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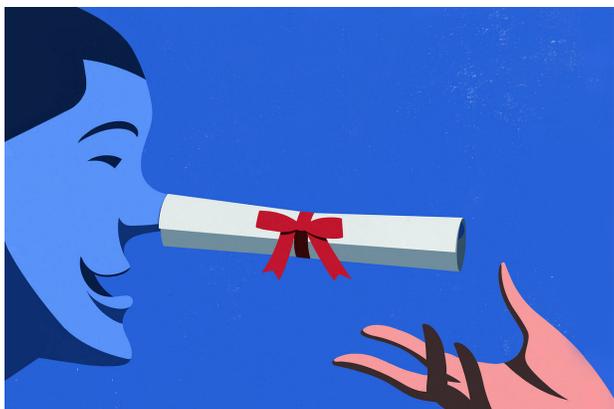
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# How to Avoid College-Scholarship Scams

Some warning signs, and where you can find legitimate help



Among the tips for avoiding scholarship scams: Students should never pay a fee to submit a scholarship application.

ILLUSTRATION: JON KRAUSE

By Cheryl Winokur Munk

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Free money for college can sound enticing, but students need to be wary of offers that are too good to be true.

The Federal Trade Commission received 725 consumer complaints in 2018 related to scholarships and educational grants. This was down a little from 770 complaints in 2017 and 972 in 2016—a somewhat encouraging sign. A good portion of this drop-off could be attributed to various campaigns to raise public awareness about scholarship scams, as well as the College Scholarship Fraud Prevention Act of 2000, which increased penalties for perpetrators.

Keep in mind, though, that these figures reflect only what consumers report to the regulator, so the actual number of fraudulent incidents could be higher. And even if scholarship scams aren't as prevalent as they once were, they continue to ensnare some students, says Robert C. Ballard, president and chief executive of Scholarship America, a nonprofit scholarship provider.

“It only takes a few to make it worthwhile for the scammers. As long as there are people who are biting, it's going to continue,” says Mr. Ballard, who also serves on the board of the National Scholarship Providers Association.

Here are a few ways students can recognize and avoid scholarship fraud.

## 1. Never pay for scholarship opportunities

Students should never pay a fee to submit a scholarship application or to be entered into a potential recipient pool; this is a red flag, industry participants say. They should also avoid opportunities that tout a money-back guarantee. “If they are asking you to pay for free money,

it's a scam," says Shane Cole, a scholarship and college counselor at Addison Trail High School in Addison, Ill.

Mr. Cole advises students to begin their search for scholarships using resources provided by their high school since these opportunities are typically vetted. He also recommends that students search the website of the college or university they are planning to attend. In addition, they can investigate departmental-specific opportunities, major-specific opportunities, and other local scholarship opportunities.

And instead of simply doing a Google search for scholarships, it's better to make use of free, comprehensive national search engines, says Mr. Cole, who also is the community development director at My College Planning Team, which helps families navigate the college admissions and financial-aid process. (See related information on where to search, below.)

Mr. Ballard recommends that students pick three to five of these free search engines to start because using too many can get overwhelming. If the engines they choose are matching them with viable opportunities, stick with them, he says; if not, pick a different free search tool since there are plenty of options.

Students shouldn't pay for basic scholarship-search functions, though some engines may offer certain premium services such as feedback on scholarship essays or advice on financial aid that might be beneficial. Be aware that some scholarship sites may sell student data, so if the thought of receiving unwanted solicitations from college-related third parties is bothersome, check each individual site's privacy policies to see if there is an opt-out option.

## 2. Be wary of unsolicited offers

Some scammers target students through phone or email in an attempt to obtain personal, and sometimes financial, information. Students should view such unsolicited offers as another red flag and avoid clicking on links, or giving any information about themselves to unverified scholarship providers. Scammers could be trying to steal personal data to sell to third parties or financial data for identity-theft and asset-theft purposes. If there is any doubt, students should ask their guidance counselor for help in determining an organization's legitimacy.

"I don't care what the email address says, it's important to try to verify the organization before giving any information," says Ilyan Nunez, director of college and career placement at KIPP New Jersey, which is part of a national network of charter schools.

Some scammers attempt to make themselves sound legitimate by asking students for college-related information like their SAT scores or grade-point averages. These are generally a lead-in to make the students feel comfortable and to trick them into giving personal information, Ms. Nunez says.

Students who receive a check and congratulatory note in the mail for a scholarship they haven't applied for should rip up the check and file a complaint with the Federal Trade Commission, Scholarship America recommends. Legitimate scholarship providers don't distribute moneys

randomly to students, and it's likely the check will bounce, or the student might be asked to send funds back for "processing" or for an "accidental" overpayment, Scholarship America warns on its website.

### **3. Avoid giving personal information**

Reputable scholarship providers generally require basic information such as your name, year in school and email address, but students should never give personal or financial data such as their Social Security number, driver's license number, banking information or credit-card number. If a provider asks for anything along these lines, don't respond, Mr. Ballard says. This could be a way for scammers to steal your identity and your assets.

All of the financial information that scholarships use to determine eligibility comes from the Free Application for Federal Student Aid, or Fafsa. If a provider asks for something else, students should always ask their high-school counselor before responding to make sure it's a legitimate request, Ms. Nunez says.

### **4. Beware of pressure tactics**

Legitimate scholarships have deadlines, but if a provider is pressuring a student in any way, it could be a sign of a scam. Providers that make guarantees or unrealistic promises about a student's ability to receive a scholarship should also be avoided, industry participants say.

"Anytime you see the word 'guarantee,' it's a huge red flag because nothing is guaranteed," Ms. Nunez says.

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## WHERE TO SEARCH

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There are many ways students can look online for free money for college beyond opportunities made available through their local high school. Here is a sampling of several comprehensive and free search engines recommended by college counselors. Keep in mind that some of these resources may share students' information with third parties, so those who are concerned should check the privacy policy of each site.

**CareerOneStop:** Sponsored by the Labor Department, this site allows students to search more than 8,000 scholarships, fellowships, grants and other financial-aid opportunities.

**Cappex:** This service helps college applicants find scholarships using search criteria such as application deadline and minimum award amount. Cappex, an abbreviation of college application exchange, offers on another website a resource for first generation and underrepresented students, with access to \$11 billion in merit aid scholarships by ethnicity, gender, college major and state.

**Edvisors:** This tool asks for students' year in school, GPA, state, gender and ethnic background to match them with possible scholarship opportunities.

**Fastweb:** This database includes 1.5 million college scholarships worth more than \$3.4 billion that users can access by creating a free profile. The tool can also help students find relevant internships and part-time jobs.

**Going Merry:** This site offers thousands of national, local and school-specific scholarships. Students can apply for scholarships directly from the website. They can also manage their application documents and scholarship results using the platform.

**College Board:** Students can go here to find scholarships, financial aid and internships from more than 2,200 programs, totaling nearly \$6 billion. The College Board itself now offers \$5 million in scholarships each year, beginning with the class of 2020. It is open to all students and it doesn't require an essay, application or minimum GPA. Instead, it rewards students for completing key steps along the path to college with a chance to earn scholarships.

**Scholarship America:** This website, which designs and manages scholarship programs, allows students to browse through its offerings according to availability and location.

**Scholarships.com:** Students can search more than 3.7 million college scholarships and grants on this site totaling about \$19 billion in financial aid. Students can register to be matched to opportunities they qualify for, or peruse thousands of its most popular awards within select categories.

**Scholar Snapp:** Scholarship information and links to applications can be found on this site once students create and log into their profile. Students can reuse their information, including contact details, teacher recommendations, video uploads, essays and more, from one application to another. Students can get basic information on affiliated scholarship providers without signing in.

**Unigo:** Here students can complete a scholarship profile to obtain personalized results or they can search through Unigo's full scholarship directory to find basic information about scholarships in a variety of categories.

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