

What Is The Scam?

Unsuspecting people are recruited to become Independent Business Operators (IBO's) that help merchants and advertisers accept credit cards online. The scheme is marketed as a **turnkey business opportunity** requiring minimal effort - typically "about 30 minutes per month" of administrative work - for guaranteed monthly payments (usually \$750 to \$1,000).

Once recruited, they unwittingly find themselves **straw owners for high risk merchant websites** that are typically selling high risk subscription services, questionable products and even illegal activity such as drugs and scams. Those websites needed people to help them **hide their true identities** from banks as well as Visa and Mastercard so the IBO becomes the sham front for them. Inevitably high fraud and chargeback rates result in their merchant accounts being terminated and their names blacklisted by Visa, Mastercard and banks.

Victims Of This Scheme Often Suffer Serious Consequences



- ✓ They are blacklisted by banks and associations as high risk merchants after it is over.
- ✓ They are often on the hook for fraud and chargeback losses that they must reimburse.
- ✓ Their identities are tied to money laundering or fraud schemes causing much grief

Watch Out For These 10 Red Flags

- ⚠ **Promises of Easy Passive Income** - Be immediately suspicious of any offer promising substantial monthly income (like \$500-\$1000) for minimal effort. When they claim "just 30 minutes of work monthly," they're masking significant risks and likely illegal activities.
- ⚠ **Introduced By Youtube "Influencer"** - Advertisers and merchant resellers use influencers on Youtube to recruit their members giving them a finder fee or cut for every person they recruit. The influencers usually have no idea it is a scam so they promote it as a great opportunity to make side money.
- ⚠ **Payment Processing Enabler** - If the opportunity involves processing payments for "other businesses" or mentions merchant accounts to help them grow, proceed with extreme caution. This often masks illegal transaction laundering schemes.
- ⚠ **LLC Formation Requirements** - If the opportunity requires you to form multiple LLCs with specific naming patterns and rushed timelines, this is a major red flag. Legitimate business opportunities don't dictate how you structure your legal entities.
- ⚠ **Bank Account Control**- Be extremely cautious of any program requiring you to open new bank accounts with specific banks. When they demand access or control over these accounts, they're likely planning to use them for unauthorized transactions.
- ⚠ **PO Boxes and Mailboxes Etc**- Requirements to establish "virtual offices" or PO boxes at mail receiving agencies are often tactics to create fake business fronts. This creates a paper trail that distances fraudsters from their activities.
- ⚠ **High Credit Score Requirements**- These schemes often require people with credit scores over 650 the ages of 21 and 65. They are looking for people that won't raise red flags and bypass banks credit risk controls for merchant accounts.
- ⚠ **Pressure To Sign Multiple Documents** - These schemes will send a flood of documents for you to sign. High-pressure tactics to sign multiple documents quickly should raise immediate concerns. This rush often prevents proper review of legally binding agreements that could put you at risk.
- ⚠ **Limited Communication Channels** - Participants will have no communication with the websites or insight into the daily activities. One a problem arises they will be forced to deal with "advertisers" who don't have their best interest in mind.
- ⚠ **Resellers, Advertisers, IBO's** - These are key words that are often associated with the scheme. If you are involved with individuals describing the scheme in these words proceed with extreme caution, you could be recruited into a straw owner scheme.