



Employee Relocation - Boon or Bane?

Corporate chicanery has no limit. Shameful “peasant insurance” for hourly employees, whose deaths enriched either corporations or their senior executives, shocked some Americans. In *Fast Food Nation, The Dark Side of the All-American Meal*, Eric Schlosser gives grisly details how ConAgra and Iowa Beef Packers (to name two) prey on their lowest paid employees. This would gag a maggot.

Corporate control now raises the bar. Even the middle and upper middle classes are no longer spared. Relocated middle management and junior executives have become prey. Corporate instructions are tough. “Employees are required to use the Marketing Assistance Program.” Failure to use the program will result in financial penalties, both in selling their present home **and** in purchasing a home in another city. The hooker, the relocation firm contracted with by the employee’s corporation requires kickbacks (i.e., sharing of commissions) from independent real estate agents selling the original home **and** from independent agents in the new city, who “help” the transferee purchase another home.

Unaffiliated real estate broker/agent participants must sign an agreement with the relocation service to kickback a portion of both sales commissions to the relocation service hired by the corporation. Cendant Mobility Services Corporation, a licensed Real Estate Broker in the State of Connecticut, (Cendant Mobility) requires a kickback of 30% of the sales commission (called a referral fee) from a real estate agent. Cendant also provides relocation services for government employees. Cendant Corp. (NYSE: CD) is a financial conglomerate.

This is not unlike a corporation signing an agreement with a HMO where the HMO gets a 30% referral fee - kickback - from a surgeon. It is farfetched to imagine any M.D. participating. Even so try to picture such a low quality, unprofessional surgeon operating on you or a member of your family.

In the real estate profession only second rate agents are willing to kickback 30% (referral fee) of their commission to such a scheme. Everyone in the home selling business knows that “buying right” and “selling right” are equally important. Relocated corporate personnel are many times denied top-flight, successful real estate agents, who know how to get the best deal on either a new home or a resale. Each relocated employee is potentially penalized thousands of dollars by not having an expert agent on their side.

More than a few homebuilding companies are now compensating independent agents by offering a bonus to cover, or help cover, the 30% kickback. A highly successful real estate agent working for the corporate transferee could instead get the transferred purchaser this sum and possibly thousands more in discounts.

Does the relocated employee’s corporation know of this kickback arrangement? How could they not know. Does the corporation care? Doubtful. It is the employee’s money being lost, not the corporation’s. A generation ago most companies had decent and fair employee policies. Many of these firms have since been acquired, and their prudent policies replaced by corporate conniving.