

NEWS FROM SCDC

South Carolina Department of Consumer Affairs



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FOR IMMEDIATE RELEASE

GRANT SCAMS TARGETING INDIVIDUALS AND SMALL BUSINESS OWNERS

Columbia, SC.....Information on how to access legitimate foundation or government grants can offer individuals and small business owners an opportunity to realize their dreams. Sadly, many of these offers are cleverly-disguised scams that convince unsuspecting victims to pay a fee for a grant they will never receive.

One widespread grant scam asks small business owners or potential business owners to sign-up for a seminar that provides valuable information on starting and maintaining businesses as well as contact information for organizations that provide small business grants. After paying \$300 to \$1000 for the seminar, the participant receives a binder with information on a number of government websites that can actually be accessed for free. Additionally, the information inaccurately lists a number of organizations that do not have available grants or even offer grants in the first place.

One organization erroneously listed in these materials is the Governor's Office of Small and Minority Business Assistance. Director Margaret Woodson says their organization never gave permission for their name to be used and certainly would not charge individuals for information that they provide for free. Furthermore, the organization would not promise grants that were not available. Unfortunately, these scammers "target people who are looking to get something for nothing" said Woodson.

Another grant scam occurs via telephone. The scammer calls an individual to let them know part of their requested grant has been approved, but a processing fee of several hundred dollars is

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necessary to receive the remainder of the grant money. The individuals are asked for sensitive financial information and then required to pay the fee. These phone calls, however, are not coming from legitimate government grant organizations but fraudulent activity.

Individuals, particularly small business owners, need to be aware of these scams. The South Carolina Department of Consumer Affairs advises that before sending money for a grant or grant information, consider the following tips:

- Do not accept grant money for which you did not apply.
- Grant applications do not require a processing or application fee.
- Information on grants and small business matters is available online for free.
- The Federal Trade Commission has important tips and information on a number of grant scams. <http://www.ftc.gov/bcp/edu/pubs/consumer/alerts/alt134.shtm>

For more information, contact the Public Information Division at 803.734.4190, toll free in SC at 1.800.922.1594, or online at www.sconsumer.gov.

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