December 7, 2012

Members of the Legislative Audit Committee:

The State Auditor’s Office’s Special Investigations Unit (SIU) investigated allegations that the Higher Education Coordinating Board (Coordinating Board) received altered Hinson-Hazlewood College Access Loan (CAL) program payment guaranty and promissory notes.

The results of the SIU’s investigation led to the Public Integrity Unit of the Travis County District Attorney’s Office obtaining two indictments for Richard Martinez on October 25, 2012. The first indictment charged Mr. Martinez with three counts of securing execution of a document by deception with a value of $1,500 or more but less than $20,000, which are state jail felonies. The second indictment charged Mr. Martinez with two counts of tampering with governmental record, which are state jail felonies. State jail felonies carry a maximum penalty of two years in a state jail and a fine not to exceed $10,000.

The CAL program is funded through the Hinson-Hazlewood student loan program and is administered by the Coordinating Board. Students apply for CAL program loans through the financial aid office of the higher education institution they plan to attend.

If you have any questions, please contact Blythe Valenzuela, Senior Investigator, or me at (512) 936-9500.

Sincerely,

John Keel, CPA
State Auditor

cc: The Honorable Rick Perry, Governor of Texas
Dr. Raymund Paredes, Commissioner, Higher Education Coordinating Board
The Honorable Rosemary Lehmberg, Travis County District Attorney
Mr. Gregg Cox, Director, Special Prosecution Division, Travis County District Attorney’s Office
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