

Scholarship Scams Tip Sheet

10 Scam Warning Signs

Knowing the warning signs can keep you from being a scholarship scam victim.

1. **Fees:** You shouldn't have to pay to search for or apply for scholarships.
2. **Credit card or bank account information needed:** You should never have to give credit card or bank account information to award providers.
3. **Scholarship guarantee:** No one can guarantee that you'll win a scholarship because no one can control scholarship judges' decisions. Also, be wary of "high success rates" - they usually do not refer to actual award winners.
4. **No work involved:** Legitimate scholarship applications require time and energy.
5. **No contact information:** Legitimate sponsors should provide contact information upon request. If the sponsor does not supply a valid e-mail address, phone number and mailing address (not a PO box) upon request, that could be the sign of a scam.
6. **Unsolicited scholarships:** If you are called to receive an award for which you never applied, be alert - it's most likely a scam.
7. **Pressure Tactics:** Don't allow yourself to be pressured into applying for a scholarship, especially if the sponsor is asking you to pay.
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. Dept. of Education do not endorse private businesses.
10. **Your questions aren't answered directly:** If you 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.

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 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 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 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

FastTips

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

An upfront fee is not needed for scholarship or loan applications!

Be sure to check with your high school guidance office if you suspect a scholarship scam.