

Financial Aid & Scholarship Fraud

Every year, millions of prospective college students seek creative ways to finance the markedly rising costs of a college education. In the process, they 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 CSFPA enhances protection against fraud in student financial assistance by establishing sentencing guidelines for criminal financial aid fraud. It also charged the Department, working in conjunction with the Federal Trade Commission (FTC), with implementing national awareness activities, including scholarship fraud awareness information on the US Department of Education (ED) web site:

www.studentaid.ed.gov/LSA

According to the FTC, perpetrators of financial aid fraud often use these telltale lines:

- The scholarship is guaranteed or your money back.
- You can't get this information anywhere else.
- I just need your credit card or bank account number to hold this scholarship.
- We'll do all the work.
- The scholarship will cost some money.
- You've been selected by a 'national foundation' to receive a 'scholarship' or 'You're a finalist,' in a contest you never entered.

To file a complaint, or for free information, students should call **1-877-FTC-HELP (1-877-382-4357)** or visit: <https://consumer.ftc.gov/articles/how-avoid-scholarship-financial-aid-scams>