

## Financial Aid Seminars and Consultants: Paying for Help?

Seminars and consultants often charge fees for services or information. Keep yourself from getting scammed!

### **Seminars:**

Is the seminar a scam? Here are some warning signs:

- You receive an unsolicited letter to lure you in.
- After a free presentation, the presenters use high pressure tactics to try to get you signed up for their service.
- They raise the price if you don't sign up immediately. Any legitimate services will have a set price.
- You are encouraged to commit fraud, entering inaccurate income and/or assets to make it seem like you earn less money, thereby qualifying for more aid.
- Paid aid consultants are required to sign the FAFSA; if the consultant refuses to sign, that could be the sign of a scam.
- You are asked for a credit card number to "hold" the scholarships for you.
- Specific questions can be answered only after you have paid the fee.

\* A seminar held at a local school or university doesn't mean it's legitimate. Be sure to 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.** Explain the situation and have the bank close your account(s).

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

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

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

You can also notify these other agencies:

**National Fraud Information Center (NFIC)**

Fill out an online complaint form.

Ph: 800-876-7060

Web: [www.fraud.org](http://www.fraud.org)

**Better Business Bureau (BBB)**

If possible, report the address of the company about whom you are filing the complaint.

Ph: 703-276-0100

Web: [www.bbb.org](http://www.bbb.org)

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

Ph: 800-654-8896

Web: [www.usps.gov/postalinspectors/fraud/welcome.htm](http://www.usps.gov/postalinspectors/fraud/welcome.htm)

**U.S. Department of Education**

Ph: 800-4FED-AID (433-3243)

Web: <http://studentaid.ed.gov>

### **Financial Aid Consultants:**

You can do it on your own for free. But if you decide to pay for help, make sure you choose the right person:

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

**Consider the consultant's qualifications carefully.** One way is to find a consultant who has worked in a university financial aid office or at least is a certified public accountant (CPA). Another way is to contact past clients personally and ask them about the consultant's services. Checking just one qualification is no guarantee of a legitimate service.

**Don't let a consultant take a percentage of your aid as a fee.** The aid that you win is yours and shouldn't be shared.

**Never use a consultant who encourages you to do something unethical.** If you falsify financial aid forms, you can end up paying a big fine, in jail or both.

**\* Remember that financial aid help is always available for free! Check the following sources:**

- High school counselors
- 800-4-FED-AID
- College financial aid offices
- Online sources such as [FinAid.org](http://FinAid.org) & [FastWeb.com](http://FastWeb.com)
- Libraries

Free search of over  
600,000 scholarships and  
over 4,000 colleges  
[www.fastweb.com](http://www.fastweb.com)

### **FastTip:**

Do not be fooled by official sounding names. Just because an organization has "education," "national" or "federal" in its name or has an official-looking seal doesn't make it legitimate. In addition, just because they claim to be from the Department of Education doesn't mean they really are.

**Avoid giving out credit card or bank account information over the phone.** It's difficult to verify identity - not everyone is who they say they are.

## 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. Check out the *free* scholarship search at [www.fastweb.com](http://www.fastweb.com).

**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:** You can't avoid putting in time to fill out a scholarship application.

**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 for money up front.

**8. Claims of "exclusive" scholarships:** Sponsors don't make their scholarships available through only one service.

**9. Sponsor goes out of their way to sound "official":** Scammers sometimes use official-sounding words like "national," "education" or "federal" or they display an official-looking seal to fool you into thinking they are legit. Check with your school if you question a scholarship provider's legitimacy.

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

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

#### National Fraud Information Center (NFIC)

Fill out an online complaint form or call toll-free:

Ph: 800-876-7060

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### FastTip:

Remember that applying for financial aid should never cost more than a postage stamp!

Free Scholarship Search:  
Over \$1 billion in awards  
[www.fastweb.com](http://www.fastweb.com)