

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.

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 guidance counselor 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

National Fraud Information Center (NFIC)

Ph: 1-800-876-7060, Web: 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

United States Postal Inspection Service (USPIS)

Ph: 1-800-654-8896

Web: 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!

Free search of over
1.3 million scholarships
and over 4,000 colleges

www.fastweb.com