

## 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](http://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](http://www.ftc.gov/scholarshipscams)

#### National Fraud Information Center (NFIC)

Ph: 1-800-876-7060, Web: [www.fraud.org](http://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](http://www.bbb.org)

#### United States Postal Inspection Service (USPIS)

Ph: 1-800-654-8896

Web: [www.usps.com/postalinspectors/fraud](http://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](http://www.fastweb.com)

## Creative Scams: Seminars and Consultants

Seminars and consultants sometimes charge fees for services or information you can obtain for free.

### Consultants:

Paying a fee to a financial aid service to help you apply for aid may be an unnecessary expense. Here's why:

**Claim: "We'll help you complete complicated forms."**

**Reality:** You *still* have to fill out the same basic information for a fee-based service that you would for the FAFSA; how else would they get your information?

**Claim: "We'll find different ways to report your income and assets to obtain more aid."**

**Reality:** a) This information is available for free at FinAid: [www.finaid.org/fafsa/maximize.phtml](http://www.finaid.org/fafsa/maximize.phtml).

b) While these services can be legitimate, remember that colleges can request additional documentation about your finances.

c) Not reporting FAFSA information accurately is against the law (punishable up to a \$20,000 fine, prison or both).

### Seminars:

You may be able to get what you need on your own.

**Claim: "Our presentation is completely free."**

**Reality:** While the presentation is free, a seminar may use high pressure tactics to try to get you signed up for the service. It may also claim that the price will increase if you don't sign up now, or that questions can be answered after you pay.

**Claim: "We can help you complete complicated forms."**

**Reality:** Everyone needs the same basic information to complete financial aid forms, so even if you pay for help, it is still up to you to do the work of assembling the information. Help with the FAFSA is available for free at [www.fafsa.ed.gov](http://www.fafsa.ed.gov) or by phone at: **1-800-4-FED-AID**.

**Claim: "We'll find loopholes to help you save money."**

**Reality:** The company may be encouraging you to commit fraud by entering inaccurate info to make it seem like you earn less money. These practices are dishonest and illegal!

***FastTip:*** Because a seminar is held at a local school, library or legitimate community site doesn't mean it is legitimate. Check with your counselor if you think the seminar might be a scam.

### Found a Scam? Been Scammed?

If credit card or banking accounts have been compromised, what should you do?

**Immediately contact your bank or credit card issuer.**

Explain the situation and close your account(s).

**Report the fraud to the Federal Trade Commission (FTC).**

Web: [www.ftc.gov/scholarshipscams](http://www.ftc.gov/scholarshipscams)

Ph: 1-877-FTC-HELP (877-382-4357)

You should also notify these other agencies:

**National Fraud Information Center (NFIC)**

Fill out an online complaint form:

Ph: 1-800-876-7060, Web: [www.fraud.org](http://www.fraud.org)

**Better Business Bureau (BBB)**

If possible, report the mailing address, e-mail address and/or phone number of the scammer.

Ph: 1-703-276-0100, Web: [www.bbb.org](http://www.bbb.org)

**United States Postal Inspection Service (USPIS)**

Ph: 1-800-654-8896

Web: [www.usps.com/postalinspectors/fraud](http://www.usps.com/postalinspectors/fraud)

### Where Can I Go For Help?

Financial aid should not cost you anything. Consider getting help from these **free sources**:

- Online sources such as [FastWeb.com](http://FastWeb.com) and [FinAid.org](http://FinAid.org)
  - HS counselors • Any financial aid office • Libraries
  - US Dept. of Education
- Phone: 1-800-4-FED-AID, Web: <http://studentaid.ed.gov>

### Protect Yourself!

**Talk to your guidance counselor's office.** They can tell you if they've had trouble with any particular consultant.

**If you use a consultant, consider qualifications carefully.**

Find a consultant who has worked as a financial aid administrator, CPA or CFP.

**Don't let anyone take a percentage of your aid as a fee.**

The aid that you receive is yours and shouldn't be shared.

**Never use anyone who encourages you to do**

**something unethical.** If you falsify financial aid forms, you can end up with a \$20,000 fine, going to prison or both.

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

[www.fastweb.com](http://www.fastweb.com)

## Fall 2006/Winter 2007 High School Planner

### Freshman/Sophomore

- Meet with your guidance counselor to discuss classes and available activities.
- Plan which classes to take during high school. Challenge yourself to take more difficult courses.
- Join clubs and activities in your area of interest. Take leadership positions when possible.
- Start to build relationships with some of your favorite teachers, counselors and activity advisors who can write recommendations and serve as mentors later.
- Talk about saving for college with your parents/family.
- Search for scholarships and colleges on [www.fastweb.com](http://www.fastweb.com).

### Junior

- Explore financial aid options and college planning with your parents/family.
- Take the most challenging courses you can. Doing so will show an admissions office that you can compete on a college level.
- Continue to research prospective colleges. Sign up for FastWeb's College Search to find and contact a matching college at [www.fastweb.com](http://www.fastweb.com).
- Use your FastWeb results to visit prospective colleges' Web sites.
- Attend college fairs and speak to campus representatives.
- Register and take the PSAT; prepare for the SAT/ACT.
- Go to [www.fastweb.com](http://www.fastweb.com) to search for scholarships.
- Take leadership roles in clubs, activities and other volunteer and service organizations.
- Consider which teachers, advisors or counselors you may want to have write your recommendations. Strengthen your relationship by providing a list of activities and accomplishments as a reminder of your work.

- Attend a college fair; speak with campus representatives.
- Select a volunteer organization with which you'd like to become involved.
- Start to become familiar with standardized tests such as the SAT and ACT.
- Begin to think about a future college choice. Use FastWeb's College Search to get familiar with schools at [www.fastweb.com](http://www.fastweb.com).
- Ask your high school counselor about contacting former students for future college advice.
- Research summer programs in your area of interest. Ask your counselor or teachers whether they know of any opportunities. Use [www.fastweb.com](http://www.fastweb.com) to search for internships in your area.

### Senior

- Fill out the Free Application for Federal Student Aid as soon as you can after January 1. Find the FAFSA online at: [www.fafsa.ed.gov](http://www.fafsa.ed.gov). You'll need a PIN ([www.pin.ed.gov](http://www.pin.ed.gov)) to sign the FAFSA online.
- Request applications and brochures from your target colleges. Use FastWeb's College Search at [www.fastweb.com](http://www.fastweb.com) to help narrow your college choice.
- Sign up for college entrance exams - the SAT and/or ACT. Check out the test prep information available through CollegeBoard, ACT and [www.fastweb.com](http://www.fastweb.com).
- Take honors or advanced classes. More challenging courses show that you are prepared for college coursework.
- Schedule interviews with prospective colleges. Practice your interview skills before heading in for the actual interview.
- Set up a budget for college and application costs.
- Get your applications in order by creating files for target schools. Make a list of application requirements (essays, transcripts, recommendations, etc.) and deadlines for each. Consider creating your own personal timeline or calendar for this process.
- Request letters of recommendation from recent teachers, advisors and employers. Provide enough time so they can reply. Include a list of activities and accomplishments.
- Work on college application essays.
- Seek out jobs, internships and/or volunteer work in your community or through your school. In addition to being a rewarding experience, show an admissions office your commitment to improve your community.

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