

## **Google sues over alleged web scams**

*Richard Waters*

Google on Tuesday warned about a plague of online scams that take advantage of its famous brand to trick unsuspecting web users, as it sued a number of alleged perpetrators to crack down on the problem.

The schemes involve “thousands” of websites that claim to offer kits showing users how to make money by working from home on Google, according to the legal action filed in federal court in Utah.

Although they users are told they will have to pay only a nominal fee, “people who sign up for these offers have their credit cards charged with substantial recurring monthly fees” and receive little or nothing in return, it added.

The case was brought against Pacific WebWorks, a Nevada-based business, and 50 unnamed defendants who Google said had worked in concert with the company to carry out the scams. Pacific WebWorks already faces a class action in Illinois based on similar claims. The company did not return a call seeking comment.

In its lawsuit, Google accused the defendants of misusing its brand and logo to trick customers into believing they were joining a Google-sponsored arrangement that “will allow them to make hundreds of dollars a day working at home performing a simple task that requires no particular skill or qualifications”.

Fake news stories, blog comments and postings on social networking sites have been created to support the claims for the work-at-home kits, it added. The lawsuit asks the court to bar the defendants from continuing to offer the kits, and seeks actual and punitive damages.

In a filing with the Securities and Exchange Commission last month, Pacific WebWorks said it had seen a seen “dramatic growth” this year, with its second-quarter revenues jumping 168 per cent from the first quarter. It put this down to what it called “the migration of our marketing away from ‘incentivised marketing’ and more towards greater emphasis on the viability of our software products as a revenue generating tool”. It said it had boosted its staffing levels to handle the growth, with 50 people now working in a service centre in the Philippines to take customer calls.

**Financial Times, London, Dec. 9<sup>th</sup> 2009, Technology, online.**