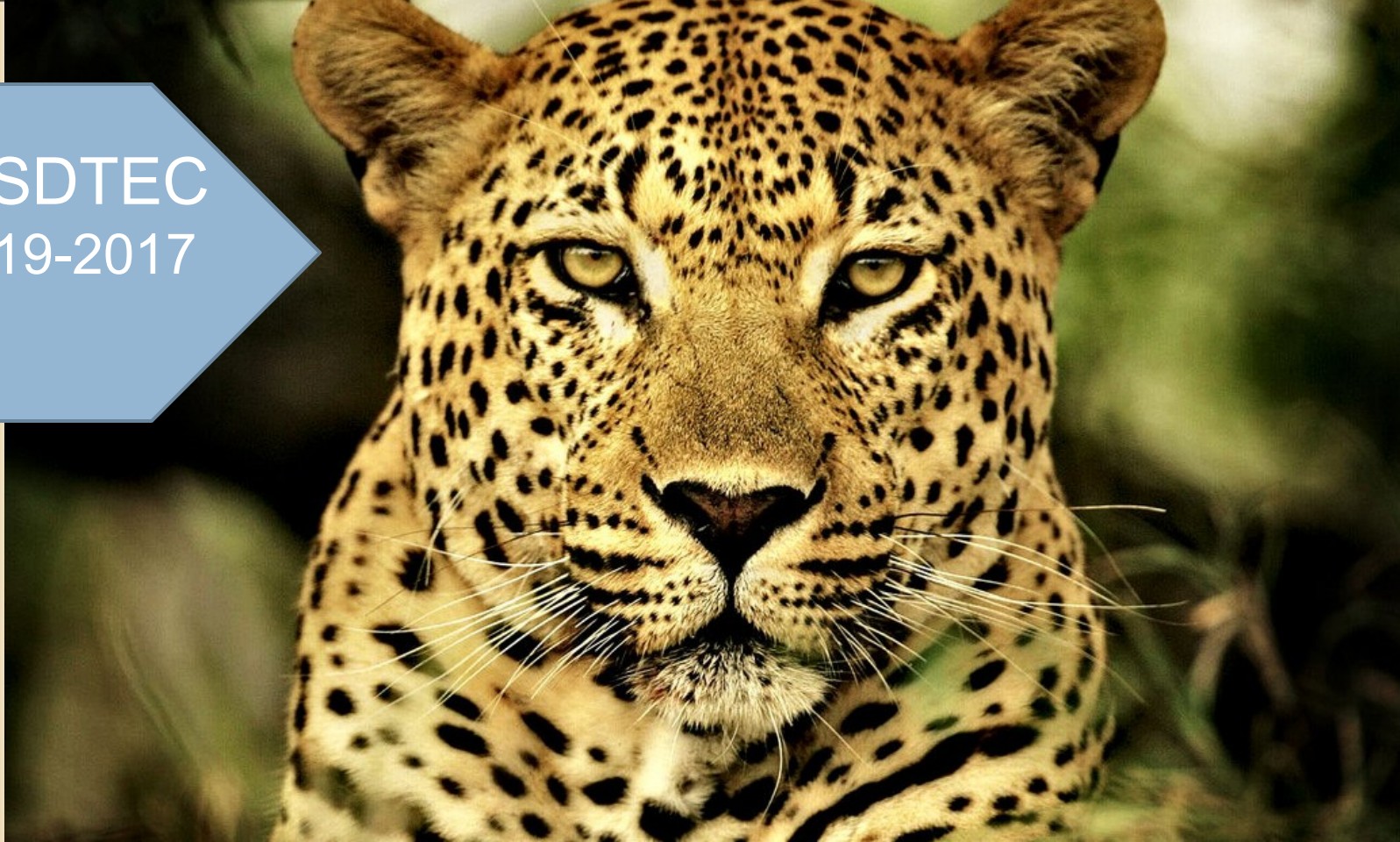


NASDTEC
10-19-2017



FRAUD IN EDUCATION: BEYOND THE WRONG ANSWER



Shared Knowledge, LLC

<http://ishareknowledge.com>

Hello!



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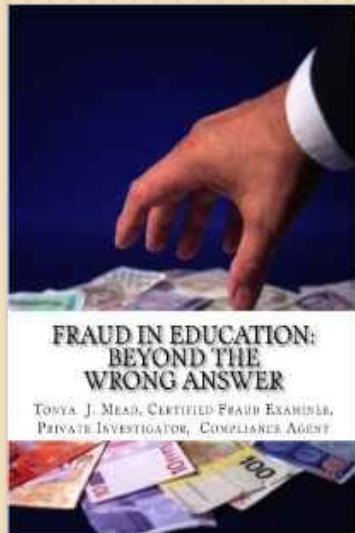
**Author: Fraud in Education:
Beyond the Wrong Answer**

ISBN-13: 978-1539301844

ISBN-10: 1539301842



FRAUD IN EDUCATION: BEYOND THE WRONG ANSWER



Education *was* Esteemed

Gallup 2013

Gallup 2014

1 Nurses	1 Nur
2 Pharmacists	2 Me
2 Teachers *Tied	2 Pha
3 Medical Doctors	3 Pol
4 Military Officers	4 Clergy
4 Police Officers *Tied	5 Bankers



FRAUD IN EDUCATION: BEYOND THE WRONG ANSWER

What Happened? Fraud

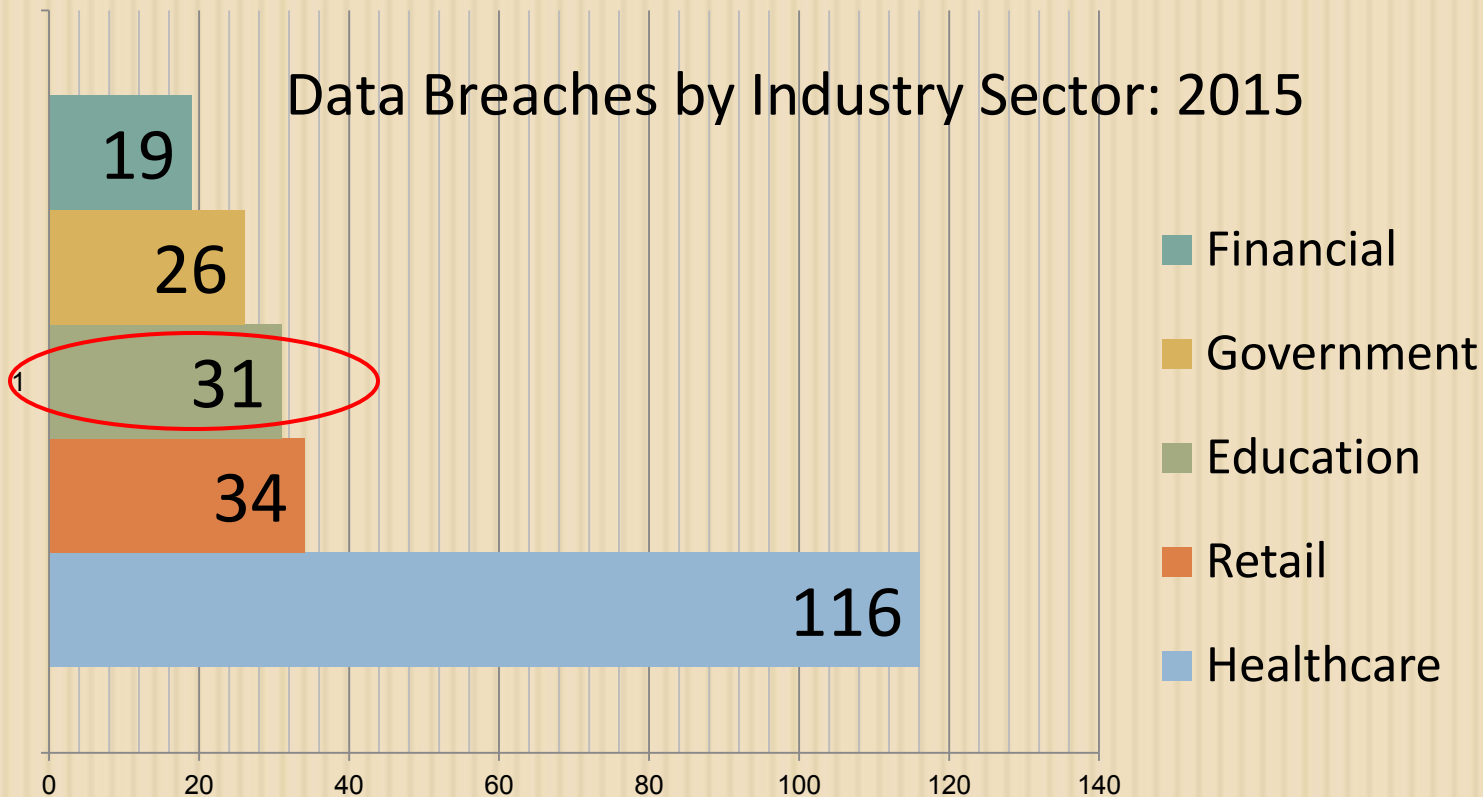
- 36 convicted terrorists linked to the 9/11 bombings came to the US using **student visas**
- An alleged terrorist attempted to use **\$5,000 in student financial aid** to fund his overseas trip in 2015
- **\$222 million in overpayments** to 42,000 distance learners
- Systemic data manipulation in Atlanta, Detroit, Dade, and Columbus **public school** systems
- \$203 million in waste and fraud in the **charter schools**



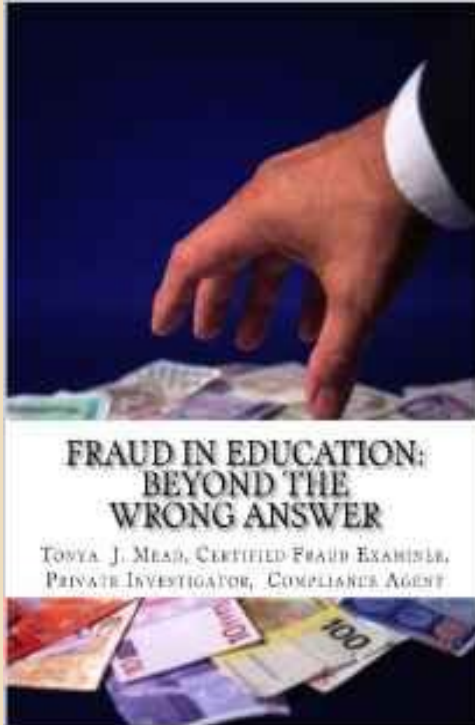
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What Happened? Breaches

Data Breaches by Industry Sector: 2015



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What is Fraud?

Any intentional act or omission designed to *deceive* others, resulting in the victim suffering a loss and/or the perpetrator *achieving a gain*



FRAUD IN EDUCATION: BEYOND THE WRONG ANSWER

Big Money in Education

- Taxpayers invest \$603.7 billion in education annually
- Schools and universities spend almost \$12 billion on information technology each year



FRAUD IN EDUCATION: BEYOND THE WRONG ANSWER

Why does it occur?

- Pressure to do *‘whatever it takes to meet goals’*
- Seek personal gain
- Rationalize *‘I am doing nothing wrong’*



Source: Managing the Business Risk of Fraud: A Practical Guide. Sponsored by the Institute of Internal Auditors, The American Institute of Certified Public Accountants, and the Association of Certified Fraud Examiners.

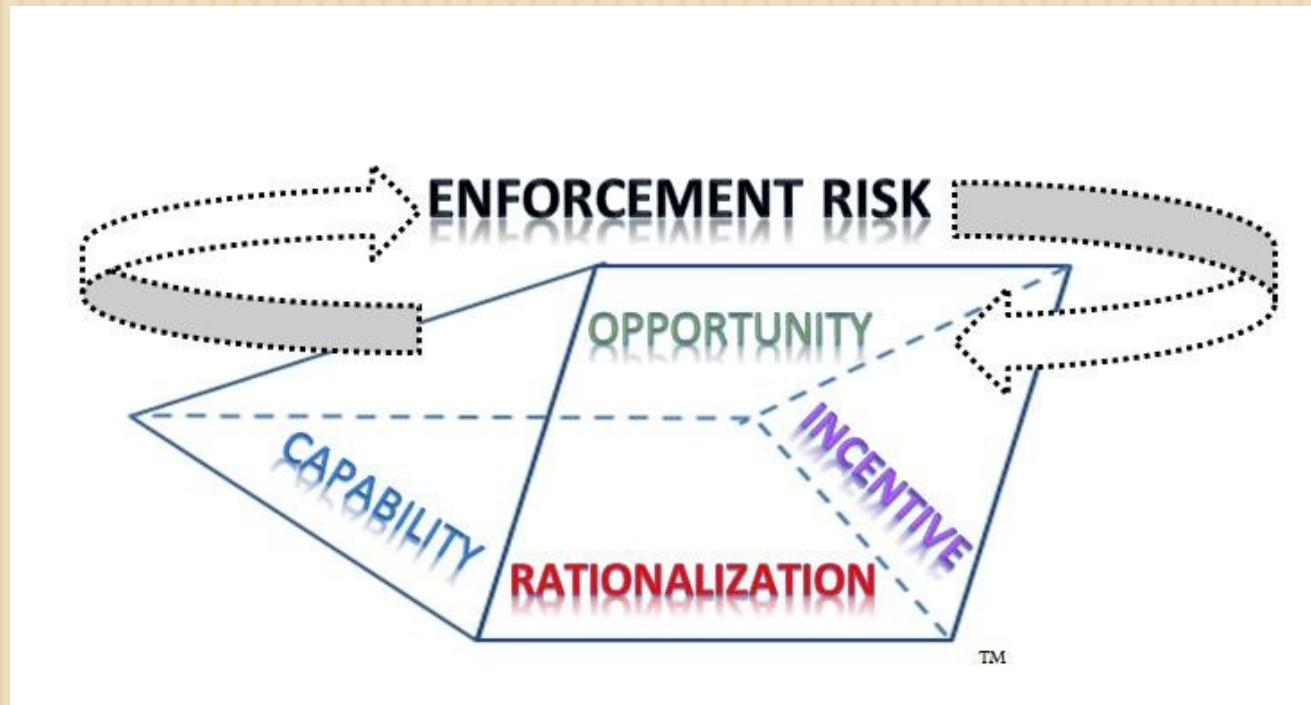
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Why? Fraud Diamond



FRAUD IN EDUCATION: BEYOND THE WRONG ANSWER

Why? Fraud Prism



FRAUD IN EDUCATION: BEYOND THE WRONG ANSWER

Fraud Prism™ Explained

- Discovery risk ↓ White Collar Crime threat ↑
- Enforcement risk ↓ White Collar Crime threat ↑
- Prosecution risk ↓ White Collar Crime threat ↑
- Undisciplined data use ↑ White Collar threat ↑



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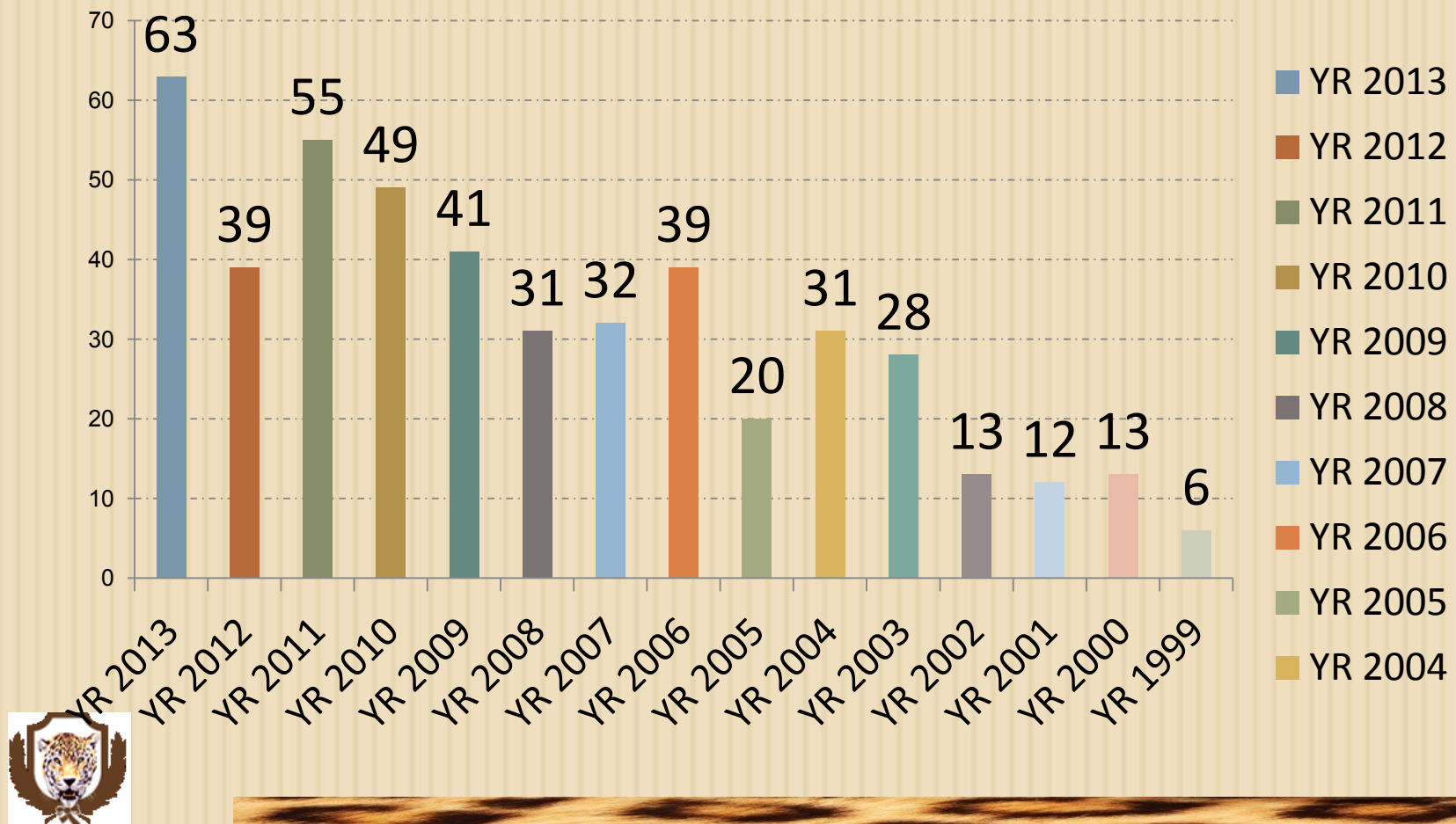
Fraud in Industries Compared

Industry	2012	2010	Growth Rate
Banking and Finance	16.7	16.6	6%
Government and Public Administration	10.3	9.8	11%
Manufacturing	10.1	10.7	9%
Health Care	6.7	5.9	19%
Education	6.4	5	26%

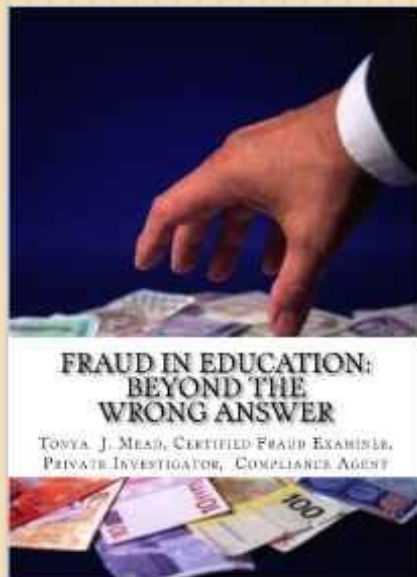


FRAUD IN EDUCATION: BEYOND THE WRONG ANSWER

Prosecuted Fraud in Education

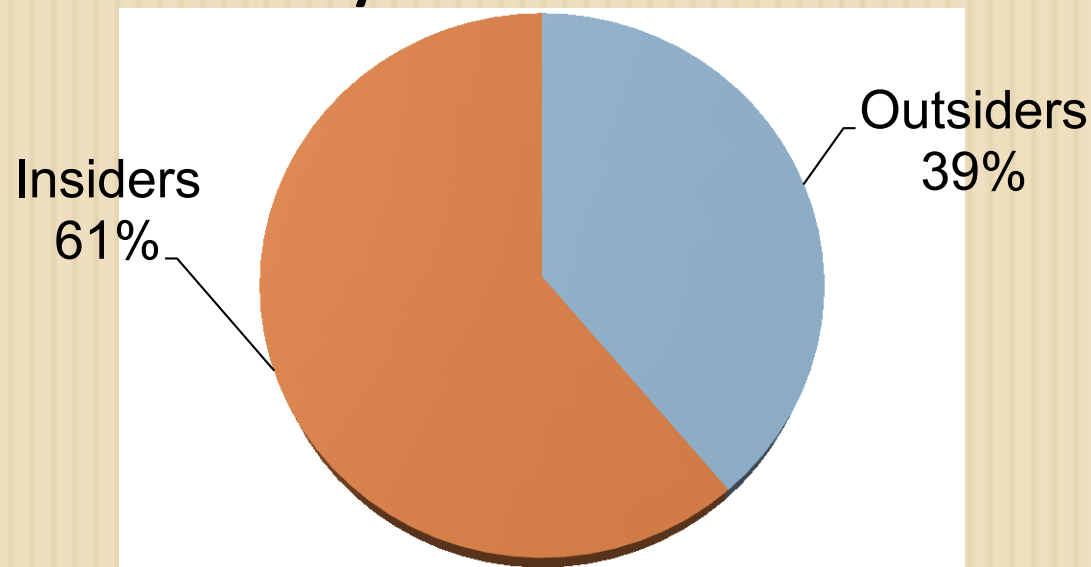


FRAUD IN EDUCATION: BEYOND THE WRONG ANSWER



Who defrauds schools and colleges?

January 2012 to June 2016



FRAUD IN EDUCATION: BEYOND THE WRONG ANSWER

Why is fraud prevention key?

1. Threat to national security
2. Lifelong threat for identity theft
3. Detrimental effects on student outcomes



THANKS!



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