

Scams: What You Should Know

Scholarship Scam Warning Signs

Watch out for the following claims companies will make in an effort to scam you:

- **“For a fee, we provide a comprehensive list of scholarships.”** Don't spend money on a fee-based matching service. The biggest and best scholarship databases are available for free on the Web.
- **“Billions of dollars of award monies going unclaimed.”** Statements about funds going unclaimed are simply untrue. If funds are available, students will compete for them.
- **“We have a money-back guarantee.”** Legitimate scholarships are always competitive. No one can guarantee that you will win a scholarship.
- **“We need your credit card or bank account number”** No legitimate scholarship should require your credit card number or bank account numbers.
- **“We will do all the work”** To receive a scholarship students must complete the applications and essays themselves. No one else can do the work for them.

Beware: Financial Aid Seminars

Some seminars charge fees for services or information you can obtain for free from another source. How can you tell if the seminar is a scam?

- While the presentation might be free, you are pressured to give them a check, checking account number or a credit card to sign up for the service.
- You are told that the program can adjust your income and/or assets to make it seem like you earn less money, thereby qualifying for more aid. Such practices are frequently illegal.
- You are told that they can only answer specific questions after you have paid the fee.

* *A seminar being held at a local college or library does not make it legitimate. Be sure to check with your school counselor or financial aid advisor if you think the seminar might be a scam.*

What If You Suspect a Scam?

1. Save all forms you receive from the suspect company. 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 the seminar and any 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 any of the following organizations:

National Fraud Information Center (NFIC)

Fill out an online complaint form or call toll-free:
Phone: 800-876-7060
www.fraud.org

Federal Trade Commission (FTC)

Fill out an online complaint form or call toll-free:
Phone: 877-FTC-HELP (1-877-382-4357)
www.ftc.gov

State Attorney General's Office

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

Better Business Bureau (BBB)

Be sure to have the address of the company about whom you are filing the complaint.
Phone: 703-276-0100
www.bbb.org

United States Postal Inspection Service (USPIS)

Phone: 800-654-8896
www.usps.gov/postalinspectors/fraud/welcome.htm

Remember: Financial aid shouldn't cost more than a postage stamp!

FastTip: An official-sounding name does not mean a company is legitimate. Scams sometimes use words like “national” and “education” in their titles.

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