

## Response to FSA Fraud in Online Grad Program

Date: Mon, 3 Feb 2014 11:52:36 -0600  
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Subject: Response to FSA Fraud in Online Grad Program  
Content-Type: text/plain; charset="us-ascii"  
Content-Transfer-Encoding: quoted-printable  
MIME-Version: 1.0

This is in response to the original posting below regarding fraudulent applicants in our online graduate program. We were hoping to put together a "best practices" to prevent future fraud, but didn't get any responses other than some follow-up questions. As a campus, we've met about the topic however, and have decided we will implement the following activities in the immediate future:

1. At the application level, we will seek to look for red flags in the online applications. For example: like addresses, like IP addresses, similar style of application such as all lower case letters, etc. Our application is a System level application, not institutional so we don't have much control over this piece.
2. At the institution level, we will determine the feasibility of requesting supporting materials such as a resume and statement of purpose, before admitting students to the program. We will also look at the billing address for the credit cards used to pay the enrollment deposit of new admits (we had found that several new applicants had similar credit card billing addresses, which was a red flag).
3. In Financial Aid, we will institutionally select all new program applicants for verification, including the statement of educational purpose, as well as requesting a copy of a state-issued photo ID and utility bill to verify address. We will report, as appropriate, suspicious activity to the office of the Inspector General and of course, stop aid processing.
4. In the Cashier's office, we will be certain to notify our third party refund vendor if we have suspicious activity so that they can red flag any files for future activity.

We will still welcome any further ideas you might have to help mitigate this type of activity, and we will continue to evaluate and modify our procedures as we move through this new territory!

Original post:

We've had a recent issue with a ring of fraudulent applicants, and wondering if anyone else is experiencing similar issues or has any prevention measures in place that they are willing to share?

Here's what happened on our campus:

Multiple applications to our online graduate program were received by the University for Spring semester, complete with legitimate college transcripts and enrollment deposit. We then processed aid. Fortunately, one of the students called and said she had gotten an entrance counseling loan email with our school information and she is not a student here and had been a

victim of identity theft. We cancelled her aid, and then looked at all the new spring applicants and found patterns in the admission materials, unusual IP address activity, common credit card payment info for enrollment deposit, etc. We've reported to the Office of the Inspector General, and we have selected these students for verification, and asked for additional documentation also. We were able to stop or pull back all aid refunds, and so far none of these "students" have followed up with us.

At this point, we're trying to develop policies to catch this type of activity as early in the process as possible, hopefully in the Admission process, before it gets as far as Financial Aid. We're seeking any information from any campus that has put in place any type of prevention measures either in Financial Aid, or Admissions.

Thanks for your help!

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