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April 24, 2024

The Honorable Sandra Bruce
Inspector General
U.S. Department of Education
400 Maryland Ave, S.W.
Washington, DC 20202

Dear Inspector General Bruce:

We write to express our concerns about an issue that continues to plague the federal student financial aid system: student aid fraud. Loosely affiliated groups of criminals have been exploiting low cost or free programs by using the identities of others (with or without their consent) to obtain federal student aid fraudulently.¹

From the fall of 2021 through the present, over \$5 million in federal student aid has been fraudulently paid to individuals who enrolled at California community colleges, received financial aid, and did not attend college.² In addition to stealing millions of dollars in financial aid, fraudsters prevent actual students from enrolling in the classes they need because the slots are already taken by fraudulent "students." The personal toll on students who are prevented from improving their lives through education, as well as the financial toll on this nation, is unacceptable.

As you know, this type of fraud is not new: in Fiscal Year 2011, the Office of Inspector General at the Department of Education (Department) investigated federal student aid programs and discovered that the fraud included "enroll[ing] numerous times under different names," "falsify[ing] information on the Free Application for Federal Student Aid, and "initiate[ing] other schemes to receive [student federal aid] funds illegally."³ When financial aid requirements were reinstated after having been earlier relaxed to make it easier for students to qualify for financial

¹ OFF. OF INSPECTOR GEN., U.S. DEP'T OF EDUC., FY 2023 MGMT. CHALLENGES FACING THE U.S. DEP'T OF EDUC., 13 (2022).

² Adam Echelman, "Getting significantly worse": California cmty. colls. are losing millions to fin. aid fraud, CALMATTERS (Apr. 1, 2024), <https://calmatters.org/education/higher-education/2024/04/financial-aid-fraud/>.

³ OFF. OF INSPECTOR GEN., U.S. DEP'T OF EDUC., FY 2011 MGMT. CHALLENGES, 15 (2010).

aid during the COVID-19 pandemic, “college officials said they expected fraud to subside.”⁴ Unfortunately, the fraud has continued to increase.⁵

Fraud is unacceptable. It is important that the Department takes all necessary steps to increase fraud detection and preventative measures. We request a briefing for our staff no later than May 8, 2024, to understand better what your work has revealed and the steps the Department is doing to prevent, manage, and reduce fraud in the federal student financial aid system.

The Committee on Education and the Workforce has been granted legislative and oversight jurisdiction over the “organization, administration, and general management of the Department of Education” as well as over education matters, generally, as described in the Rules of the U.S. House of Representatives, 118th Congress.⁶

Should you have any questions, please contact Gabriella Pistone at 202-225-4527 or gabriella.pistone@mail.house.gov.

Sincerely,



Virginia Foxx
Chairwoman
Committee on Education and the
Workforce



Michelle Steel
Member of Congress

⁴ Echelman, *supra* note 2.

⁵ *Id.*

⁶ R. of the H.R., 118th Cong. at 7, 9-10 (Jan. 10, 2023).