

STOP CARES ACT FRAUD

Theft of CARES Act funding for schools robs our students.

Be on the lookout for signs of fraud, waste, and abuse:

- Financial conflicts of interest
- Suspicious or unverifiable vendors
- Missing school property or records
- Defective or low-quality products and services
- Irregularities in contract awards or procedures
- Nonexistent students

If you think something is amiss, it may well be. Report your suspicions to the Office of Inspector General and we'll evaluate for fraud, waste, and abuse!

We can provide confidentiality.

IF YOU SUSPECT ANY WRONGDOING,
REPORT IT AT OIGHotline.ed.gov
or call 1-800-MIS-USED

Elementary and Secondary School Emergency Relief Fund as authorized by the CARES Act 2020

Office of Inspector General Hotline | U.S. Department of Education
400 Maryland Ave. SW | Washington, DC 20202-1500







Stop the Crooks

Report Fraud, Waste, and Abuse in U.S. Department of Education Programs

U.S. Department of Education
Office of Inspector General
Investigation Services

Each year, unscrupulous people steal or intentionally misuse ED funds—Federal student aid, special education money, or Title I funds to school districts with low-income families. They intentionally abuse ED programs, unlawfully access ED computer systems and databases, or use ED funding to support terrorism. We need your help to stop them.

We are Investigation Services within the ED Office of Inspector General. We investigate alleged criminal and civil wrongdoing by entities and individuals involving ED funds and programs. This is no small task, as ED administers more than 120 programs, and its program participants and funding recipients include virtually all States and territories, school districts, schools, colleges and universities, other education services providers, and more than 13 million student aid and loan recipients each year.

You Can Help by Reporting Fraud, Waste, and Abuse to the OIG

We need people like you to help us stop the crooks who look to line their pockets with ED funds. You can help identify suspected wrongdoing by ED employees, contractors, grantees, schools and school officials, lending institutions, collection agencies, recipients of financial assistance, and others who engage in student aid fraud.

If you notice one or more of these indicators, report your suspicions to the OIG Hotline—a 24-7 service that accepts tips, complaints, and allegations from all sources about possible theft, fraud, waste, abuse, mismanagement, public corruption, or whistleblower reprisals involving ED programs, operations, or funds.

https://oighotline.ed.gov

You may also call toll-free or write to the OIG:

1-800-MISUSED
(1-800-647-8733)

Inspector General Hotline
U.S. Department of Education
Office of Inspector General
400 Maryland Avenue, S.W.
Washington, D.C. 20202

You may make a report anonymously or in confidence.

To learn more, please visit our Web site: www.ed.gov/oig/investpage.html




Be on the lookout for fraud indicators—clues and warning signs that tell you something may be amiss. If you notice one or more of these, report your suspicions to us.

K–12 Fraud

Fraud in elementary and secondary schools directly affects the most vulnerable people in our society: our children. The following may indicate criminal activity in your school district.

- No separation of duties
- Missing school funds or property
- Inventory and financial records not reconciled
- Suspicious or nonverifiable existence of vendor
- Unauthorized or related-party transactions
- Altered, inadequate, or missing documentation
- Assessment testing irregularities
- Grant award money runs out too quickly
- Poor grant performance or objectives not met
- Unreasonable costs
- Delayed or no reporting

Public Corruption

Public corruption is a breach of public trust—when someone uses his or her position for personal gain, receives a bribe, or solicits one. The following may be indicators of criminal acts.

- Irregularities in contract awards or undue influence by people in decision-making positions
- Suspicious bidding trends and patterns
- Overriding internal controls
- Conflicts of interest
- Overly friendly government employee and contractor interaction
- Billing and payment requests for services that may not have been provided
- Duplicate claims for the same service
- Inferior quality or inflated prices for products and services
- Transactions lacking a business purpose
- Unusually large amounts of cash payments
- Use of shell companies
- Nepotism and favoritism

Postsecondary Education Fraud

Federal student aid exists so that people can make their dream of a higher education a reality. These vital, often life-changing funds may be at risk if these factors are present.

- Unexplained increase in wealth or lifestyle
- Unresolved or repeat audit findings and reluctance to provide information to auditors
- Failure to return Federal student aid when a student withdraws
- Nonexistent "students"
- High employee turnover rate with low morale
- Lack of written policies and procedures
- Lost or destroyed electronic or hard copy records
- Commonalities on Free Applications for Federal Student Aid (FAFSA), such as students sharing bank account numbers, home addresses, phone numbers, or email addresses
- Students who withdraw after receiving grants and aid and frequently move from college to college

Computer Crime

Accessing without authorization any information technology system that is used to administer ED funding is a crime. Be aware of the following indicators of potential criminal activity.

- People who exhibit the following behaviors:
  - Request access to systems they do not need to access
  - Plug removable media into systems from which data should not be removed
  - Access systems outside of normal working hours
  - Brag about having access to sensitive information or data
  - Get defensive when asked to account for their actions on a system
- An excessive number of complaints about identity theft from customers
- Proprietary data belonging to your organization available unsecured on the Internet