



John Keel, CPA
State Auditor

A Special Investigations Unit Report Regarding a Higher Education Coordinating Board College Access Loan Application

May 3, 2005

Members of the Legislative Audit Committee:

The Public Integrity Unit at the Travis County District Attorney's Office obtained an indictment for Manuel Guerrero on March 8, 2005, after the Special Investigations Unit investigated an allegation of a forged College Access Loan (CAL) application. The Higher Education Coordinating Board requested the investigation into this alleged offense. The forged application led to the fraudulent disbursement of \$6,200 for tuition, fees, and personal expenses for Mr. Guerrero, a former student of Saint Mary's University.

Mr. Guerrero faces one count of securing execution of a document by deception. This offense is a state jail felony that carries a maximum penalty of two years in a state jail and a \$10,000 fine.

If you have any questions, please contact Ralph Disher, Senior Investigator; Pamela Munn, Manager, Special Investigations Unit; or me at (512) 936-9500.

Sincerely,

John Keel, CPA
State Auditor

cc: The Honorable Rick Perry, Governor of Texas
Dr. Raymund Paredes, Commissioner, Texas Higher Education Coordinating Board
The Honorable Ronnie Earle, Travis County District Attorney

What Is CAL?

The CAL program is funded through the Hinson-Hazelwood college student loan program and is administered by the Higher Education Coordinating Board. Students apply for this aid through the financial aid office of the college they plan to attend. Promissory notes require a co-signer, and the co-signer's credit worthiness is checked. Due to similar cases already investigated by the Special Investigations Unit of the State Auditor's Office, the Higher Education Coordinating Board now makes contact with co-signers to verify authorization of their signatures and the loan amounts.

The Special Investigations Unit investigates reports of illegal activity involving state agencies and universities. It refers the results to prosecuting authorities.

Texas Government Code, Section 321.022, requires state agencies and universities to report suspected fraud or unlawful conduct to the State Auditor's Office if there are facts (not merely suspicion) that point to fraud or unlawful conduct.

To report suspected illegal activity, call 1-800-TX-AUDIT (1-800-892-8348), send a fax to (512) 936-9400, visit www.sao.state.tx.us, or mail information to the State Auditor's Office, Attn: SIU, P.O. Box 12067, Austin, Texas 78711.

