

SCHOLARSHIP AND FINANCIAL AID FRAUD

The Department of Education warns that you should not pay for help in completing the Free Application for Federal Student Aid (FAFSA). There are several web sites offering help completing the FAFSA for a fee. These sites are not affiliated with or endorsed by the U.S. Department of Education. The Department of Education urges you not to pay these sites for assistance that is provided free by the financial aid administrator at your college of choice. The official FAFSA is at www.fafsa.gov and you can get additional free help from the Federal Student Aid Information Center.

Each year many high school seniors and their parents seek creative ways to finance the rising costs of a college education. During this process they will sometimes fall prey to scholarship and financial aid scams. On November 5, 2000, Congress passed the College Scholarship Fraud Prevention Act of 2000 (CSFPA). The Act enhances protection against student financial assistance fraud by establishing stricter sentencing guidelines for criminal financial aid fraud. The Department of Education was charged to work in conjunction with the Federal Trade Commission to implement national awareness activities, including a scholarship fraud site on the Department of Education's web site.

The Federal Trade Commission cautions parents and students that perpetrators of financial aid fraud often use the following lines:

1. The scholarship is guaranteed or your money back
2. You can't get this information anywhere else
3. I just need your credit card or bank account number to hold this scholarship
4. We'll do all the work
5. The scholarship will cost some money
6. You've been selected by a 'national foundation' to receive a scholarship or 'You're a finalist' in a contest you never entered
7. Buy now or miss this opportunity
8. We guarantee you'll get aid
9. Millions of dollars in aid go unclaimed every year

For more information about scholarship fraud, or to file a complaint, students or parents should call **1-877-ftc-help (1-877-382-4357)** or visit: <http://www.ftc.gov/scholarshipcams>.