



# FRAUDGRAM

July, 2024 | Vol. 1, Issue 2

**Welcome to issue 2 of the ED OIG FraudGram Newsletter!** In this issue, we'll share fast facts from the U.S. Department of Education (ED) Office of Inspector General (OIG) on education-related schemes and scams and tips to avoid them, the latest on our criminal and civil investigations, and what you can do to help identify and report fraud, waste, and abuse involving ED funding, programs, and operations.

Fraudsters, cyber criminals, and bad actors are still at it! They're still trying to take advantage of people with student loans who want to consolidate their loans, pay them down, or when possible, eliminate that debt altogether. And they don't stop there. They also target college students, their families, veterans—anyone looking for scholarships and other means to help pay for college. These fraudsters are looking for ways to separate you from your money, steal your personal information, or both. Here is information on schemes and scams that are operating right now with tips on how to avoid falling victim to them!

## The Latest on Schemes and Scams

**Student Loans Scams.** Stay alert and avoid responding to offers via email, text, phone, or pop-up ads on social media offering to help consolidate your student loans, reduce your payments, forgive or eliminate your student debt altogether for a fee – as it's a sure sign of a scam as these are services you can do on your own through the Federal Student Aid office for free! And if someone asks you for your FSA ID or other password, don't share it—not with your

school's financial aid office, not with your loan servicer—no one needs that information but you! Get the facts on student loan forgiveness, repayment, and consolidation directly from the source: the [U.S. Department of Education Federal Student Aid office](#).

**Imposter Scams.** Imposter scams are growing, including those targeting students. A college student may receive a call from someone claiming to be from their school's

financial aid office warning of a late tuition payment or other money owed. The student is ordered to pay immediately over the phone or be dropped from all classes. Imposter scammers may also claim to be from the U.S. Department of Education or an Inspector General proffering more scary falsehoods that they claim can only be remedied by immediate payments. If you get a call like this, **hang up immediately—these are scams!** No school, nor the Department of Education, nor an Inspector General would ever make these types of threatening calls or demand immediate payment over the phone.

**Fake Jobs Scams.** Fraudsters are using the lure of a job offer, like virtual assistant positions, that may pique the interest of a college student or recent college graduate. They may

post these fake positions on job sites or social media or even through an email doctored to look like it came from someone you know, like your school or a college professor. These scammers may even offer you money before you get started or ask you to provide your personal information—specifically your Social Security number, date of birth, or bank account information to get the hiring process started. Be cautious! [Learn the signs of fake job scams and how to avoid them.](#)

**Scholarship Scams.** Don't fall into the traps of scholarship scammers! Learn the signs of scholarship scams and avoid them! For example, if you are selected for a scholarship that you never applied for, if you see a scholarship that offers a "guaranteed" award, or if you are asked to pay a fee to be

eligible for a scholarship—these are signs of scams. Legitimate scholarships never offer awards to people who never applied for them and would never charge an application or processing fee. [Check out more signs of scholarship scams.](#)

**Student Housing Scams.** Rental property fraud is real and these fraudsters love to target college students, as students may live far away from where they are going to school or be unfamiliar with the school's surrounding area. So, if you're looking for off-campus housing online, be cautious! Don't pay a deposit or fee without visiting the property or having a person you trust see it, and don't respond to requests to wire any money directly to anyone. [Spot the scam before you pay!](#)

## FAFSA Fraud: Lying on Your FAFSA is a Crime

There are many types of student aid fraud, and the OIG regularly reports on its student aid fraud investigations in its Semiannual Report to Congress and press releases available on the [OIG website](#). Providing false or inaccurate information on your Free Application for Federal Student Aid (FAFSA) in order to obtain more aid than you are eligible to receive is fraud. This includes underreporting your income and assets, overstating your household size, and fabricating your qualifications, like claiming you have a high school diploma or GED when in fact you do not. Know that if you lie on your FAFSA, you will be caught, which could result in criminal and/or civil penalties like prison, probation, or fines (you'll find an example of this in the Recent Investigative Cases section below.) Learn more about **why it's important to be truthful and what can happen if you submit false information.**





Since our last [FraudGram Newsletter](#), more prosecutive actions have been taken against unscrupulous people who embezzled or intentionally misused ED funds, including Federal student aid and Title I funds to school districts with low-income families—people who were in positions of trust to educate children or to help students make their dreams of a higher education a reality. But instead, they diverted those funds away from the very ones they promised to serve for their own selfish purposes. Here are some examples of our recent investigations.

## Recent Investigative Cases

- The former Senior Director of Fiscal Services at the Magnolia School District pled guilty to embezzling nearly \$16 million from the district, where 81 percent of its students are socioeconomically disadvantaged (California). [Learn more.](#)
- The former Director of the Perkins Project and Career and Technical Education Coordinator at Albuquerque Public Schools (APS), who once served in the New Mexico State Legislature, and her friend, an APS vendor, were charged for their alleged roles in a \$1.1 million fraud scheme (New Mexico). [Learn more.](#)
- The U.S. has filed a lawsuit against Study Across the Pond— a student recruitment firm—alleging the firm used illegal incentives to influence American students to attend foreign schools (Massachusetts). [Learn more.](#)
- A former Valentine Independent School District employee was arrested on criminal charges related to his alleged scheme to fraudulently misappropriate school district funds for personal expenses (Texas). [Learn more.](#)
- A man was sentenced to prison after pleading guilty to charges of fraud, including underreporting income on FAFSAs to qualify for student aid (Ohio). [Learn More.](#)

Want to read more about OIG's investigative cases, including cases on student aid fraud rings, which are groups of criminals—often large or loosely affiliated—who seek to exploit online education programs in order to get their hands on Federal student aid? Check out our most recent [Semiannual Report to Congress](#) where you'll find summaries of these cases and more!



# More Tools for Your Fraud-Fighting Toolbox

The first step in fighting fraud—and avoiding falling victim to an education-related fraud scam—is knowing how to spot them. [Check out our library of free resources](#)—infographics, brochures, posters, podcasts and more—aimed at helping you identify and report scams and fraud. And we have a new guide to help. It's our [fraud indicators brochure](#) and it's chock-full of clues and warning signs involving possible education-related fraud. Want to help stop fraud? Spread the word! Share these links and information with your friends and family. The more people become aware of education-related scams and fraud and how to report it the better chance there is we can stop them!

And ICYMI—OIG's Assistant Inspector General for Investigation Services Jason Williams was recently interviewed for Gray TV's Watching Your Wallet series, sharing information on student loan scams, what they are, how to spot them, and how to report them. [Watch AIGI Jason Williams' interview with GrayTV.](#)



## Identify and Report Fraud to the OIG Hotline

The OIG works tirelessly to identify and stop those who seek to line their pockets with ED funds—and we don't do this alone: we work with our law enforcement partners at the Federal, State, and local levels and we rely on information shared with us by everyday people—like you—who know of or suspect fraud, waste, abuse, mismanagement, or violations of laws and regulations involving ED funds or programs. That's why we operate the OIG Hotline—available 24/7—for anyone to report their suspicions.

The OIG Hotline accepts tips, complaints, and allegations from all sources about possible theft, fraud, waste, abuse, mismanagement, public corruption, or whistleblower reprisals involving ED programs, operations, or funds. This includes suspected wrongdoing by ED employees, contractors, grantees, schools and school officials, lending institutions, collection agencies, recipients of financial assistance, and people who engage in student aid fraud.

*As the independent arm within ED, the OIG works to ensure that Federal education funds are used as required and reach the intended recipients. This includes investigating misuse, theft, fraud, public corruption, and other civil and criminal activity involving ED programs and funds. Coordinating this work is OIG's Investigation Services—our team of law enforcement professionals with decades of experience in conducting education-related investigations and stopping education-focused fraud schemes. Learn more about OIG Investigation Services on [our website](#).*

**Don't miss out on late-breaking ED OIG FraudGram posts, notices, and news by following us on social media**

