

Scholarship Scams Tip Sheet

How do I recognize a scholarship scammer?

A scammer:

- States you've won an award for which you didn't apply.
- Does not supply valid contact information.
- Guarantees you will win an award
- Requires personal financial information (such as credit card numbers or checking account numbers to verify or hold a scholarship).

How do I recognize a legitimate scholarship service?

A legitimate service:

- Sends information about awards when you request it
- Makes contact information available upon request.
- Does not guarantee you will win an award.
- Should not direct you to a fee-based provider because they know that financial aid information is readily available for free.

What If You Suspect a Scam?

- Save all of the forms you receive from the company.
- Keep copies of written details about the offer and any correspondence, emails or other paperwork.
- Make sure all materials are dated.
- Take notes during any seminars or phone conversations. Record the date, time, phone number and the person's name with whom you spoke.
- Include a detailed account of your conversation.
- Take a copy of all literature and correspondence concerning the scholarship to your guidance counselor's office. They can verify that the foundation is legitimate.

Report the suspected scammer to any of the following organizations:

National Fraud Information Center (NFIC)

Ph : 800-876-7060 Web : www.fraud.org

Federal Trade Commission (FTC)

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

Web: www.ftc.gov

State Attorney General's Office

Visit your state's Web site to obtain state attorney general's contact information. Ask them about filing a complaint with the Bureau of Consumer Protection in your state.

Better Business Bureau (BBB)

Ph: 703-276-0100 Web: www.bbb.org

United States Postal Inspection Service (USPIS)

Phone 800-654-8896

Web: www.usps.gov/postalinspectors/fraud

Popular (But False!) Claims

"For a small fee, we'll give you a list of scholarships."

Never spend money on a fee-based matching service. The biggest and best award databases are available for free on the Internet.

"We'll help you complete complicated forms."

Information about the FAFSA and other forms is available for free from your guidance counselor, your library and the Department of Education. 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? For general financial aid or FAFSA related questions call 800-4-FED-AID (800-433-3243).

"You are guaranteed a minimum of \$1000 in awards."

A service can't guarantee any scholarships because they have no control over the scholarship judge's decisions.

"We have a 96% success rate."

These false success rates indicate the percentage of students they've successfully matched with the database, NOT the number of students who actually receive money.

"We'll need a bank account/credit card number to verify your information."

Your bank account and credit card information is confidential. A legitimate scholarship provider won't ask for this information.

"We will do all the work for you."

To win a legitimate scholarship, you must submit your own applications, write your own essays and solicit your own letters of recommendation. There is no way to avoid doing the work!

Financial Aid Seminars & Consultants

How do I protect myself from being scammed by a consultant or financial aid seminar?

Consultants

When choosing to utilize the services of a consultant, consider their qualifications carefully. Find someone who has worked as a financial aid administrator, CPA or CFP.

Seminars

Some seminars will state that their presentation is free and use high pressure tactics to get you signed up for their service, while only answering questions after you agree to pay a fee. Keep in mind that no one can find loopholes to help you save money. Don't trust anyone who encourages you to do something unethical. If you falsify financial aid forms, you can end up with a \$20,000 fine, be sent to prison or both.

If you need help with your financial aid paperwork or understanding the process, contact your guidance counselor as soon as possible.