

COMPLIANCE MATTERS.

News and Insights from Chapman's Department of Institutional Compliance and Internal Audit

IN THIS ISSUE



- » **Fraud in Higher Education:** What can fraud in higher ed look like and what are some red flags to look for
- » **Look out for Compliance Week (11/7-11/13):** Stay tuned for details, prizes and more!
- » **Friendly Reminder—Annual Ethics Training Due:** Be sure to complete your annual, mandated Ethics Training!



Fraud in Higher Education

By Peter Aguila, Senior Compliance Investigator

Fraud shows up in a variety of different ways, including, but not limited to admissions, athletics, department funds, or research. Here are some examples of staff and faculty who were caught perpetrating fraud:

(cont. on next page)

Temple Business School: Submitted False Scores

A former Dean of Temple University's Richard J. Fox School of Business and Management ("Fox") was charged with conspiring and scheming to deceive the school's applicants, students, and donors into believing that the school offered top-ranked business degree programs, so they would pay tuition and make donations to Temple. This was done by submitting false standardized test scores to U.S. News in order to bolster the school's rankings.

[Read the Full Release on Former Temple Business School](#)

Delaware State University: Changing Registration Statuses

A Delaware State University ("DSU") employee was sentenced to 15 months incarceration after she was found guilty of changing the registration status of hundreds of out of state students. The employee changed out-of-state students' status to in-state in order to qualify those students for a reduced tuition. The employee's co-conspirator received payments from these students and in turn paid the DSU employee. The employee received thousands of dollars in bribes and DSU experienced a loss that exceeded \$3 Million in lowered tuition.

[Read full release on the DSU Officer](#)

Bossier Parish Community College: Fraudulent Refunds

The former Bossier Parish Community College ("Bossier") Comptroller and two other individuals conspired to defraud Bossier. The scheme required an accomplice to recruit current and former students to receive monies despite not being entitled. The Comptroller would access a password protected database and create an entry into the schools financial aid system causing the students to receive a refund. These students would deliver a substantial portion to the Comptroller and the two accomplices.

[Read the full release on the scheme to defraud Bossier](#)

Red Flags of Potential Fraud

Here is a short (but not all-inclusive) lists of red flags to look out for when considering reporting potential fraud.

- Reimbursement requests without receipts
- Potential conflicts of interests (does the person have a personal or financial interest in the contract or vendor?)
- Faculty/Staff refusing to share their process with other team members
- Key employee never taking leave or vacation
- Researchers who are unable to replicate reported results
- Lost or destroyed records
- Lengthy unexplained delays in producing requested documentation
- Duplicate claims for the same items/expenses
- Excessive use of university provided assets

Why It Matters

As shown above, fraud crimes are perpetrated in a variety of different and creative ways. When fraud takes place in higher education, it is difficult to identify who was damaged specifically. In most cases, there are multiple victims on multiple levels. Victims can include the University, current students, prospective students, and also the federal government. Being able to identify and report indicators of fraud helps protect all parties.

Reminders, Announcements, & More!

Look out for Compliance Week! (11/7-11/13)

We're kicking off our first ever Compliance Week from 11/7 – 11/13! Compliance shouldn't be reserved for annual trainings or when you need it. This week is meant to *educate and bring awareness to Chapman's commitment to compliance and the resources available to you.*

During the week, be on the lookout for activities posted to Institutional Compliance's site. There will be informational handouts, activities and more! To get you excited, we have created a [crossword puzzle](#) about all things compliance. The first 30 staff/faculty members to complete the puzzle and submit the answers to compliance@chapman.edu will receive a small prize from Institutional Compliance.

Remember to Complete Your Annual Ethics Training

Please ensure you have completed your annual, mandated Ethics Training! The training invites are assigned by HR and will come through EverFi.

Should you have any questions, please reach out to us at compliance@chapman.edu



Got Any Questions, Comments, or Concerns?

We want to be accessible to you! If there's questions we can answer, or clarification we can provide, feel free to reach out to us at compliance@chapman.edu. We will get back to you within a prompt time-frame .