Delgado COMMUNITY COLLEGE

POLICY No. FA-002

INTERNAL POLICY AND PROCEDURE

TITLE: **Financial Aid Fraud Prevention**

EFFECTIVE DATE: ***June 20, 2019 Procedural Update*** (Original: February 26, 2019)

DIVISION: Student Financial Assistance

CATEGORY: Fraud Prevention

RESPONSIBLE DEPARTMENT: Office of Student Financial Assistance

CANCELLATION: None

1. Purpose

To publish the College's practices for preventing and addressing financial aid fraud.

2. Scope and Applicability

This policy and these procedures apply to the Office of Student Financial Assistance, and any other unit involved directly or indirectly in processing financial aid, as appropriate.

3. General Provisions

A. Financial Aid Fraud

Students and potential students who enroll in classes and accept financial aid based on enrollment with *no intent* to complete classes may be considered perpetrators of financial aid fraud. The student's tuition and fees are usually paid by financial aid funds, and the student receives refunds of financial aid funds in excess of those costs.

Falsifying information either on the Delgado Community College application for admission, the FAFSA (Free Application for Federal Student Aid) or any other documents, or presenting a fraudulent document, are also classified as fraudulent activities.

B. Financial Aid Identity Theft

Individuals who use personally identifying information of other people to apply for admission to college, receive financial aid, and then enroll in classes are committing identity theft. Often, the victimized student is not aware that he or she has been enrolled in classes, and the financial aid funds in their name are sent to the individual who is perpetrating the fraud. This frequently results in the victimized individual being left with unpaid debt at the institution and with the U.S. Department of Education due to student loans that were obtained in the individual's name.

4. **Response to Potential Financial Assistance Fraud or Identity Theft**

The College follows established guidelines for the prevention, identification and response to indications of financial aid fraud and identity theft. Based on guidance issued by the Office of the Inspector General at the U.S. Department of Education, Delgado has instituted the following procedures designed to identify students who may be committing financial aid fraud or be at risk of being a victim of this crime.

A. When a Delgado Community College student is identified as being a potential victim or perpetrator of financial aid fraud, the respective student account is placed on hold. This hold prevents the disbursement of any pending financial aid funds. Financial aid funds for the current semester may also be revoked pending resolution. The hold will remain in place until the student has provided any documents that the College may request. Delgado reserves the right to leave the hold in place until the necessary documents are provided by the student.

B. The Admissions Office and all other College departments must immediately make the Student Financial Assistance Office aware of any fraudulent documents submitted by a student because of potential financial aid impact.

C. In cases where the College has significant reason to be concerned that financial aid fraud is occurring, the Office of Student Financial Assistance has an obligation to refer that information to the Office of the Inspector General of the U.S. Department of Education and to notify the Louisiana Community and Technical College System Office of Internal Audit. In these instances, the College will leave the hold in place until instructed by the Office of the Inspector General that it is appropriate to lift the hold.

D. Students who are victims of identity theft and/or financial aid fraud are urged to file a police report and seek assistance from appropriate authorities outside of the College.

E. In addition to criminal prosecution at the state and federal levels, students committing financial aid fraud and identity theft are subject to the disciplinary proceedings and sanctions as outlined in the College's Student Judicial Code.

Policy Reference: Policy and Procedures Memorandum BA-1260.3A, Reporting and Handling Fiscal and Related Misconduct
Internal/Departmental Policy and Procedure BAA-A04 Identity Theft Mitigation Program

Reviewed by: Ad Hoc Committee on Financial Aid Prevention Fraud Policy 2/8/19
Vice Chancellor for Business and Administrative Affairs 2/14/19

Approval: Vice Chancellor for Student Affairs 2/26/19

Procedural Update: Vice Chancellor for Business and Administrative Affairs and
Vice Chancellor for Student Affairs 6/20/19