

A September 2011 report from the education department's inspector general states that there have been an increasing number of cases involving "large, loosely affiliated groups of individuals who conspire to defraud" the federal student financial aid system through online programs.

It may be easy to do, authorities say, because colleges aren't required to verify the identities of their online students.

Ringleaders can easily use others' identities — with or without their consent — to get the money, according to the federal report.

Since 2005, the inspector general has helped prosecute 215 individuals in 42 different fraud rings, leading to \$7.5 million in fines and restitution.

But in many cases, only ringleaders are prosecuted, authorities said.

"From past experience, we know only a small fraction of participants will be prosecuted and only a fraction of (federal aid) losses will be recovered," the report states.

In the meantime, COD officials say they've made several changes to deter the potential for fraud:

- ✓ The student aid department reviews a newly created report that identifies financial aid students enrolled in online classes only. The report shows how many times these students log in to the online system, and financial aid is dropped if the student does not log in on the first day of class.
- ✓ The information technology department is attempting to expand verification requirements to require students with income less than \$7,000 to demonstrate how they may be able to live on that amount of money.
- ✓ COD now requires a high school or GED transcript for all out-of-district and out-of-state students.
- ✓ College officials said they look at receivable balances daily, and drop students for nonpayment on a regular basis, though "every attempt is made to work with the student," Glaser said.

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