

SCHOLARSHIP SCAMS

(The following information is a summary of a bulletin published by The College Board.)

Hundreds of scholarship services are on the market, but many are scams. The Federal Trade Commission (FTC) warns students to beware if the scholarship service:

- Guarantees that a student has won a scholarship
- Pledges that this scholarship information is not available anywhere else
- Requests a credit card or bank account number so that they can hold the scholarship for the student
- Promises that the service will do all the application work
- Requests payment before they give the scholarship
- Claims “a national foundation has selected you to receive a scholarship” or “you are a finalist” in a contest the student never entered.
- Offers membership in a “club” that guarantees funds for college

Scholarship scams usually have a particular set of characteristics. Watch out for these warning signs:

- Application fees
- Other fees
- Guaranteed winnings
- Everybody is eligible
- Unsolicited opportunities
- Typing and spelling errors
- No telephone number
- Mail drop for a return address
- Operating out of a residence
- Masquerading as a federal agency
- Time pressure
- Unusual requests for personal information
- Notification by phone
- High success rates
- Disguised advertising
- A newly-formed company