



Financial Aid Office
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NOTICE REGARDING FINANCIAL AID FRAUD

The University of Rio Grande follows established guidelines for the prevention, identification of and response to indications of identity theft and financial aid fraud.

This notice provides a summary of student rights, responsibilities and preventative measures regarding financial aid fraud.

WHAT ARE IDENTITY THEFT AND FINANCIAL AID FRAUD?

Financial Aid Fraud occurs primarily in two ways: The first is when unscrupulous individuals use personally identifying information of other people (identity theft) to apply for admission to college and to receive financial aid, and then enroll in classes. Often, the victimized “student” is not aware that they have been enrolled in classes, and the financial aid refunds 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. These students must then go through the difficult and often expensive process of establishing that those debts are not legitimately theirs. Helpful tips, hints and preventative measures can be found at www.ftc.gov.

The second method by which Financial Aid Fraud occurs is when individuals use their own personal information to apply for admission to a college, apply for financial aid, and enroll in college courses with no intention of completing those courses. 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. **Students and potential students should be aware that enrolling in classes and accepting financial aid based on enrollment with no intent to complete classes may be considered to be financial aid fraud.** Often these students continue to receive financial aid funds until they are no longer eligible due to their failure to meet Satisfactory Academic Progress Standards (SAP policy at <http://www.rio.edu/financial-aid/Eligibility.cfm>).

Based on guidance issued by the Office of the Inspector General at the U. S. Department of Education, University of Rio Grande has instituted procedures designed to identify those students who may be committing financial aid fraud, or be at risk of being a victim of this crime.

WHAT HAPPENS WHEN IDENTITY THEFT OR FINANCIAL AID FRAUD IS SUSPECTED ON MY ACCOUNT?

When a University of Rio Grande student is identified as being a potential victim or perpetrator of financial aid fraud, their **account at the university is placed on a financial aid hold**. This restriction prevents the disbursement of any pending financial aid funds. In order to have the hold lifted, the student is required to meet in person with a financial aid official of the university. At that meeting, the student will be required to present a state issued photo ID, their Social Security Card, and proof of either high school graduation or completion of a GED. The student may be asked questions particular to their status in order to positively determine their identity and intent as a student at the University of Rio Grande. As a result of the meeting, the student may be asked to submit additional documentation in order to clarify their status as a student. This documentation may include, but not be limited to:

- Official High School or GED transcripts
- Official transcripts from any other institution of higher education the student has attended previously
- Proof of residency at address listed on the student's college records

When additional documentation is required University of Rio Grande reserves the right to leave the hold in place until those documents are provided by the student. Additional holds may be placed on academic records, registration, and billing.

In recent years the incidence of Financial Aid Fraud has increased dramatically. This crime has the potential to cause extensive financial loss to the students and institutions that are victimized, as well as substantial loss to the taxpaying public. The U. S. Department of Education is now reviewing unusual enrollment history and suspected identify theft when reviewing the FAFSA information to determine financial aid eligibility.

In cases where University of Rio Grande finds that there is significant reason to be concerned that financial aid fraud is occurring the institution has an obligation to refer that information to the Office of the Inspector General of the United States Department of Education. In these instances the college will leave the hold in place until instructed by the Department of Education that it is appropriate to lift the restriction.

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 university. This may include contacting credit bureaus and your banking institution.