



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

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