

RISING THREAT:

FINANCIAL AID ENROLLMENT FRAUD



WEDNESDAY, OCTOBER 11, 2023
1:15 PM – 1:45 PM

BankMobile
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Hello.



ERIC STINE

Senior Director, Account Executive
BankMobile Disbursements

GOAL

AWARENESS

"THE BEST DEFENSE AGAINST FRAUD IS AWARENESS OF THE THREAT"



AGENDA

- | ENROLLMENT FRAUD DRIVERS
- | HOW ARE FAKE ENROLLMENTS CREATED
- | IMPACT OF ENROLLMENT FRAUD
- | CASE STUDIES
- | WARNING SIGNS
- | PREVENTATIVE SOLUTIONS
- | WRAP UP



DEFINITION | ENROLLMENT FINANCIAL AID FRAUD

FRAUDSTERS TAKE ADVANTAGE OF THE APPLICATION SYSTEMS AT EDUCATIONAL INSTITUTIONS IN THE HOPE OF STEALING GOVERNMENT AID.



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WHAT DRIVES ENROLLMENT FRAUD?

- | LACK OF REPORTING AND INFORMATION SHARING
- | LACK OF STUDENT VERIFICATION SYSTEM
- | GAPS IN ENROLLMENT SYSTEMS
- | EASY ACCESS TO MALICIOUS TECHNOLOGY (BOTS)
- | PRESSURE/FOCUS ON ENROLLMENT NUMBERS
- | ONLINE ENROLLMENT – DEPENDENCE ON TECHNOLOGY
- | LACK OF ADMISSION COMMITTEE
- | ONLINE CLASSES

HOW GHOST STUDENTS ARE MADE

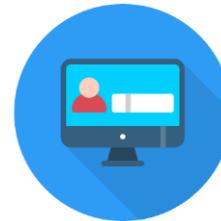
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OBTAIN STOLEN IDENTITIES (DARK WEB) OR VIA BOTS

[How to get your FREE EDU Mail easily | What are EDU Mails? 2021 Trick – YouTube](#)



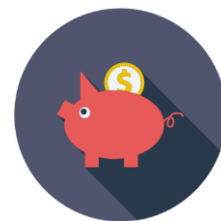
APPLY FOR ADMISSION



APPLY FOR AID



REGISTER FOR CLASSES



OBTAIN REFUND



DISAPPEAR WITH FINANCIAL AID REFUND

IMPACT

- | MONETARY
- | REPUTATION
- | DATA CORRUPTION
 - | MISDIRECTED MARKETING DOLLARS
 - | LEGITIMATE STUDENTS CAN'T GET INTO REQUIRED COURSES
 - | WASTED STAFF TIME
- | POOR DECISIONS
 - | INCREASED TAXES
- | COST PER ENROLLMENT INCREASES



BATON ROUGE CASE STUDY

| STERLING EDUCATIONAL CONSULTING, LLC.

| \$1.8 MILLION DOLLAR SCAM

| 180 STOLEN IDENTITIES

| RECRUITED "STUDENTS"

| ACQUIRED STUDENTS' PRIVATE AND PERSONAL
INFORMATION

| FAKED DIPLOMAS & GRADES

| ELECTRONICALLY SUBMITTED APPLICATIONS FOR FEDERAL
STUDENT AID

| ENROLLED "STUDENTS" IN CLASSES

| SIGNED MASTER PROMISSORY NOTES

| VICTIMS ON THE HOOK TO REPAY

| TAKEAWAYS

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CALIFORNIA CASE STUDY

- | 65,000 FAKE APPLICATIONS FOR FINANCIAL AID SUBMITTED IN 2021
- | IMPACTED 105 OF 116 COMMUNITY COLLEGES
- | ODD STUDENT PROFILES – STUDENTS OVER 30, EARNING LESS THAN 40K, SEEKING 2-YEAR DEGREE.
- | BLOCKED APPROXIMATELY \$1.7 MILLION IN ATTEMPTED STUDENT AID FRAUD.
- | SAN DIEGO COMMUNITY COLLEGE DISTRICT PAID OUT OVER \$100,000 IN FRAUDULENT CLAIMS
- | TAKEAWAYS

900	██████████	Carl, Carl			
900	██████████	Clifford, Clifford			
900	██████████	Sidney, Sidney			
900	██████████	Kamara, All of the above	Female	KAMARA	ALLOFTHEABOVE
900	██████████	Kamara, Fatmata	Female	KAMARA	FATMATA

Screenshot of student accounts registered through CCCApply.
Source: Professor Kim Rich

Learn more at [OpenTheBooks.com](https://www.openthebooks.com)

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WARNING SIGNS

- | UNUSUAL IP ADDRESSES
- | CHANGE IN NETWORK TRAFFIC
 - | TRAFFIC SPIKES
 - | HIGH VOLUME TRAFFIC FROM SINGLE IP ADDRESS
- | BOT ACTIVITY
- | STUDENTS SIGNING UP FOR CLASSES THAT DON'T CONNECT WITH THEIR MAJOR
- | LACK OF STUDENT PARTICIPATION IN ONLINE CLASS
- | CONSECUTIVE ID NUMBERS ON CLASS ROSTER
- | EMAIL PATTERNS THAT DO NOT MATCH STUDENT NAMES
- | BIRTH DATES FROM 60S OR 70S



PREVENTATIVE SOLUTIONS

- | DROP ONLINE STUDENTS THAT DON'T APPEAR ON DAY 1
- | PARTNER WITH TECHNOLOGY PROVIDERS - STUDENT IDENTIFICATION SOFTWARE - *coming soon!*
- | TWO FACTOR AUTHENTICATION
- | DATA ANALYTICS
- | DOCUMENT AUTHENTICATION SOFTWARE
- | ADDING RECAPTCHA VERIFICATION TO FORM FILLS
- | EDUCATE STAFF AND FACULTY
- | REGULAR AUDITS OF FINANCIAL AID APPLICATIONS
- | COLLABORATION WITH LAW ENFORCEMENT AGENCIES
- | CONTINUOUS IMPROVEMENT AND ADAPTABILITY



SUMMARY

- | ENROLLMENT FRAUD ISN'T GOING AWAY
- | ALWAYS EVOLVING
- | DEVELOP PARTNERSHIPS – DON'T GO IT ALONE
- | CONTINUOUS VIGILANCE
- | QUICK COUNTER RESPONSES



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Thank You.

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