



Chancellor's Report to the PCCD Board of Trustees
Fraudulent Applications
June 22, 2021

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Currently there is statewide abuse of the California Community College Application system (CCC Apply) that has resulted in thousands of fraudulent applications across the state that is impacting many community college districts. The false applicants are done in large batches and can bypass the CCCApply system and are thus sent to the districts as complete. The aim of these efforts is to fraudulently receive financial aid.

Recently we discovered over 550 fraudulent applications for the month of May 2021 alone and of these, over 125 of them were enrolled in 9-12 units this summer 2021. The discovery of fraudulent "students" resulted in an ongoing analysis and institution of preventative measures to mitigate the impact of these illegal efforts. Academic Affairs, District Financial Aid, the Internal Auditor, and Information Technology have been communicating about the fraud to faculty, staff, and administration, installing a filter to identify and suspend suspicious applications, dropping those that have enrolled in summer and fall courses, pulling back and removing Financial Aid disbursements where possible, assessing new applications and importantly reporting this information to the state. To date, the district office has:

- Placed a banner on all summer 2021 canvas shells and sent an FAS-email to faculty asking them to complete census on time, drop and report any students who have not logged in to class and who did not provide a phone number (one of the indicators of fraud)
- District A&R ran a query which was collectively analyzed for the common elements in these fraudulent applications, and it appears there were roughly 1,138 fraudulent summer/fall applications from March 17, 2021 through today.
- A filter has been placed on all incoming applications and those from the query have been flagged, dropped and a hold has been placed on their accounts. An automatic message is then sent to the "student" requiring action from them.
- District Financial Aid was able to reverse \$4,800 in fraudulent summer disbursements to date and efforts are ongoing to remove any future disbursements through the summer and fall semester and to analyze the total (if any) impact upon the spring 2021 semester.
- Note that CCCApply 2.0 is near completion, and the state Chancellors Office ensures that it will result in an improved system for mitigating fraudulent applications in the near future.