



John Keel, CPA
State Auditor

A Special Investigations Unit Report - The Higher Education Coordinating Board

September 23, 2013

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 a forged Hinson-Hazlewood College Access Loan (CAL) program payment guaranty and promissory note.

The SIU's investigation led to the Taylor County Criminal District Attorney's Office obtaining an indictment for Sam J. Gedeon on September 5, 2013. The indictment charged Mr. Gedeon with one count of forgery, which is a felony of the third degree. A felony of the third degree carries a penalty of not more than 10 years or less than 2 years imprisonment in the Texas Department of Criminal Justice 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 Coordinating Board's Web site to attend the higher education institution of their choosing.

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

Sincerely,

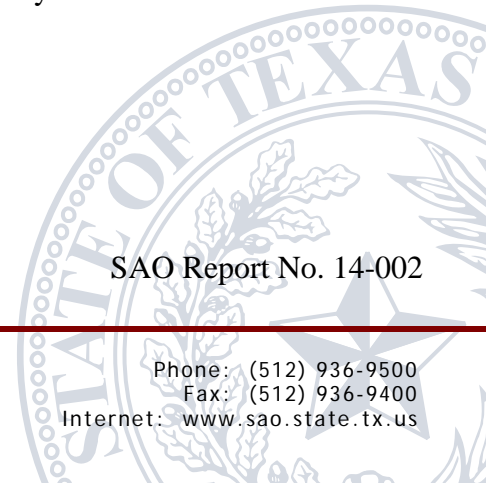
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cc: The Honorable Rick Perry, Governor of Texas
Dr. Raymund Paredes, Commissioner, Higher Education Coordinating Board
The Honorable James Eidson, Taylor County Criminal District Attorney

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