

# BBB Consumer Alert: How to avoid government grant scams promising “free money!”

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Scammers are constantly evolving their tactics, and one of the most persistent schemes involves fake government grants offering “free money” for personal expenses. These scams often sound convincing – especially during times when people may be struggling financially – but they are designed to steal your personal information or your money.

Your Better Business Bureau (BBB) is warning consumers to be cautious of any unsolicited offer claiming you qualify for a government grant to pay bills, cover home repairs, fund education, or eliminate debt. While legitimate government programs do exist to help individuals and families, they do not operate the way scammers claim.

## How the scam works:

In many cases, scammers will contact you unexpectedly by phone, text message, email, or social media. They may pose as government officials or representatives of a federal program and claim that you’ve been selected to receive grant money.

To make the offer seem legitimate, they may use official-sounding language, fake documentation, or even spoofed phone numbers that appear to come from government agencies.

Once they have your attention, the scammer will typically ask for sensitive information – such as your Social Security number or bank account details – or request a “processing fee” to release the funds. Payment is often demanded through difficult-to-trace methods like gift cards, wire transfers, or cryptocurrency.

## Five red flags of a government grant scam:

1. You are contacted out of the blue and told you qualify for free government money.
2. The grant is described as usable for personal expenses like bills, repairs, or debt.
3. You are asked to provide personal information to “verify eligibility.”
4. You are asked for banking information to “deposit” the funds.
5. You must pay a fee upfront to receive the grant.

If you encounter any of these warning signs, it’s a strong indication the offer is not legitimate.

## What consumers should know about real government grants:

- Understanding how legitimate grants work can help you avoid falling victim to a scam:
- Government grants are typically awarded to organizations, not individuals, and are used for specific, approved purposes.
- You must apply for a grant – government agencies do not randomly contact people with offers.
- Grants are not intended for everyday personal expenses like paying bills or getting out of debt.
- Legitimate government agencies will never require you to pay a fee to receive a grant.

## BBB tips to protect yourself:

The BBB offers the following advice to help consumers avoid grant scams:

- **Be skeptical of “free money” offers.** If it sounds too good to be true, it usually is.
- **Do your research.** Look up the program independently using official government websites, not links or contact information provided by the caller.
- **Never share sensitive information.** Government agencies will not ask for your Social Security number, banking details, or passwords through unsolicited communication.
- **Don’t pay upfront fees.** Any request for payment – especially via gift cards, wire transfers, or cryptocurrency – is a major red flag.

- **Slow down and verify.** Scammers often pressure you to act quickly. Take time to confirm the legitimacy of the offer.
- **Talk to someone you trust.** A quick second opinion from a friend, family member, or advisor can help you spot a scam.

## **Where to find legitimate help:**

If you are looking for real government assistance programs, start with official resources such as **USA.gov** or **Grants.gov**, where you can search for verified programs and learn how to apply properly.

## **Report scams and help others:**

If you encounter a suspected scam, report it to the BBB Scam Tracker at [BBB.org/scamtracker](http://BBB.org/scamtracker). Your report can help warn others in your community and prevent further fraud.

Scammers rely on urgency, confusion, and the promise of easy money to succeed. By staying informed and recognizing the warning signs, consumers can protect themselves and their finances.

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***Kelvin Collins is president & CEO of the Better Business Bureau serving the Fall Line Corridor, serving 77 counties in East Alabama, West Georgia, Southwest Georgia, Central Georgia, East Georgia, and Western South Carolina. This tips column is provided through the local BBB and the International Association of Better Business Bureaus (IABBB). The Better Business Bureau sets standards for ethical business behavior, monitors compliance and helps consumers identify trustworthy businesses. Questions or complaints about a specific company or charity should be referred directly to the BBB at Phone: 1-800-763- 4222, Web site: [BBB.org](http://BBB.org) or E-mail: [info@centralgeorgia.bbb.org](mailto:info@centralgeorgia.bbb.org).***