

## Grants and Snake Oil

<http://charitychannel.com/publish/templates/?a=13088&z=16>

Wednesday, March 14, 2007 - Michael Wells, Editor

Several months ago I got one of those dinnertime telemarketing phone calls. But as I was getting ready to give my “I’m not interested” speech, the voice said **“You can get \$8,000 in free government grants to do anything you want with.** And you never have to pay it back.” So of course as a professional grantwriter I decided to hear him out. He said they would have a local representative contact me; all I had to do was give him my bank account information and mother’s maiden name so they could deduct \$299.95 for the service. I made up some numbers and a name, but when I asked questions about a phone number where I could call back or an address he wouldn’t tell me, only that my local representative would give me that information.

After my telemarketing call **I phoned the FBI who took my information and told me there was nothing they could do, but that they get lots of these calls.** They referred me to the Federal Trade Commission and Better Business Bureau, both of which said they get thousands of complaints and inquiries. But of course, there’s not much they can do either. According to the New York Consumer’s Board, the Federal Trade Commission has shut some of these down, but of course they keep popping up elsewhere. Recently I got a voicemail of a recorded message that said “...if you want to get a piece of the American Pie, now is the time to act. The Foundations have until December 31<sup>st</sup> to distribute their grant awards and **we can help you get your share of free money.**”

It’s clear the “grants for everybody” industry is getting more aggressive. One indication is the number of calls I get wanting help getting “free money.” As a grantwriting consultant for over 15 years, **I never used to get calls about for-profit businesses or home purchases. Now I average a few per month from poor souls who have paid dozens to hundreds of dollars to someone who told them about “free government money.” When it didn’t work out they did a web search and called me, thinking that they just need a more professional approach.** Other consultants around the country tell me they get the same calls. The “free grant money” artists are on every medium. Here are a few of the most visible:

- The best known is the skinny guy in the question mark suit on late night TV ad. His specialty is books: “How to Write and Get a Grant,” “Free Money for a Better Home,” “Free Money to Quit Your Job,” “Free Money to Pay Your Bills” and a downloadable “Federal Money Finder for Business.” These run from \$59.95 to \$99.95 and are lists of hundreds of state and federal programs from food stamps to enterprise zones, all of which are of course very restricted and most of which aren’t “grants” for which an individual can directly apply.
- A “Grants Conferences” company which tours the country giving “Free Introductory Conferences.” They also run off-hours TV ads and full page ads in local papers, similar to the ubiquitous “Get Rich in Real Estate” meetings. I went to one and the speaker spent most of his time telling us how he’d moved into a bigger house and gotten wealthy using government grants, and how if we didn’t sign up we were losers. He also mentioned some grant opportunities which

## Grants and Snake Oil

<http://charitychannel.com/publish/templates/?a=13088&z=16>

virtually nobody in the room would be eligible for, referring to them by acronyms and numbers. The pitch is to get you to pay for a two day workshop and buy a "membership" which of course keeps being charged to your credit card.

- Then there's the Internet, which is flooded with free money schemes. To get a taste of the variety out there, do a Google search for "grants" or "government grants" and look at the banner ads across the top and down the side. There's even one that warns against the others and advises you to only buy their book.

As grant professionals we're all hurt by this, if only by the wasted time of talking to the victims of these schemes. But I think worse is the misinformation about grants it spreads and the slightly slimy feeling it gives the field. I don't have an answer to how to stop any of this, and apparently neither does the government.

---

For the report from the New York State Consumer Protection Board, [click here](#). The report was obtained from its web site at <http://www.consumer.state.ny.us/publications.htm> -- scroll down to "Financial" and click on the third item Government grant publications: "Secrets Revealed! How Misleading Advertising is Feeding a Nationwide Boom in Government Grant Scams."

### About the Contributor

#### Michael Wells, Editor:

Michael Wells is a partner in the consulting firm Grants Northwest. He has been working with non-profits for over 30 years and consulting on grants since 1987. He has worked with dozens of nonprofit organizations, health clinics, Indian tribes, school districts and local governments and has helped them to raise over \$50 million. He is a Certified Fund Raising Executive (CFRE) and has a Masters degree in humanities. He is adjunct faculty at Portland State University where he teaches Grantwriting. He is editor of the CharityChannel online *Grants and Foundation Review*. Michael is a past national board member of the American Association of Grant Professionals (AAGP), current board member of the Grant Professionals Certification Institute (GPCI) and author of the *Grantwriting Beyond the Basics* series: *Proven Strategies Professionals Use to Make Their Proposals Work* (2005) and *Understanding Nonprofit Finances*.

Contact: [michael@GRANTS.NORTHWEST.COM](mailto:michael@GRANTS.NORTHWEST.COM)

Copyright © Michael Wells. All rights reserved.

This article is reprinted with permission from CharityChannel.com and the author of this article. The author holds the copyright to the article. To receive the entire issue by email each week, visit <http://charitychannel.com/ newsletters> and use the subscription form.