

## Scholarship Scams Tip Sheet

### 10 Scam Warning Signs

Several of these red flags could be an indication that you are dealing with a scholarship scam:

- 1. Fees:** Scammers use bogus fees such as “application,” “disbursement,” “redemption,” and “processing fees” as a way to take your money. Scholarships should not require any fees. Check out the *free* search at [www.fastweb.com](http://www.fastweb.com).
- 2. Credit card or bank account information needed:** Never give credit card or bank account info to receive aid. If you have, call your bank or credit card issuer immediately.
- 3. Scholarship guarantee:** No one controls judges’ decisions. Be wary of “high success rates,” which often refer to award matches, not award winners.
- 4. No work involved:** Legitimate scholarship applications require time. No one should complete them for you.
- 5. No contact information:** Before you apply, confirm the sponsor’s contact info. They should supply a valid e-mail, mailing address and phone number upon request.
- 6. Unsolicited scholarships:** If you are called to receive an award for which you never applied, be alert. Ask where the sponsor got your contact information.
- 7. Pressure tactics:** Never allow yourself to be pressured into applying for a scholarship, especially if the sponsor is asking you to pay money up front.
- 8. Claims of “exclusive” scholarships:** Legitimate sponsors will not restrict knowledge about their award to a single service.
- 9. An official-sounding name or endorsement does not automatically mean legitimacy:** A sponsor may use words like “national,” “education” or “federal” or have an official-looking seal, but might still be a scammer.
- 10. Your questions aren’t answered directly:** Proceed with caution if you are not given a straight answer from a sponsor regarding their application, what will be done with your information or other questions.

### Found a Scam? Been Scammed?

Report the suspected scammer to local law enforcement, and any of the following organizations:

#### National Fraud Information Center (NFIC)

Ph: 1-800-876-7060, Web: [www.fraud.org](http://www.fraud.org)

#### United States Postal Inspection Service (USPIS)

To report scams found via postal mail:

Ph: 1-800-654-8896

Web: [www.usps.com/postalinspectors/fraud](http://www.usps.com/postalinspectors/fraud)

#### Better Business Bureau (BBB)

Be sure to have the address of the company about whom you are filing the complaint.

Ph: 1-703-276-0100, Web: [www.bbb.org](http://www.bbb.org)

#### Federal Trade Commission (FTC)

Fill out an online complaint form or call toll-free:

Ph: 1-877-FTC-HELP (1-877-382-4357)

Web: [www.ftc.gov/scholarshipscams](http://www.ftc.gov/scholarshipscams)

### Creative Scams: Seminars and Consultants

Seminars and Consultants find creative ways to take your money. Know the warning signs and avoid getting scammed!

#### Seminars:

**Claim:** “Our presentation is completely free.”

**Reality:** While the presentation is free, a seminar may use high pressure tactics to try to get you signed up for the service. It may also claim that the price will increase if you do not sign up now, or that questions can be answered only if you pay.

**Claim:** “We can help you complete complicated forms.”

**Reality:** Everyone needs the same information to complete the forms. If you pay for help, it is still up to you to do the work of assembling the information.

**Claim:** “We’ll find loopholes to help you save money.”

**Reality:** The company may be encouraging you to commit fraud by entering inaccurate info to make it seem like you earn less money. These practices are dishonest and illegal!

#### Consultants:

**Claim:** “We’ll help you complete complicated forms.”

**Reality:** You *still* have to fill out the same basic information for a fee-based service that you would for the FAFSA; how else would they get your information?

**Claim:** “We’ll find different ways to report your income and assets to obtain more aid.”

**Reality:** a) This information is available for *free* at FinAid: [www.finaid.org/fafsa/maximize.phtml](http://www.finaid.org/fafsa/maximize.phtml).

b) While these services can be legitimate, remember that colleges can request additional documentation about your finances.

### Where Can I Go For Free Help?

Financial aid should not cost you anything. Consider getting help from these **free sources**:

- *FastWeb*-[www.fastweb.com](http://www.fastweb.com)
- *FinAid*-[www.finaid.org](http://www.finaid.org)
- *Libraries*
- *HS counselors*
- *US Dept. of Education*
- *Any college’s financial aid office*
- *Ph: 1-800-4-FED-AID*
- *www.collegegoalsundayusa.org*
- *Web: <http://studentaid.ed.gov>*

**Customized search of over  
\$3 billion in scholarships  
for FREE!**

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