

Scholarship Scams Tip Sheet

How do I recognize a scholarship scammer?

A scammer:

- Indicates you 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 services?

A legitimate service:

- Does not guarantee you will win an award
- Sends information about awards when you request it
- Makes contact information available upon request
- 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 seminars and 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 school's financial aid office, who can verify the organization is legitimate.

Report suspected scams to 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.ftccomplaintassistant.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.

Better Business Bureau (BBB)

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

US Postal Inspection Service (USPIS)

Ph: 800-654-8896

Web: postalinspectors.uspis.gov/

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 Free Application for Federal Student Aid (FAFSA) and other forms is available for free from your guidance counselor, your library and the U.S. 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?

- Your college financial aid administrator and College Goal Sunday programs can help.

- 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 judges' 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 and pin or credit card number to verify your information."

- Your bank account and credit card information are 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

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 college financial aid administrator, Certified Public Accountant (CPA) or Certified Financial Planner (CFP).

Seminars

- Some seminars use high pressure tactics to get you signed up for their service, while only answering questions after you agree to pay a fee. Don't trust anyone who encourages you to do something unethical. If you falsify financial aid forms, you can be fined \$20,000, sent to prison or both. If you need help understanding the financial aid process, contact your financial aid office as soon as possible.