

FRAUDGRAM

February 2026 | Issue 5

This is the FraudGram—quick facts from the U.S. Department of Education Office of Inspector General (OIG) about education-related scams and tips to avoid them, along with updates on some of our criminal and civil investigations, and what you can do to help spot and report fraud, waste, and abuse involving Federal education funding, programs, and operations.

Scammers Increasing Their Criminal Activities— *Stay Vigilant!*



Fraudsters, scammers, and schemers are working overtime to steal your money, your identity, or both. They're exploiting the recent changes in how you repay your Federal student loans to trap you! Don't fall for it! Whether their lure is wage garnishment, default collections, or loan forgiveness—follow these three simple rules to protect yourself, your money, and your identity!

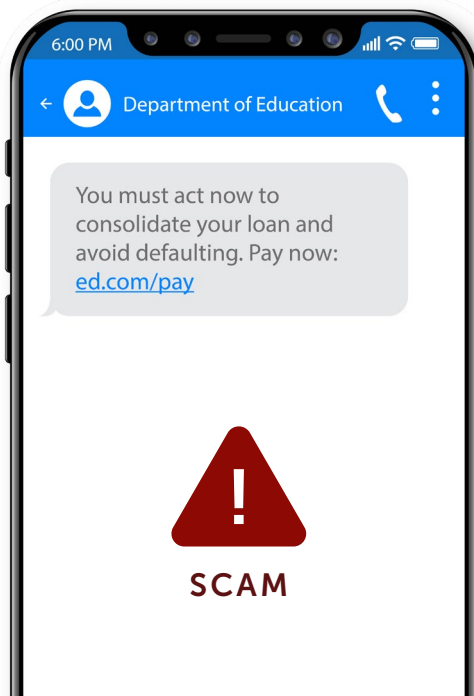
1. Never share your FSA ID with anyone! This includes people who claim to work at your school or your student

loan servicing company. No one except you should ever need your FSA ID and sharing it with others can put your personal and financial information at risk!

2. Never agree to pay a fee to anyone claiming they'll help you manage your Federal student loans, as that's a clear sign of a scam! You can manage your Federal student loans for free. Get the facts directly from the source—the U.S. Department of Education's Federal Student Aid office.

3. Always verify a source before sharing any personal information, such as your date of birth, Social Security number, bank account number, or credit card details. This helps protect you from student aid scams and other types of fraud. It's as easy as asking for the company's name and phone number so you can verify them through your student loan servicer.

The U.S. Department of Education will never call, text, or slide into your DMs. They would



not run a pop-up ad. They would not use hyperbolic language like “YOU MUST ACT NOW,” “TIME RUNNING OUT,” or “YOU HAVE BEEN SELECTED.” In any of their communications with you, the U.S. Department of Education would not ask for your FSA ID or require payment to consolidate

or manage your Federal student loans. The U.S. Department of Education only uses a .gov address and would not direct you to any non-.gov website. So if you receive anything like this, don’t fall for it—it’s a SCAM!

\$5 BILLION. That’s what reports say people have lost to student loan scams! Don’t become part of this statistic! If you have a student loan, educate yourself about these scams and take steps to protect yourself and your money! [*Find out more about these scams and simple actions you can take to avoid falling victim!*](#)

Latest Schemes and Scams

Here are the biggest student aid scams happening now, but they aren’t the only ones targeting students and loan holders! Check out our last FraudGram for details on scholarship scams, textbook scams, housing scams, and more.

- **Debt Collection/Wage Garnishment.** If you receive a phone call, text, email, or DM from someone claiming to be from a collection agency seeking to collect money on your student loan debt, follow these two simple rules to protect yourself from debt collection scams. (1) Do not share any of your personal or financial information with anyone claiming to be a

collection agent. Do not give them anything—not your FSA ID, Social Security number, bank account number, or credit card number—until you verify they are legitimate! (2) Ask for the company’s name and phone number, then tell them you will contact your student loan servicer to verify their legitimacy. If your servicer confirms the company’s legitimacy, proceed as needed.

- **Student Loan Forgiveness and Debt Relief.** These scams often come through email, text, phone calls, or pop-up ads on social media, claiming they can help you consolidate your student loans, lower your payments, or completely

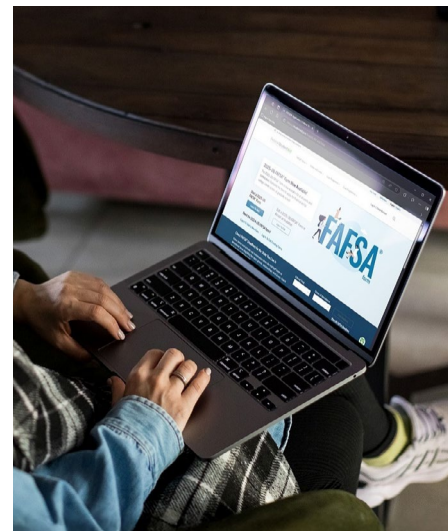
eliminate your student debt—for a fee. The phrase “for a fee” is key because, in most cases, these are services you can do yourself for free through the Federal Student Aid office. Scammers rely on you not knowing that. To avoid falling for their tricks, remember (1) never pay for help with student loan debt relief, loan forgiveness, or loan consolidation. If someone promises assistance but wants to charge, don’t trust it! (2) Never share your FSA ID or other passwords with anyone—even if they claim to work at your school or with your student loan servicer. No one needs this information

but you. (3) Be cautious of unsolicited emails with links or attachments! These may not be from who they claim to be. Don't click on links or open attachments in any unexpected message. Instead, hover your mouse over links to see where they lead. Visit our website to learn more about debt relief and other student loan scams.

- **Imposter Scams.** An imposter scam happens when a scammer pretends to be someone else to gain your trust and persuade you to send money.
 - For loan borrowers no longer in school, this scam involves someone claiming to be from the U.S. Department of Education, Internal Revenue Service, the OIG, your alma mater, or most commonly the vague "Student Loan Department." You're asked to pay upfront for phony things like a student aid refund, a processing fee

to discharge your loans, or a monthly service charge to have your loans managed for you. Don't fall for it! These are all scams! Hang up and notify the Federal Trade Commission Fraud Hotline!

- For college students, this might involve receiving a call from someone claiming to be a school official warning about a late tuition payment or other owed money. You're told to pay immediately over the phone or face serious consequences, like being dropped from all classes. To make the scam seem more real, the scammer may 'spoof' the incoming call, making it look like it came from a number you might recognize. If you get a call asking for money, hang up immediately and contact your school's Office of Student and Financial Services.



FRAUD WATCH

Fraud Watch is a special OIG alert highlighting new and emerging areas of potential fraud, waste, or abuse involving Federal education programs, operations, and funding. OIG experts analyze data to identify anomalies, patterns, trends, and suspicious activity that could indicate fraud, waste, or abuse. Through their proactive data analytical efforts, the OIG can react quickly to mitigate potential fraud risks in real time. The OIG shares its observations and any related suggestions with Department officials so they can make informed decisions to address problems identified. Our first issue highlighted potentially fraudulent activity involving parental information included on the Free Application for Federal Student Aid, or FAFSA. [Check it out!](#)

OIG Featured in ABC News Story on Ghost Students/Student Aid Fraud

In January, ABC News ran an widely-viewed news story on ghost students/student aid fraud schemes—something that as a regular FraudGram reader you know all about! The OIG's Assistant Inspector General for Investigation Services, Jason Williams, was featured in the piece, sharing information on how criminals are operating these schemes and scams and what is being done to identify and stop them. Missed the segment? [You can see it right here, right now.](#)

FAFSA fraud, enrollment fraud, admissions fraud, fraud rings, ghost students, straw students, Pell runners—it's all student aid fraud. And we need your help to fight it. [Learn how to identify, report, and protect yourself from student aid fraud now!](#)



Recent Investigative Cases

Since our last FraudGram, more prosecutorial actions have been taken against unscrupulous individuals who embezzled or deliberately misused Federal education funds, including Federal student aid and Title I funds for school districts serving low-income families. Many of these individuals held trusted positions to educate children or help students achieve their dreams of higher education. Instead, they diverted those funds from the very people they promised to serve for their own selfish purposes. Here are some examples of our recent investigations.

- **Two People Charged with Stealing More than \$12 Million in Separate Fraud Schemes (Michigan).** Two people were charged for orchestrating two separate fraud rings that targeted more than \$12 million in student aid. One individual allegedly ran a prolific, 10-year scheme that involved the submission of fraudulent FAFSAs for more than 1,200 people, at more than 100 schools in 24 States. The second individual is also alleged to have operated a 10-year scheme that involved

more than 80 individuals.

[Read more](#)

- **Leader of \$5 Million Fraud Ring Sentenced (North Carolina).** The leader of a student aid fraud ring that targeted more than \$5 million in Federal student aid from a number of community colleges in North Carolina was sentenced to 5 years in prison. [Read more](#)
- **Two Former School Superintendents Pled Guilty (Mississippi).** Two former superintendents of school districts in Mississippi pled guilty to conspiracy to commit embezzlement. The two used their positions to enter into reciprocal consulting contracts and generate reciprocal payments for consulting services at an inflated rate of payment and for consulting services that were not actually provided. [Read more](#)
- **Leader of Ring Targeting More Than \$930,000 in Student Aid Sentenced to Prison (Indiana).** A “serial scammer” who orchestrated a student aid fraud ring that targeted more than \$930,000 in student aid was sentenced to prison. Starting in 2018, the ringleader submitted more than 50 fraudulent

FAFSAs for more than a dozen straw students. [Read more](#)

- **Leader of \$466,000 Student Aid Fraud Ring Sentenced (New York).** The leader of a fraud ring that targeted more than \$466,000 in Federal student aid was sentenced to prison for orchestrating a decade-long student aid fraud ring. [Read more](#)
- **Former Houston Independent School District (HISD) Official, Contractor Found Guilty in Multimillion-Dollar Bribery, Kickback, and Fraud Scheme (Texas).** A Federal jury returned guilty verdicts against the former chief operating officer of the HISD and an HISD contractor for their roles in a 9-year, multimillion dollar fraud scheme. The former official used his position and pressured other school officials to steer lucrative HISD contracts toward the contractor’s companies in exchange for bribes and kickbacks. [Read more](#)

Want to read more about OIG’s investigative cases? Check out our most recent [Semiannual Report to Congress](#) where you’ll find summaries of some of our investigative cases and more!

U.S. DEPARTMENT OF EDUCATION, OFFICE OF INSPECTOR GENERAL

HOTLINE

OIGHOTLINE.ED.GOV



Identify and Report Fraud to the OIG Hotline

The OIG works tirelessly to identify and stop those trying to siphon Federal education funds for personal gain—and we don't do this alone: we collaborate with law enforcement partners across Federal, State, and local levels, and we depend on information from everyday people—like you—who know of or suspect fraud, waste, abuse, mismanagement, or violations of laws and regulations involving Federal education funds or programs. That's why we operate the OIG Hotline—available 24/7—for anyone to report their suspicions.

The OIG's secure and independent Hotline accepts tips, complaints, and allegations from all sources regarding possible theft, fraud, waste, abuse, mismanagement, public corruption, or retaliation against whistleblowers involving ED programs, operations, or funds. This includes suspected misconduct by U.S. Department of Education employees, contractors, grantees, schools and school officials, lending institutions, collection agencies, recipients of financial assistance, and individuals engaged in student aid fraud. The OIG will keep the confidentiality of complainants so you can feel confident sharing what you know!



Not Sure What to Report to the OIG Hotline?

Our [Hotline Wizard](#) can help! When you visit our Hotline, simply select the Let's Get Your Complaint to the Right Place button and follow the easy-to-follow directions!

As the independent arm within ED, the OIG works to ensure that Federal education funds are used as required and reach the intended recipients. This includes investigating misuse, theft, fraud, public corruption, and other civil and criminal activity involving ED programs and funds. Coordinating this work is OIG's Investigation Services—our team of law enforcement professionals with decades of experience in conducting education-related investigations and stopping education-focused fraud schemes. Learn more about OIG Investigation Services on [our website](#).



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