

# Financial Aid Fraud Policy

Klamath Community College (KCC) must refer applicants suspected of having engaged in fraud or other criminal misconduct in connection with Title IV programs to the Department of Education's (ED) Office of Inspector General (OIG). Regulations require only that the institution refer the suspected case for investigation, not that it reaches a firm conclusion about the propriety of the applicant's conduct.

As administrators of Title IV funds, KCC is obligated to assure that processes are developed to protect against fraud by either applicants or staff. All financial aid staff are responsible for detecting and reporting fraud. If, in the financial counselor's judgment, the applicant and his/her family has provided a fraudulent application or documentation, it must be reported immediately to the Director of Financial Aid or next higher supervisor.

The Financial Aid Office must identify and resolve discrepancies in the information received from different sources with respect to a student's application for Title IV aid. Some of these areas include but are not limited to:

1. All student aid applications (e.g., federal, state, institutional, etc.)
2. Need analysis documents [e.g., Institutional Student Information Records (ISIRs) and Student Aid Reports (SARs)]
3. Copies of federal and state income tax returns and tax return transcripts
4. Information regarding a student's citizenship
5. Previous educational experience (e.g., school credentials such as a high school diploma)
6. Documentation of the student's Social Security Number (SSN)
7. Other factors relating to the student's eligibility for funds under Title IV aid programs (e.g., compliance with the Selective Service registration requirement)

In the context of the financial aid office, fraud is the willful misrepresentation or falsification of information for the purposes of securing financial aid that the individual is not eligible for or not eligible to the extent received. Title IV fraud can take many forms, including, but not limited to the following:

1. Falsified documents or forged signatures on an application, verification documents, or loan promissory notes
2. False statement of income
3. False statements of citizenship
4. Use of false or fictitious name or aliases, addresses, or SSNs, including the deliberate use of multiple SSNs
5. False claims of independent status
6. Patterns of misreported information from one year to the next

## Referrals to the Office of Inspector General (OIG)

If the school suspects that a student, employee, or other individual has misreported information and/or altered documentation to increase student aid eligibility or to fraudulently obtain federal funds, it must report those suspicious and provide any evidence to the Department of Education's Office of Inspector General (OIG).

To report student aid fraud (including identify theft), waste or abuse of U.S. Department of Education funds:

1-800-MIS-USED (1-800-647-8733)

[Oig.hotline@ed.gov](mailto:Oig.hotline@ed.gov)

<http://www.ed.gov/misused>