

Beware of Financial Aid Frauds and Scholarship Scams

Despite the slumping economy, the cost of public and private college education continues to rise. College-bound high school students and their parents are seeking any financial assistance they can get, which makes them particularly vulnerable to financial aid fraud and/or scholarship scams. Like many other scams, these are designed to get consumers to disclose their personal information or to pay unnecessary fees.

The Office of Consumer Affairs and Business Regulation warns Massachusetts high school students and their parents to be on the lookout for the warning signs of a scholarship scam:

1. The scholarship is guaranteed.
Legitimate scholarship sponsors will not guarantee you scholarship money.
2. We do all the work for you.
You must apply for scholarships or grants yourself.
3. You have to pay a fee (e.g. registration fee, processing fee, application fee, etc.).
Legitimate scholarship sponsors do not charge fees.
4. Money-back guarantee.
5. Request for your credit card or bank account information.
Protect your personal information. Do not give out your credit card or bank account information.
6. Unsolicited opportunities.
You receive notification that you've won an award for a contest that you did not enter or apply for.
7. Offers exclusive information.

If you think you've received an offer that's fraudulent:

- Research the organization with the Better Business Bureau (www.bbb.com).
- Report the information to the Office of Consumer Affairs and Business Regulation (888-283-3757 or www.state.ma.us/consumer), the Attorney General's Office (617-727-8400 or www.mass.gov/ago), and the National Fraud Information Center (800-876-7060 or www.fraud.org).

If you think you are a victim of a financial aid fraud:

- Contact your bank and/or credit card company, explain the situation, and request that your account be closed or monitored.
- Report the fraud to the U.S. Department of Education's Office of the Inspector General (800-647-8733 or oig.hotline@ed.gov), the Federal Trade Commission (877-382-4357 or www.ftc.gov/scholarshipscams), and the National Fraud Information Center (800-876-7060 or www.fraud.org).

