

Scholarship Scam-Alert

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Guess what? You're a "finalist" for a scholarship. And you never even applied! Too good to be true? Probably so.

The sad truth is that there are scammers out there—posing as scholarship providers or scholarship matching services—who take your money and leave you with nothing. The good news is, you can protect yourself from scholarship scams by following these tips:

Know Your Scams

Scams come in many flavors, but there are a few typical moves you should be aware of:

- The phony scholarship: You receive a notice about a scholarship that promises you cash. All you need to do is pay the registration fee. So why not apply? Because there is *no award*. Or there is one small award used to lure you in.
- The phony scholarship matching service: Pay a fee, and they'll do all the work. They'll find information that you can't get anywhere else! Not only that, they will *guarantee* that you'll win. The outcome? You never hear from them again or (even more frustrating) you receive a list of inappropriate or defunct awards. And forget your money-back guarantee: The company is long gone.
- The phony educational loan: A low-interest loan in exchange for an up-front fee. You pay the fee, but never receive the loan.
- The phony free financial-aid seminar: A thinly disguised sales pitch for a bogus scholarship search or insurance offer.

Scam Warning Signs:

- The fee. Your best rule of thumb: Financial aid should never cost you. Never invest anything beyond the cost of a postage stamp in your search for financial aid.
- The money-back guarantee—especially if the company tries to guarantee that you will win an award.
- Credit card verification. If they ask for a checking account or credit card number—for verification or to confirm eligibility—stop listening. Scammers use this ploy to get your financial information and then drain your account or run up charges on your credit card.

And remember: Don't be fooled by an "official sounding" name. Just because a company uses words like "National," "Federal," "Foundation" or "Administration" in its title doesn't mean it is a legit operation.

What's Legit:	What's Not:
A legitimate scholarship provider sends information about awards only after you request it.	A scammer offers you an award for which you did not apply.
A legitimate scholarship organization makes its contact information available, including a telephone number and address.	A scammer refuses to release the company's telephone number, and provides only a PO Box where you can mail your check.
A legitimate scholarship-matching company never guarantees that the student will win an award, and they never promise to "do all the work" for the student.	A scammer promises to do all the work for the students—filling out the application, contacting the scholarship provider, securing the award. A scammer guarantees you <i>will</i> win an award.
A legitimate scholarship-matching company knows that financial aid information is FREE and readily available in financial aid offices, libraries and on the Internet.	A scammer will tell you that you can't get the information they supply anywhere else.
A legitimate scholarship application requires only information that is relevant to the award.	A scammer requires personal financial information—such as credit card numbers or checking account numbers—to verify or hold the scholarship.
A legitimate educational loan company deducts fees from your disbursement checks; they don't collect the money up front.	A scammer charges an up-front fee for a loan

Suspect a Scam?

FastWeb

It sounded promising at first. The financial aid seminar that promised the secret scoop on how to fund your education. The generous scholarship you qualified for without ever applying. But now you suspect the offers may not be legitimate.

So what should you do if you think you're faced with a scam?

1. Protect your wallet. Trust your gut in these situations. If you don't believe an organization is operating in good faith, don't let them pressure you into paying for anything or revealing any of your financial information.
2. Document all your dealings with any company that you suspect of fraud. Include details about the offer, your response and the dates of your communications.
3. Take notes during any meetings or telephone conversations with these organizations. Record the date, time, place, nature of the conversation, the name of the person with whom you spoke and a detailed account of your conversation.
4. Report them! Any of the following organizations can help:

National Fraud Information Center (NFIC)

Call their toll-free hotline at 1-800-876-7060, submit a complaint online at www.fraud.org or write:

National Fraud Information Center
c/o National Consumers League
1701 K Street, NW
Suite 1200
Washington, DC 20006

Federal Trade Commission (FTC)

To report suspected fraud, call 1-877-FTC-HELP (1-877-382-4357), submit a complaint online at www.ftc.gov or write

Federal Trade Commission
CRC-240
600 Pennsylvania Ave, NW
Washington, DC 20580

State Attorney General's Office

File your complaint with the Bureau of Consumer Protection in your state.

Better Business Bureau (BBB)

Report business fraud or ask for information about a company. You can also read the BBB's article about [scholarship scams](#). Call 1-703-276-0100, contact online at www.bbb.org or write:

Council of Better Business Bureaus
4200 Wilson Blvd., Suite 800
Arlington, VA 22203-1838

U.S. Postal Inspection Service (USPIS)

For complaints involving mail fraud, call the Postal Crime Hotline at 1-800-654-8896, submit a complaint online at www.usps.gov/postalinspectors/fraud/welcome.htm or write:

Inspection Service Operations Support Group
Attention: Mail Fraud
222 S. Riverside Plaza, Suite 1250
Chicago, IL 60606