:

FTC Website

<http://www.ftc.gov/ftc/consumer.htm>

Scambusters

<http://www.scambusters.org>

Netscams

<http://www.netscams.com/frameset.html>

** Reprinting of this article is welcome! **

This article may be freely reproduced provided that: (1) you include the following resource box; and (2) you only mail to a 100% opt-in list. (Articles are no longer being made available via autoresponder due to large numbers of bounced mails due to full mailboxes.)

Here's the resource box to use if reprinting this article:

Elena Fawkner is editor of A Home-Based Business Online ... practical home business ideas for the work-from-home entrepreneur.

<http://www.ahbbo.com>

[Get-Articles.com : 1000's of reprintable business and internet marketing-related articles.](#)

[Submit your article for reprint.](#)