



John Keel, CPA  
State Auditor

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

January 16, 2007

Members of the Legislative Audit Committee:

The Public Integrity Unit at the Travis County District Attorney's Office obtained an indictment for Jose Jara on November 17, 2006, after the State Auditor's Office's Special Investigations Unit investigated an allegation of a forged College Access Loan (CAL) application and promissory note.

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 higher education institution they plan to attend. Promissory notes require a co-signer, and the co-signer's credit worthiness is checked. Due to similar cases previously 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 Higher Education Coordinating Board requested the investigation into this alleged offense. The forged application led to the fraudulent disbursement of \$4,281 for tuition, fees, and personal expenses for Mr. Jara, a former student at St. Edward's University.

Mr. Jara faces two counts 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, or me at (512) 936-9500.

Sincerely,

John Keel, CPA  
State Auditor

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

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](http://www.sao.state.tx.us), or mail information to the State Auditor's Office, Attn: SIU, P.O. Box 12067, Austin, Texas 78711.



This document is not copyrighted. Readers may make additional copies of this report as needed. In addition, most State Auditor's Office reports may be downloaded from our Web site: [www.sao.state.tx.us](http://www.sao.state.tx.us).

In compliance with the Americans with Disabilities Act, this document may also be requested in alternative formats. To do so, contact our report request line at (512) 936-9880 (Voice), (512) 936-9400 (FAX), 1-800-RELAY-TX (TDD), or visit the Robert E. Johnson Building, 1501 North Congress Avenue, Suite 4.224, Austin, Texas 78701.

The State Auditor's Office is an equal opportunity employer and does not discriminate on the basis of race, color, religion, sex, national origin, age, or disability in employment or in the provision of services, programs, or activities.

To report waste, fraud, or abuse in state government call the SAO Hotline: 1-800-TX-AUDIT.