

## Scholarship Scams Tip Sheet

### 10 Scam Warning Signs

The following signs do not guarantee that a scholarship is a scam, though several signs could be an indication that you're dealing with a 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 do, 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 matches, not award winners.

**4. No work involved:** Legitimate scholarship applications require both time and energy.

**5. No contact information:** Before you apply, confirm the sponsor's contact info. The sponsor should supply a valid e-mail address, phone number or mailing address (not a PO box) 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 name and number; check with that party.

**7. Pressure tactics:** Don't 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 won't restrict knowledge about their award to a single search service.

**9. An official-sounding name or endorsement doesn't 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. Also, the federal government and the U.S. Department of Education do not endorse private businesses.

**10. Your questions aren't answered directly:** Can't get a straight answer from a sponsor regarding their application, what will be done with your information (e.g., if it will be sent to a third party) or other questions? Proceed with caution.

### Scam-Spotting Rules of Thumb

- ✓ Don't pay money to get money.
- ✓ Too good to be true? It probably is.
- ✓ Spend time, not money.
- ✓ Legit scholarships are never guaranteed.
- ✓ Feel suspicious? Trust your instinct.

### Suspect a Scam?

If you think you may be dealing with a scammer, follow the directions below:

1. Save all forms you receive from the suspected scammer. Keep copies of written details about the offer and any correspondence, e-mails or other paperwork. Make sure all materials are dated.
2. Take notes during any seminar or phone conversations. Record the date, time, phone number and the person's name with whom you spoke. Also include a detailed account of your conversation.
3. Report the suspected scammer to local law enforcement, your financial aid office and any of the following organizations:

#### 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)

#### National Fraud Information Center (NFIC)

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

#### 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)

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

Ph: 1-800-654-8896

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

**FastTip: Applying for financial aid should never cost more than a postage stamp!**

**Bonus Tip: An upfront fee is not needed for scholarship or loan applications!**

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

[www.fastweb.com](http://www.fastweb.com)

## Creative Scams: Seminars and Consultants

Seminars and consultants sometimes charge fees for services or information you can obtain for free.

### Consultants:

While services can be legitimate, paying for help when you apply for aid may be an unnecessary expense. Here's why:

**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.

c) Not reporting information accurately is against the law (punishable up to a \$20,000 fine, prison or both).

### Seminars:

You may be able to get what you need on your own.

**Claim: "Our presentation is completely free."**

**Reality:** While the presentation is free, they may use high pressure tactics to try to get you signed up for their service. They may also claim that the price will increase if you don't sign up now, or that they can answer questions 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. Check below for free resources.

**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!

Search over 1.3 million scholarships worth over \$3 billion!  
[www.fastweb.com](http://www.fastweb.com)

### Found a Scam? Been Scammed?

If credit card or banking accounts have been compromised, what should you do?

**Immediately contact your bank or credit card issuer.**

Explain the situation and close your account(s).

**Report the fraud to the Federal Trade Commission (FTC).**

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

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

You should also notify these other agencies:

**National Fraud Information Center (NFIC)**

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

**Better Business Bureau (BBB)**

If possible, report the mailing address, e-mail address and/or phone number of the scammer.

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

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

Ph: 1-800-654-8896

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

### Where Can I Go For Free Help?

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

- [FastWeb.com](http://FastWeb.com) and [FinAid.org](http://FinAid.org)
  - Libraries
  - Financial aid office
  - [CollegeGoalSundayUSA.org](http://CollegeGoalSundayUSA.org)
  - U.S. Dept. of Education
- Ph: 1-800-4-FED-AID, Web: <http://studentaid.ed.gov>

### Protect Yourself!

**Talk to your college's financial aid office.** They can tell you if they've had trouble with any particular consultant.

**If you use a consultant, consider qualifications carefully.**

Find a consultant who has worked as a financial aid administrator, CPA or CFP.

**Don't let anyone take a percentage of your aid as a fee.**

The aid that you receive is yours and shouldn't be shared.

**Never use anyone who encourages you to do**

**something unethical.** If you falsify financial aid forms, you can end up with a \$20,000 fine, going to prison or both.

**FastTip:** Because a seminar is held at a local school, library or community site doesn't mean it is legitimate. Check with your college if you think the seminar might be a scam.

## Fall 2006/Winter 2007 College Planner

### Every Year: Freshmen, Sophomores, Juniors, Seniors

- The 2007/08 FAFSA/Renewal FAFSA is available at: [www.fafsa.ed.gov](http://www.fafsa.ed.gov) on January 1, 2007. Gather the financial records and materials you need to file.
- Visit your financial aid office. At the beginning of the year, take care of remaining financial aid paperwork.
- Follow up on loans, scholarships (find out which ones are renewable!), part-time employment, work study and other aid. You have a choice about which aid to accept.
- Complete a scholarship search at [www.fastweb.com](http://www.fastweb.com). Apply for as many awards as possible.
- Meet with your advisor to discuss courses, extracurricular activities and career-building options.
- Community service, internships and the right job can help you gain practical experience while building up your resume. In addition, take leadership roles in clubs, activities and volunteer organizations.

Search over 1.3 million scholarships worth over  
\$3 billion!

[www.fastweb.com](http://www.fastweb.com)

### Freshman Year

#### **Fall:**

- If have a student loans, ask your financial aid office about entrance loan counseling. It will tell you what your lender expects.
- Build relationships with teachers, counselors, and activity/academic advisors. This will help you obtain recommendations for jobs and graduate school.

#### **Winter:**

- If you're not sure about your major, visit your career center to take a self-assessment test.

### Bonus Senior Section:

#### **Fall:**

- Sign up for on-campus job interviews. Check your career center for workshops on resumes, interview techniques, networking and negotiating.
- Update your resume. Create several different versions that can be used for various job positions.
- Join a professional organization within your intended profession in order to network and make contacts in your field.
- If you're planning to attend grad school, register soon for your required tests: GMAT, LSAT, MCAT or GRE.
- Practice your interviewing skills. Remember to follow up your interviews with a thank-you email or letter to the recruiter.

### Sophomore Year

#### **Fall:**

- Talk to your career center and academic advisor about possible internships in your area of study.

#### **Winter:**

- Declare your major or decide if you will double major.
- Visit your college career center to find resources to help you select a career.
- Begin to network through your career center, academic advisor and your family to find possible internship opportunities.

### Junior Year

#### **Fall:**

- Meet with your academic advisor to review what remaining classes you'll need to take in order to graduate.
- Look seriously into finding an internship in your academic or career area of interest.
- Develop, update and refine your resume.
- Attend a job or career fair.

#### **Winter:**

- Begin to think about graduate school or employment options; meet with your advisor or career center.

#### **Winter:**

- Ask your financial aid office about exit loan counseling. Find out what you need to do to keep your loan in good standing after you graduate.
- Attend career fairs at your college. Bring plenty of resumes, keep all business cards you receive and write thank-you notes to the recruiters you meet.
- Ask your financial aid office about possible tax breaks on your student loans. The interest you pay might be tax deductible if you qualify.
- Familiarize yourself with loan consolidation. You may want to consolidate while in school or in the future, but learning about it sooner can help decide whether consolidation is right for you.