

## Scholarship Scams Tip Sheet

### How do I recognize a scholarship 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, checking account numbers, and/or Social Security numbers to verify or hold a scholarship)

### How do I recognize a legitimate scholarship services?

- 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 if the organization is legitimate.

### Financial Aid Seminars & Consultants

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

- 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).
- If a financial aid consultant refuses to sign the paid preparer section of the FAFSA that is a red flag.
- 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.

### Beware of 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 free online.
- "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 directly for the FAFSA.

- Your school financial aid administrator and College Goal Sunday programs can help: [www.collegegoalsundayusa.org](http://www.collegegoalsundayusa.org).

- 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."*

- A legitimate scholarship provider won't ask for bank account, credit card or Social Security 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.

### Report suspected scams to the following organizations:

National Fraud Information Center (NFIC)

800-876-7060 / [www.fraud.org](http://www.fraud.org)

Federal Trade Commission (FTC)

877-FTC-HELP (877-382-4357)

[www.ftccomplaintassistant.gov](http://www.ftccomplaintassistant.gov)

Better Business Bureau (BBB)

703-276-0100 / [www.bbb.org](http://www.bbb.org)

US Postal Inspection Service (USPIS)

800-654-8896 / [postalinspectors.uspis.gov/](http://postalinspectors.uspis.gov/)

State Attorney General's Office - Visit your state's website for state attorney general's contact information. Ask them about filing a complaint with the Bureau of Consumer Protection.