

NEWS FROM SCDCA

South Carolina Department of Consumer Affairs



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FOR IMMEDIATE RELEASE

BACK-TO-SCHOOL SCAMS (PART ONE): SCHOLARSHIP AND STUDENT AID SCAMS

Columbia, SC..... The South Carolina Department of Consumer Affairs (SCDCA) is helping students and parents prepare for the school year with a three-part series dedicated to “Back-to-School Scams.” First, SCDCA takes a look at the growing problem of scholarship and student aid scams.

Whether it’s the excitement of starting freshman year or the anticipation of finishing senior year, college students nationwide are getting ready to dive into the books again. They’ll also be diving deep into their pocketbooks for tuition payments, textbook costs, and other fees. With all these expenses, it is no surprise that scholarships and student aid top the shopping list for many. Before signing on or paying up, however, students *and parents* should do their homework. According to www.FinAid.org, students are defrauded out of an estimated \$100 million every year. How does this happen? Scholarship and student aid scams promise too-good-to-be-true deals and lure students into paying upfront and giving away personal information.

Clues You’ll Lose

- You must pay to apply or participate.
- Past recipients are nowhere to be found.
- Shoddy websites are difficult to operate.
- You are notified via telephone.
- Everyone is pre-approved or qualified.
- Awards are guaranteed.
- Personal information is requested.

About the South Carolina Department of Consumer Affairs:

Established by the Consumer Protection code in 1974, The South Carolina Department of Consumer Affairs represents the interests of South Carolina Consumers. Our mission is to protect consumers from inequities in the marketplace through advocacy, mediation, enforcement and education.

For more information, visit www.scconsumer.gov.

Tips to Avoid Scams

- Avoid unsolicited offers.
- Ask questions...lots of questions.
- Don't trust verbal promises. Get it in writing.
- Read the fine print. *Remember: The finer the print, the bigger the hint.*
- Never give personal information.
- Always research a company whether it seems suspicious or not.
- Keep records of all documents and conversations.

Hunt Here

Because finding information on legitimate aid and scholarships is just as critical as avoiding scams, begin your search with reputable website such as:

U.S. Department of Education - <http://www.ed.gov/index.jhtml>

Free Application for Federal Student Aid (FAFSA) - <http://www.fafsa.ed.gov>.

Additionally, the College Scholarship Fraud Prevention Act of 2000 guarantees the following protections and rights to students:

- Increases penalties for scholarship scammers
- Eliminates a loophole that allowed scammers to keep their spoils
- Requires the U.S. Department of Education and Federal Trade Commission to publish scholarship scam information on their websites

For more information on scholarship scams, contact the Public Information Division at 803.734.4296, toll free in SC at 1.800.922.1594, or visit www.sccconsumer.gov.