November 21, 2014

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

The results of the SIU’s investigation led to the Public Integrity Unit of the Travis County District Attorney’s Office obtaining an indictment for Tamara S. Traylor on October 31, 2014. The indictment charged Ms. Traylor with one count of securing execution of a document by deception with a value of $1,500 or more but less than $20,000, which is a state jail felony. A state jail felony carries 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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