

Student Financial Aid Fraud Prevention Policy

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Section 1: Purpose

The purpose of this policy is to establish standards and procedures for preventing, detecting, investigating, and responding to suspected student financial aid fraud, identity theft, misrepresentation, and other forms of financial aid abuse. Virginia Peninsula Community College (VPCC) is committed to maintaining the integrity of federal, state, institutional, and private financial aid programs; safeguarding public funds; protecting students from identity theft; and ensuring compliance with all applicable laws, regulations, and institutional requirements. This policy provides a framework for identifying potential fraud risks, implementing preventive controls, conducting investigations, and taking corrective actions when fraud is suspected or confirmed.

Virginia Peninsula Community College maintains a zero-tolerance approach toward financial aid fraud, identity theft, forgery, misrepresentation, and other fraudulent activities related to the administration of federal, state, institutional, or private financial assistance programs.

All students, employees, contractors, and third-party servicers participating in financial aid processes must provide accurate information and comply with applicable laws, regulations, and institutional requirements. VPCC will thoroughly review suspected fraud and, once confirmed, refer it to appropriate regulatory, law enforcement, or oversight agencies.

Section 2: Scope

This policy applies to:

- 2.1 All applicants for financial aid administered by VPCC.
- 2.2 All enrolled students receiving or seeking financial aid.
- 2.3 Faculty and staff involved in admissions, enrollment management, student accounts, financial aid administration, and related student support functions.

- 2.4 Third-party servicers, contractors, and vendors supporting financial aid operations.
- 2.5 All federal, state, institutional, military, veteran, scholarship, and private financial assistance programs administered by the College.

Section 3: Definitions

3.1 Financial Aid Fraud

Any intentional act of deception, falsification, concealment, or misrepresentation undertaken to obtain financial aid funds or educational benefits for which an individual is not eligible.

3.2 Fraud Rings

Organized efforts involving multiple individuals or entities that seek to fraudulently secure admission, enroll in courses, obtain financial aid funds, or receive student account refunds.

3.3 Personally Identifiable Information (PII)

Information that can be used to distinguish or trace an individual's identity, including but not limited to Social Security numbers, dates of birth, government-issued identification numbers, and financial information.

3.4 Free Application for Federal Student Aid (FAFSA)

An official online form managed by the U.S. Department of Education that students and families complete to apply for financial assistance for college or career school.

3.5 Virginia Alternative State Aid Application (VASA)

An official state-specific online financial aid form managed by the State Council of Higher Education for Virginia (SCHEV) for eligible college students who are unable to file the federal FAFSA.

3.6 Identity Theft

The unauthorized use of another person's personally identifiable information (PII) to obtain educational admissions, enrollment, financial aid, refunds, or other benefits.

3.7 Misrepresentation

Knowingly providing false, incomplete, altered, forged, or misleading information during admissions, enrollment, financial aid, verification, or student account processes.

3.8 Professional Judgment Abuse

The submission of false, misleading, altered, or fabricated documentation intended to obtain favorable financial aid adjustments or special circumstances appeals.

Section 4: Process

4.1 Director of Financial Aid

The Director of Financial Aid shall:

- 4.1.1 Administer and oversee implementation of this policy.
- 4.1.2 Establish fraud prevention and detection protocols.
- 4.1.3 Review and investigate reported concerns.
- 4.1.4 Coordinate with College offices and external agencies as appropriate.
- 4.1.5 Recommend corrective actions and policy revisions.
- 4.1.6 Ensure staff receive fraud awareness training every year.

4.2 Financial Aid Staff

Financial Aid personnel shall:

- 4.2.1 Review FAFSA and VASA applications for conflicting or suspicious information.
- 4.2.2 Comply with federal financial aid verification and documentation requirements.
- 4.2.3 Escalate suspected fraud concerns to appropriate officials.
- 4.2.4 Maintain documentation supporting actions taken under this policy.

4.3 Student

Students are responsible for:

- 4.3.1 Providing complete, accurate, and truthful information.
- 4.3.2 Responding promptly to requests for documentation.
- 4.3.3 Reporting changes that affect aid eligibility.
- 4.3.4 Protecting personal credentials and identity information.

Failure to comply with these responsibilities may result in delays, loss of aid eligibility, disciplinary action, or referral for investigation.

4.4 Campus Police

Campus Police may assist with identity verification, document authentication, investigations, and referrals to law enforcement agencies when warranted.

4.5 Information Technology Services

Information Technology Services shall support secure authentication processes, system monitoring, and cybersecurity measures to protect student information and detect suspicious activity.

4.6 College Administration

College administrators shall support enforcement of this policy and ensure coordination among departments involved in fraud prevention, compliance, and student services.

Section 5: References

- 5.1 602.01 Student Financial Aid Fraud Procedures
- 5.2 [Higher Education Act of 1965, as amended.](#)
- 5.3 [Title IV Administrative Capability \(34 CFR § 668.16\(f\)\)](#)
- 5.4 [OIG Referral Mandate \(34 CFR § 668.16\(g\)\)](#)
- 5.5 [FTC Red Flags Rule \(16 CFR Part 681\)](#)
- 5.6 [FSA Real-Time Fraud Systems \(2026 Electronic Announcements\)](#)
- 5.7 [Title IV Federal Student Aid Program Regulations.](#)
- 5.8 [Code of Virginia \(§ 23.1-600 et seq.\)](#)
- 5.9 [SCHEV Financial Aid Coordination Policy](#)
- 5.10 [Family Educational Rights and Privacy Act \(FERPA\).](#)
- 5.11 [U.S. Department of Education Federal Student Aid Handbook.](#)
- 5.12 [U.S. Department of Education Office of Inspector General \(OIG\) Fraud Reporting Guidance.](#)

Section 6: Schedule for Reviews

The Director of Financial Aid, Scholarships, and Military and Veterans Services shall be responsible for conducting a comprehensive annual review of this policy and recommending revisions to address emerging fraud trends, operational risks, regulatory changes, audit findings, compliance requirements, and best practices. Proposed revisions shall be submitted through the College's policy review and approval process.

Section 7: Effective Date and Approval

This policy, version 1 of 1, becomes effective upon approval by the College President, Dr. Towuanna Porter Brannon, on October 13, 2026.

Section 8: Review and Revision History

Version	Date	Description of Change	Reviewed by	Approved by
1	10/13/2026	Initial draft proposed by Marc Vernon, Director of Financial Aid, Scholarships, and Military and	College Council, College Support Staff	Dr. Towuanna Porter Brannon, College President

		Veterans Services; input and recommendations made by: LaRhonda Johnson, Dean of Retention and Student Success; Mary Kanani, Dean of Enrollment and Registrar; and Marjorie Newman, Associate Director for Retention and Student Success	Association, Council of Mid-Level Managers, Faculty Senate, and VPCC Executive Cabinet	
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