

3358:14-7-09 Financial aid fraud policy.

Northwest state community college has established guidelines for the prevention, identification of and response to identification of identity theft and financial aid fraud.

(A) What are identity theft and financial aid fraud?

- (1) 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 they have 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 student being left with unpaid debt at the institution and with the U.S. Department of Education due to student loans that were obtained in their name.
- (2) 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 a refund of financial aid funds in excess of those costs.
- (3) Students, parents, spouses, college staff and all others are responsible for accurately portraying information submitted on the FAFSA, and in all supporting documents to the financial aid application process. Such documents include, but are not limited to, the FAFSA, verification forms, time sheets, signature pages, appeal applications, correspondence, etc. Falsification of financial aid documents is an extremely serious offense. Students and others who fraudulently complete financial aid documents will be subject to disciplinary action, which may include loss of eligibility for all financial assistance, termination from all college employment programs, and referral to the U.S. department of education for criminal prosecution.

(B) Response to financial aid fraud or identify theft.

- (1) When a northwest state community college student is identified as being a potential victim of identity theft or involved in financial aid fraud, their account at the college is placed on hold. This hold

prevents students from registering and prevents their financial aid from disbursing to their student account. Financial aid funds for the current semester may also be revoked pending resolution. The hold will remain in place until the student has provided all documents that northwest state may request. Northwest state reserves the right to leave the hold in place until those documents are provided by the student *in person* to the director of financial aid or designee. The student may be asked questions particular to their status in order to positively determine their identity and intent as a student at northwest state. The student may also be asked to submit additional documentation in order to clarify the student as a student. Additional documentation may include, but not be limited to:

- (a) Unexpired state issued photo id
 - (b) Proof of residency at the address listed on the student's college records
 - (c) Social security card
 - (d) Birth certificate
 - (e) Official high school transcript or GED from the issuing entity
 - (f) Official transcripts from other institutions of higher education that the student has previously attended
- (2) When the college has credible information that suggests that an individual has engaged in fraud or other criminal misconduct, the case will be reported to the regional office of the inspector general and, if applicable, the state or local law enforcement agencies as specified by the U.S. Department of Education under section 668.14(g) of the general provisions regulation.
- (3) In these instances the college will leave the student account hold in place until instructed by the department of education that it is appropriate to lift the hold. Students identified to be involved in financial aid fraud will also be referred to the dean of students for possible disciplinary action up to and including expulsion from the college. All monies paid to the student that are determined to have been the result of fraud will be immediately due to the college. If not repaid, this debt will be referred to a collection agency for

collection and legal action, and may also be referred to the U.S. Department of Education. Debts that are referred to a collection agency are subject to fees for the costs associated with collecting the debt, including attorney fees and court costs.

- (4) Any fraud that the college refers to the department of education may result in criminal prosecution. Criminal prosecution may result in a fine of up to \$20,000, imprisonment for up to five years, or both.
- (5) 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. This may include contacting credit bureaus and banking institutions.

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Certification

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Date

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