

Scholarship scams take advantage of students looking for money to fund their education. Here are our pro-tips on how to spot and avoid common scholarship scams, as well as what to do if you suspect you've been scammed.

## Types of Scholarship Scams

### PHISHING SCHEMES

A phishing scheme often starts with an email, text, or phone call to many recipients. The idea is that the scammer is “phishing” for information, such as your name, address, phone number, Social Security number, or banking information.

Here are some examples:

- You receive an email that requests your address and phone number and promises to send more information about a scholarship.
- There's an application form attached to the email that you're asked to complete and send back.
- The email includes a link to an application form on a legitimate-looking website which is actually a “phishing site” designed to steal your information.

### ADVANCE-FEE SCAMS

Some scammers ask for a fee to be paid in return for more information, for your application to be submitted, or to receive a scholarship for which you didn't apply. This should be a huge red flag. Information about scholarships should be publicly available for free.

### SALES PITCH SCHEMES

In your quest to find a scholarship, you may be invited to a seminar on the topic. Be very wary of these sessions as they can turn into high-pressure sales pitches.

Some organizations say they will be helping people with scholarships, but instead are using the guise to try to sell other products or services. Always ask if there is any fee associated with their services.

### OVERPAYMENT SCAMS

You receive a letter in the mail saying you've been selected for a scholarship. A check comes with the letter or shortly afterward. Delighted, you deposit the check in your bank account.

After the check arrives, you receive a letter or email, stating that there has been an overpayment of part of the sum. Still content with having received some money, you send back the portion that was “overpaid.” The original check never clears, and you are now out of pocket for the “overpayment.”

### LOTTERY-BASED SCHOLARSHIPS

Lottery-based scholarships are not necessarily scams, but you may want to avoid them. The way these typically work is that you complete a survey in return for entry into a prize drawing (a scholarship). Often they sell your email address or phone number to telemarketers or others.

**FIND MAINE SCHOLARSHIPS:**

Use FAME's Maine Scholarship Search at [FAMEmaine.com/scholarships](https://FAMEmaine.com/scholarships)

## Ways to Avoid Scholarship Scams

### 1. Question if it's too good to be true.

Use common sense and question how likely it is that the information is legitimate. If something sounds too good to be true, do some research and/or contact us to check it out.

### 2. Be wary of a sense of urgency.

While scholarships often have deadlines, it's unlikely they'd contact you a few hours or days beforehand. Real scholarships typically don't ask you to apply unless it is to renew an application. Crooks use the tactic of creating a sense of urgency to throw you off guard and comply with whatever they're asking.

### 3. The promise of exclusive information should be a red flag.

If an organization is promising exclusive access to a scholarship, question whether this would make sense. Information about most scholarships is publicly available so that everyone who is eligible will have an equal opportunity to apply.

### 4. Question money-back guarantees.

Some fraudsters use a money-back guarantee offer to persuade you to pay them a fee. Legitimate companies never guarantee or promise scholarships or grants.

Another claim used to attract your attention is the promise that everyone is eligible. Of course, for a real scholarship, there is a set of criteria that applicants must meet to be considered for the prize.

### 5. Watch out for claims of affiliation with a reputable organization.

Plenty of scammers will claim to have ties with an organization that you recognize. Some go a step further and pose as that organization, by using its logo and even an email address and web domain that looks like it's from the company. Investigate the organization thoroughly before handing over any information.

### 6. Learn to spot phishing emails and websites.

Some phishing schemes are easy to spot while others are sophisticated and very deceiving. Key things to look out for are poor spelling and grammar, an email domain that doesn't quite match the organization's name, and links that appear to go to different domains (hovering over a link will show you the exact web address).

### 7. Don't hand over personal or banking information.

When you apply for a scholarship, you're going to have to provide some information. But if an organization is asking for things like your social security number or banking information right off the bat, then it is likely a scam. Even when asked for basic information like your name, address, and phone number, fully vet the organization before sending.

## How to Report Scholarship Scams

Do you suspect someone is trying to scam you? Have you or someone you know already fallen victim to a scholarship scam? The government is aware that scams are taking place and has taken steps to prevent them, including passage of the College Scholarship Fraud Prevention Act of 2000 (P.L. 106-420), which created enhanced penalties for scholarship fraud.

To report scams, contact:

- National Fraud Information Center (NFIC): 800-654-7060
- Federal Trade Commission: 877-382-4357
- Maine Attorney General's Office: 800-436-2131

Feel free to contact FAME to see if a scholarship is legitimate or a scam.