



FRAUD WATCH

ISSUE 1, JULY 2025

POTENTIALLY FRAUDULENT ACTIVITY INVOLVING PARENT INFORMATION INCLUDED ON FAFSA



Potential Fraud

The U.S. Department of Education (Department) Office of Inspector General (OIG) forensic and data analytics team identified potentially fraudulent activity involving suspicious Free Applications for Federal Student Aid (FAFSA) from dependent students with unusual parent data. Our analysis of a small subset of FAFSA data found parent Social Security numbers (SSN) that were used on an unusually high number of dependent student FAFSAs, in some cases, upward of 10 students. We also identified a number of parent SSNs that were only used in one award year for a high number of dependent students. This is unusual as a parent's information is typically used on a dependent student's FAFSA for multiple award years, as higher education programs usually require multiple years of enrollment.

Based on our analysis, fraudsters may be exploiting the FAFSA process by using the same parental information on different student FAFSAs in an attempt to fraudulently obtain Federal student aid.



Potential Impact

Our analysis identified some \$500,000 in Pell Grants connected with this activity that were disbursed in award years 2023–2024 and 2024–2025, with a notable increase in activity during award year 2024–2025. The Department has been informed of this matter and has taken preliminary steps to mitigate these risks. Additional analysis of a larger data sample would determine a more complete estimate of potential fraud loss.



Next Steps

The OIG is conducting in-depth analyses of this issue that may include recommendations for the Department, the Federal Student Aid office, institutions of higher education, and possibly Congress, should our work identify needed changes in Federal law. You can track the progress of this work in the [Ongoing Work table on our website](#).

Fraud Watch is a special U.S. Department of Education (ED) Office of Inspector General (OIG) alert highlighting new and emerging areas of potential fraud, waste, or abuse involving Federal education programs, operations, and funding. OIG experts analyze data to identify anomalies, patterns, trends, and suspicious activity that could indicate fraud, waste, or abuse. Through their proactive data analytical efforts, the OIG can react quickly to mitigate potential fraud risks in real time. The OIG shares its observations and any related suggestions with Department officials so they can make informed decisions to address problems identified.