

## **Students Beware: Scammers Prey On Learners Of All Ages**

College is already a stressful and challenging time. Between reading, writing and taking tests, students are also expected to find time to plan a successful career, volunteer or intern, and maybe, if there's time, have a social life. However, let's add one more heaping spoonful of stress on top of it all: Students also need to be on high alert for scams.

For many young people, college is their first real taste of financial independence. They may have a job, a credit card and unguided access to money for the first time in their lives. Scammers prey on this naivety. Also, college is expensive, and most students feel a degree of financial pressure, which becomes ammunition for scammers.

If you'd like to take a little bit of the pressure off, you can keep yourself educated about scams targeting students. Read on to discover three sneaky tricks criminals will use to steal your money, and what you can do increase your personal safety.

### **1.) The 'Federal Student Tax'**

Taxes are complicated for most college students. Some of the money you get counts as income, while some of it doesn't. Maybe you're considered a dependent on your parents' taxes, but maybe you're not. With so much uncertainty, students find themselves vulnerable to misinformation.

That's the weapon of choice in a new scam targeting college students. The scammer calls or emails, claiming that the student failed to pay the "federal student tax." The student is instructed to pay immediately by wire transfer, pre-paid debit card or some other means. If they fail to pay, they are told, they could face fines, penalties or even jail time.

Of course, there is no such thing as the federal student tax. The IRS has warned students to be on the lookout for this and similar schemes involving scammers impersonating the IRS. The government generally incentivizes, instead of punishes, people for getting additional education, and the IRS will never contact someone for the first time on the phone or by email. Any communication you get from the IRS will come in the form of certified letter; they want a paper trail as much as you want security.

The best defense against this scam is to get tax help. Many organizations exist to help students navigate their taxes for the first time. For international students, whose taxes may be even more complex, some colleges recruit upper-level business students to take part in the Volunteer International Tax Assistance (VITA) program. These students will help international students walk through forms and get their taxes safely done on time. Using an organization like this one can help protect you from phony tax threats.

### **2.) Paper mills**

It's 3 a.m., and you've got a paper due in a few hours, but you haven't even started. The library's closed, your professor is asleep and you're out of options. You're desperately Googling for answers, when you find a site willing to sell you a paper. It's not cheap, but neither is retaking this class next semester if you fail. You enter your credit card number and hope for the best.

The paper turns out to be of substandard quality, mostly copied and pasted from a few obvious sources. It contains numerous spelling and grammar errors, and has little to do with the topic you chose. Assuming you get away with cheating, you're not looking at a good grade on the paper.

Worse yet, a month later, all these mysterious charges appear on your credit card bill. The paper-writing company ripped you off again! First, they sold you a failing paper, and then they stole your identity. These phony companies are counting on you being too embarrassed to speak up.

Of course, the best way to deal with this problem is to do your own writing. Most colleges have writing centers and other tutors available to help you brainstorm, research, and organize your essay. If writing has been a lifelong struggle, getting help there early is your best bet.

### 3.) Scholarship fees

Many scammers are using the expense of a college education to get victims to cough up money for nothing. This scam could come in the form of a list of “top secret” scholarships you can apply for, or it could be a “processing fee” for a potentially lucrative scholarship opportunity. In either case, the result is the same: you get ripped off.

In the scam selling a list of scholarships, a company will offer to sell you a list of hard-to-find scholarships. Since they’re difficult to locate, you may think you have a better chance of getting them. In truth, most of these scholarships are for specific institutions or have exceptionally narrow requirements that make them difficult to get. Worse yet, most of the information on these lists is publicly available.

In another version of this scam, you may be contacted by a scholarship agency, which will offer a generous contribution to your educational future. They’ve had a shortage of applicants, so entries are now virtual guarantees for awards. All you have to do is pay a “processing fee” to supposedly secure your future. The scholarship, though, will go to “another applicant,” and it may not even exist at all.

The best way to keep yourself safe from these scams is to be proactive in your scholarship search. Look for opportunities yourself and make yourself the best possible applicant for them. By doing the legwork yourself, you can ensure that what you’re applying for is legitimate and that you’ve got the best possible chance of getting the award.

**Your Turn:** Let’s hear from you! Have you observed any of these scams or similar schemes? How did you handle them when they were presented to you?

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2550 S. Alpine Rd. Rockford, IL 61108 – Phone 815-226-2260

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