



Semiannual Report to Congress, No. 92

October 1, 2025–March 31, 2026

U.S. Department of Education
Office of Inspector General

Office of Inspector General

May 2026

This report is in the public domain. Authorization to reproduce it in whole or in part is granted. While permission to reprint this publication is not necessary, the citation should be: U.S. Department of Education, Office of Inspector General, Semiannual Report to Congress, No. 92.

Please Note:

The Office of Inspector General's Semiannual Report to Congress, No. 92 is available on the ED OIG website at <https://oig.ed.gov/resources/congressional-reports>.

All images used under license from Shutterstock.com and Adobe Stock.

Message *from the* Deputy Inspector General Delegated the Duties of Inspector General

On behalf of the U.S. Department of Education (Department) Office of Inspector General (OIG), I present this Semiannual Report on the activities and accomplishments of this office from October 1, 2025, through March 31, 2026. The audits, investigations, and related work highlighted in this report are products of our mission to identify and stop fraud, waste, and abuse and to promote accountability, efficiency, and effectiveness through our oversight of the Department's programs and operations. For example, during this reporting period, the OIG:

- Issued 4 audit, inspection, and other reports, identifying \$3.9 million in questioned and unsupported costs. These reports covered Federal student aid programs, elementary and secondary education programs, pandemic relief aid, and our statutory work involving the Department's financial statements. We also issued our statutory report on the most significant management challenges facing the Department in fiscal year (FY) 2026, and our FY 2025 Performance Results report that includes statutorily required information on our performance measures, targets, and results.
- Closed 14 criminal and civil investigations involving fraud or corruption and secured more than \$7 million in restitution, settlements, fines, savings, recoveries, and forfeitures. As a result of this work, criminal actions were taken against numerous people, including current and former school officials and service providers who cheated students and taxpayers.

We also issued a Fraud Advisory titled "Potential Fraud Involving FAFSA from Dependent Students with Unusual Parent Data" that identified a potential loss of almost \$3.5 million in Federal student aid.

Notable matters include:

- Our inspection of the Puerto Rico Department of Education's (Puerto Rico DOE) use of American Rescue Plan (ARP) Elementary and Secondary School Emergency Relief (ESSER) funds to measure student academic progress found that the Puerto Rico DOE did not ensure that the services contracted for and paid with ARP ESSER funds were provided in accordance with the executed contract. It also did not ensure that teachers used the results of the contractor-administered student academic proficiency assessments as intended to modify individual students' instructional plans and help prevent academic failure. As a result, \$3.9 million in ARP ESSER program funds were wasted. Those funds could have been used to benefit students and mitigate learning loss caused by the coronavirus pandemic. We made four recommendations, including one to return the \$3.9 million or take other remedial action.
- Actions were taken against two members of a fraud ring that targeted some \$16 million in Federal student aid, one of whom pled guilty. The 10-year scheme involved the submission of fraudulent FAFSAs for more than 1,200 people, involving more than 100 schools in 24 States.

- Study Across the Pond (SATP), a student recruiting firm and its principal agreed to pay \$1.3 million to settle allegations that it violated the Federal ban on incentive-based compensation. SATP was alleged to have convinced foreign schools to enter into arrangements that violated the Federal ban on incentive compensation, which is meant to protect students against aggressive recruitment practices. SATP and its principal also allegedly paid employees to recruit American students to attend schools in the United Kingdom and then required the schools to pay a commission when the recruited students enrolled.

Further, as collaboration is essential in the fight against fraud, we continued to participate in task forces and strengthen partnerships with our colleagues at the U.S. Department of Justice, the Federal Bureau of Investigation, the Department, and across the Federal and State/Territorial Inspector General community. Together, we are identifying new ways to leverage our collective resources, expertise, and skillsets to more effectively combat fraud.

In addition, recognizing that the first steps in preventing education-related fraud are knowing how to identify and report it, we continued our efforts to help our stakeholders and the general public identify and report fraud to the OIG. This

included conducting 105 fraud awareness and prevention meetings, trainings, and discussions with stakeholders and law enforcement partners at the Federal, State, and local levels. We also updated and issued new brochures, flyers, and information sheets to help the public recognize, avoid, and report education-related fraud to the OIG. You will find more on these efforts—our reports, investigations, and new materials—throughout the pages of this report and [on our website](#).

In closing, the work detailed in this report reflects the skill and commitment of the OIG workforce and our continued value to the students, institutions, and taxpayers who depend on the integrity of Federal education programs. We have a significant amount of work underway and planned and look forward to presenting the results in future Semiannual Reports to Congress. In the meantime, we will continue to work with the 119th Congress, the Department, and our Federal law enforcement and prosecutive partners to fulfill our statutory mission on behalf of America's taxpayers and students.

Mark E. Priebe

Deputy Inspector General Delegated
the Duties of Inspector General



Table of Contents

Federal Student Aid Programs <i>and</i> Operations	1
Reports	1
Investigations and Outreach	4
Elementary <i>and</i> Secondary Education Programs	9
Report	9
Investigations and Outreach	10
Pandemic Relief Aid Oversight	15
Report	15
Investigation	16
Department Management <i>and</i> Operations	18
Report	18
Non-Federal Audit Oversight Activities	20
Desk Reviews and Quality Control Reviews	20
Technical Assistance	20
Additional Efforts	22
Required Reporting Tables	26



Federal Student Aid Programs *and* Operations

Federal student aid programs have long been a major focus of our audit and investigative work. These programs are inherently risky because of their complexity, the amount of funds involved, the number of program participants, and the characteristics of student populations. The Department disburses more than \$100 billion in Federal student aid annually and manages or oversees an outstanding loan portfolio valued at nearly \$1.7 trillion. As such, effective oversight and monitoring of Federal student aid programs, operations, and program participants—be it those administered by the Department or in partnership with the U.S. Department of Treasury—are critical.

REPORTS

During this reporting period, the OIG issued two reports specific to Federal student aid programs. Summaries of those reports follow.

Fraud Advisory: Potential Fraud Involving FAFSA from Dependent Students with Unusual Parent Data

In February, we issued a Fraud Advisory on suspicious and potentially fraudulent activity on the Free Application for Federal Student Aid (FAFSA) involving dependent students with unusual parent data. Between late 2024 and early 2025, the OIG participated in several meetings with Department staff and officials from three States regarding the identities of high school students that had allegedly been stolen and used to create fraudulent Federal Student Aid identification (FSA ID) accounts and apply for student aid. The OIG analyzed related FAFSA data and in March 2025 conveyed to the Department information about potentially fraudulent activity involving suspicious activity from students with unusual parent data reported on the FAFSA. Specifically, our analysis of a small subset of FAFSA data found 189 parent identities that were used on an unusually high number of dependent student FAFSAs in award year 2024–2025—instances where a unique parent’s identity was associated with 10 or more dependent students. Our analysis found that bad actors may be exploiting the FAFSA process by using the same parental information on multiple dependent student FAFSAs in an attempt to fraudulently obtain Federal student aid. We identified some \$500,000 in Pell grants disbursed in award years 2023 – 2024 and 2024 – 2025 connected to this suspicious activity. Immediately following our March 2025 communication to the FSA office, FSA took action to flag these students for identity verification.

In June 2025, we initiated analysis of additional data and ultimately found that this pattern of activity involving dependent students with unusual parent data on the FAFSA had continued. Of the 189 parent identities we initially identified as potentially fraudulent in March 2025, we found that 125 were associated with new FAFSA

submissions containing potentially fraudulent student identities. Additionally, we determined that 12,026 dependent student identities submitted FAFSAs associated with 1,991 parent identities where it is unlikely that the student and parent are related or associated. As a result, these FAFSA submissions have a high likelihood of being fraudulent—a potential loss of almost \$3.5 million in Federal student aid associated with these FAFSA submissions during award year 2024–2025.

To address the issue identified, we recommended that FSA work with the IRS to implement additional controls to detect and prevent the misuse of stolen identities on FAFSA submissions, especially fraud schemes involving the use of potentially stolen student identities and nonrelated, potentially stolen parent identities. We also recommended that it conduct risk-based verification and validation procedures at the time FSA IDs are created. This can prevent the improper disbursement of Federal student aid based on fraudulent FAFSA submissions containing stolen identities. In response to our report, FSA stated that it had already taken actions to address the issue identified, and that it had started assessing additional account-level actions to improve longer-term controls. [Read the report](#)

Quality of Data Reported through the Department's Integrated Postsecondary Education Data System Surveys

During this reporting period, we issued the fifth in our series of reviews involving the quality of data reported by selected schools through the Integrated Postsecondary Education Data System (IPEDS). Section 487(a)(17) of the Higher Education Act of 1965, as amended (HEA), requires postsecondary schools participating in Title IV programs to annually report data, including data relevant to students' cost of attendance and financial aid and the schools' graduation rates, to the Department's IPEDS to the satisfaction of the Secretary. IPEDS data are available to the public—including students, parents, and researchers—and can be used to analyze trends in postsecondary education. They can also help students attending postsecondary schools and prospective students, and their parents, compare postsecondary schools and make informed school enrollment decisions. The objective of this inspection series was to determine whether selected schools reported verifiable data to IPEDS for the time periods reviewed. Below is a summary of what we found at Southern New Hampshire University (SNHU), the final school reviewed in the series. Our reports on the four other schools reviewed can be found [on our website](#).

Southern New Hampshire University

We found that SNHU did not always report verifiable data in the Student Financial Aid, Graduation Rates, and Institutional Characteristic Surveys to IPEDS for the 2021–2022 reporting

period because it did not update and implement procedures for collecting, consolidating, assessing the reliability of, and reporting data to IPEDS. Specifically, we found that:

- SNHU overstated the total amount of grant and scholarship aid received from the Federal, State, or local governments, or the school. Because SNHU incorrectly reported data through the Student Financial Aid survey, its net price of \$32,043 calculated for the 2021–2022 reporting period was unreliable. Prospective students and their parents might have made enrollment decisions based on this unreliable information.
- SNHU incorrectly reported the number of full-time undergraduate students who were enrolled in fall 2016 and were seeking their first postsecondary degree. Because SNHU inaccurately reported the number of such students, its overall graduation rate calculated for the 2021–2022 reporting period was not reliable. The unreliable graduation rate might have resulted in prospective SNHU students and their parents making enrollment decisions based on unreliable graduation rate data.
- SNHU inaccurately calculated the room and board costs for off-campus students (those not living with family) and other expenses for all full-time undergraduate students on campus and off campus (both living with family and not with family) who began attending the school during the 2021–2022 academic year and were seeking their first postsecondary degree or certificate. This occurred because SNHU did not use the correct budgets for room and board and other expenses for the 2021–2022 academic year when determining certain component costs of its total cost of attendance. Additionally, SNHU did not maintain documentation to support the book and supplies costs that it reported to IPEDS. As a result, the school reported inaccurate room and board and other expenses, leading prospective students and their parents to make enrollment decisions based on unreliable information.

We made five recommendations to FSA and the Department's National Center for Education Statistics to address these issues. This included requiring SNHU to update its policies and procedures to ensure it reports accurate information, and to consider taking appropriate action because the school reported inaccurate and incorrect information to IPEDS. SNHU officials agreed with three of our recommendations and disagreed with various conclusions presented in our findings. [Read the report.](#)

INVESTIGATIONS AND OUTREACH

Identifying and investigating fraud in Federal student aid programs has always been a top OIG priority. The results of our efforts have led to prison sentences for unscrupulous school officials and others who stole or criminally misused Federal student aid funds, significant civil fraud actions against entities participating in Federal student aid programs, and hundreds of millions of dollars returned to the Federal government in fines, restitutions, and civil settlements. As you will see below, our efforts continued throughout this reporting period.

Investigations of Schools, School Officials, Other Program Participants

The following are summaries of OIG investigations and links to press releases involving Federal student aid fraud and other fraud involving schools, school officials, and other program participants.

Student Recruiting Firm and Its Principal Agree to Pay \$1.3 Million to Settle False Claims Allegations (Massachusetts)

In a recent [Semiannual Report](#), we highlighted a complaint filed by the U.S. Attorney's Office, District of Massachusetts, under the False Claims Act against Study Across the Pond, LLC (SATP) and its principal for allegedly violating the Federal ban on incentive-based compensation for student recruitment. The Incentive Compensation Ban protects students against aggressive recruitment practices that serve the financial interest of the recruiter, rather than the educational needs of the student. During this reporting period, SATP and its principal agreed to pay \$1.3 million to resolve the claim. According to court documents, SATP was alleged to have convinced foreign schools to enter into arrangements that violated the Federal ban on incentive-based compensation for student recruitment. SATP and its principal were also alleged to have paid employees to recruit American students to attend schools in the United Kingdom (UK) and then required the schools to pay a commission when the recruited students enrolled. Based on this conduct, SATP and its principal are alleged to have knowingly caused UK schools to submit false claims to the Department. SATP and its principal were also alleged to have created sham records to hide these arrangements and ultimately caused foreign schools to submit false claims to the Department. [Read the press release.](#)

Investigations of Student Aid Fraud Rings

Below are summaries and links to press releases on actions taken over the last 6 months against people who participated in Federal student aid fraud rings. Fraud rings are large, loosely affiliated groups of criminals who seek to exploit distance education programs to fraudulently obtain Federal student aid. These cases are just a sample of actions taken against fraud ring participants during this reporting period. You can learn more about our work involving student aid fraud rings in the "OIG Perspective Report: The Importance of Strengthening Internal Controls in Federal Student Aid," available [on our website](#).

**Actions Taken
Against Members
for Roles in
\$16 Million
Student Aid Fraud
Ring (Michigan)**

In our [last Semiannual Report](#), we highlighted our investigation involving a student aid fraud ring that fraudulently obtained more than \$10 million in student aid. During this reporting period, one ring member pled guilty, and another was indicted for their roles in the ring. The 10-year scheme involved the submission of fraudulent FAFSAs for more than 1,200 people, involving more than 100 schools in 24 States, and targeting more than \$16 million in Federal student aid. Many of these individuals were enrolled in the same or similar degree programs and were taking the same or similar online courses. The two assisted the ring by both recruiting people to provide their personal identifying information (PII) to the ring, and by acting as “runners,” making withdrawals of student aid funds from debit cards in straw students’ names—at times with the “students” themselves present—and paid kickbacks to cooperating individuals.

**Leader of Ring
That Targeted
More than
\$5 Million in
Student Aid
Sentenced to
Prison (North
Carolina)**

In January, the U.S. Attorney’s Office for the Eastern District of North Carolina issued a press release highlighting the leader of a student aid fraud ring that targeted some \$5 million in student aid. The ringleader was sentenced to 5 years in prison and was ordered to pay more than \$3.6 million in restitution. Between 2016 and 2023, the ringleader recruited some 80 people to participate in the ring as “straw students” using their PII to apply for admission to and receive Federal student aid for attending multiple schools in North Carolina. The ringleader attempted to make it appear that the straw students were attending classes, completing coursework, and communicating with the targeted schools when, in fact, she was impersonating the straw students for these and other purposes. When the straw student received their student aid award balance, they kicked a substantial portion back to the ringleader. [Read the press release.](#)

**Leader of Ring
that Targeted
\$3 Million in
Student Aid Pled
Guilty (Michigan)**

A woman pled guilty to orchestrating a decade-long fraud ring that targeted Wayne County Community College (WCCC) and more than \$3 million in Federal student aid. From 2015 through 2025, the ringleader submitted fraudulent aid applications for more than 80 individuals who were purportedly eligible students seeking to attend WCCC. In reality, those individuals had no interest in or intent to pursue a degree. The ringleader obtained the necessary high school diplomas on their behalf, with many from the same Florida online “fast-track” school, and completed their WCCC online coursework for them, often simultaneously, to create the appearance of academic progress and extend their eligibility for aid across multiple semesters. When the straw student received their student aid award balance, they kicked a substantial portion back to the ringleader. In her guilty plea, the ringleader agreed to pay more than \$2.5 million in restitution. [Read the press release.](#)

Ringleader Pled Guilty to Using the Identities of Nearly 300 People to Target More than \$989,000 in Federal Student Aid (Wisconsin)

The leader of a fraud ring that targeted the University of Phoenix and more than \$989,000 in Federal student aid pled guilty to identity theft and fraud charges. From 2018 to 2021, the man obtained the PII of nearly 300 people, some of whom were incarcerated at the time, and enrolled them for classes at the University of Phoenix and for Federal student aid without their knowledge or consent. As the student aid award would often be more than the cost of tuition and fees, the man ensured that the student aid refunds were directed to a bank account he controlled, deposited onto debit cards, or mailed to an address he controlled. As a result of his fraudulent efforts, the ring obtained nearly \$404,000 in Federal student aid.

Former Professor Pled Guilty for Leading \$600k Fraud Ring (Texas)

In a previous [Semiannual Report to Congress](#), we highlighted our investigation involving a former college professor who had been indicted for his role in a fraud ring that targeted nearly \$600,000 in student aid from several Texas colleges and universities. During this reporting period, the man pled guilty. For approximately 5 years, the former professor submitted more than 100 false applications for financial aid for numerous straw students. He utilized mailing addresses, telephone numbers, and email accounts he controlled to ensure all communications and the student aid award balances went directly to him. The former professor also admitted to the aggravated identity theft of two victims whose personal identifiers had been repeatedly used to apply for and obtain Federal student aid over the course of several years. He also acknowledged he was fraudulently in possession of false identity documents—temporary driver permits and identification cards—with the intent to unlawfully use or transfer those documents in furtherance of the fraud scheme. Some of the unwitting victims had tens of thousands of dollars in loans taken out in their name, and the fraudulent applications significantly impacted their credit. [Read the press release.](#)

Leader of a Ring That Targeted More than \$461,000 in Student Aid Sentenced to Prison (Mississippi)

A student aid fraud ringleader was sentenced to serve 12 months plus 1 day in prison, 3 years of supervised release, and was ordered to pay more than \$461,000 in restitution for fraud. From 2020 to 2023, the leader recruited people to act as straw students, targeting online courses at Holmes Community College, Columbia College, and the University of Phoenix. The straw students provided him with their PII that he then used to prepare and submit school admissions and student aid application forms on their behalf, solely for the purpose of obtaining student aid, and none of the straw students intended to attend classes. Once the ringleader obtained the student aid award balance, he paid a portion of the money to the straw students for the use of their identities.

Other Student Aid Fraud Investigations

The following are summaries and, where issued, links to press releases on the results of additional OIG investigations into abuse or misuse of Federal student aid.

Self-Proclaimed “Student Loan Default Guru” Charged in \$2 Million Student Loan Forgiveness Scam (Florida)

A woman who claimed to be the “Student Loan Default Guru” and operated a business under that name was arrested on fraud charges. According to the complaint, from 2023 through 2025, the woman promised to help student loan borrowers navigate “the complexities of student loan forgiveness,” for a fee. Using the borrowers’ information, she allegedly employed misrepresentations, false statements, and fake documents to deceive the U.S. Department of Education into forgiving about \$2 million in Federal student loans issued to those borrowers.

Woman Pled Guilty to Theft and Fraud Charges, Including the Total and Permanent Disability Student Loan Discharge Program (West Virginia)

A woman pled guilty to charges of theft associated with her fraudulent attempt to discharge her student loans. The woman submitted falsified medical records and other information to the U.S. Department of Veterans Affairs, seeking a finding of total and permanent disability. Once obtained, the woman submitted the information to the U.S. Department of Education in order to discharge more than \$242,500 in student loans through the Total and Permanent Disability discharge program.

Man Indicted for Fraud Involving Federal Student Aid, GI Bill (Ohio)

A Federal grand jury indicted a man for defrauding the United States through fraudulent GI Bill educational assistance, Federal student aid, and military loan discharge. According to the indictment, from 2018 through 2024, the man and others allegedly enrolled in college courses, applying for and receiving GI Bill funds and Federal student aid for tuition, monthly housing allowances, and stipends for books and supplies. Once enrolled, the man is alleged to have paid an individual in Africa to complete course assignments for co-conspirators. He also allegedly caused fraudulent Federal student loan discharges or forgiveness based on claimed total and permanent disability status for veterans. Finally, part of the proceeds from the fraudulently obtained government benefits and student loan discharges was reportedly paid to the man through money apps by co-conspirators. The indictment details a series of payments totaling nearly \$15,000, with approximately \$6,000 of that amount going to the individual in Africa completing the coursework. [Read the press release.](#)

Outreach: Student Loan Fraud Awareness and Prevention Materials

During this reporting period, the OIG continued to inform the public about student loan fraud and scams. Through its fraud awareness materials and information, the OIG encouraged student loan borrowers to stay alert and avoid falling victim to student loan forgiveness and debt relief scams and provided actions they can take to protect themselves. These materials provide helpful tips and proactive steps for student borrowers to take to avoid falling victim to student loan scams, student loan forgiveness scams, debt collection and other student loan debt relief scams, and identity theft. The flyers also list actions to take should students think they have been caught in a scammer's trap. [These free materials](#) are available on our website.



Elementary *and* Secondary Education Programs

The Department—both on its own and in partnership with other Federal agencies—administers more than 100 programs that involve 56 State and territorial educational agencies, more than 17,000 public school districts, about 128,000 schools, and numerous other grantees and subgrantees. Effective oversight of and accountability in how these entities spend the Federal education funding they receive is vital. Through our audit work, we identify problems and propose solutions to help ensure that these programs and operations meet the requirements established by law and that federally funded education services reach the intended recipients—America’s students. Through our criminal investigations, we help protect public education funds for eligible students by identifying those who abuse or misuse Federal education funds and holding them accountable for their unlawful actions.

REPORT

During this reporting period, we issued the first in our series of reports involving local educational agencies’ (LEA) internal controls over individualized education programs (IEP). The Department administers the Individuals with Disabilities Education Act (IDEA), which authorizes formula grants to States under Part B to assist them in meeting the excess costs of providing special education and related services (services) to children ages 3 through 21 with disabilities. Most of the Federal funds provided to States must be passed on to LEAs. Federal funds are combined with State and local funds to provide a free appropriate public education to children with disabilities. Under IDEA, a free appropriate public education is provided through an IEP based on the individual needs of the child. In this audit series, we look to determine whether selected LEAs designed and implemented sufficient processes for overseeing the development of IEPs for children with disabilities and ensuring that those children receive the services described in their IEPs. The first report issued in this series involved Omaha Public Schools, the largest LEA in Nebraska, that was awarded approximately \$15.3 million in IDEA Part B funds for school year 2023–2024. A summary of our findings follows. We will share the findings from the other reports in this series in future Semiannual Reports to Congress.

Omaha Public Schools’ Oversight of Individualized Education Programs

We found that Omaha generally designed and implemented sufficient processes for overseeing the development of IEPs and ensuring that children with disabilities receive the services as described in their IEPs. As such, stakeholders have reasonable assurance that Omaha is sufficiently overseeing the development of IEPs and ensuring that children with disabilities receive the services described in their IEPs. However, there were a small number of instances where IEPs and related documentation did not show that all applicable IEP requirements were met (25 of 769 items tested) or that students received all of the services described in their IEPs (5 of 22 students included in our review).

When documentation is lacking or does not exist, stakeholders do not have sufficient assurances that the IEP teams considered all

required elements when developing the IEPs, the IEPs contained all required information, or all services described in the IEPs were provided to children with disabilities. Based on our findings, we made two recommendations to improve Omaha’s oversight of IEP development and documentation of IEP services provided. We recommended that Omaha (1) provide sufficient training and instruction to employees responsible for developing and reviewing IEPs, which in part should remind staff to follow applicable guidance; and (2) develop policies, procedures, or protocols that describe how and in what level of detail special education staff and other service providers should document the IEP services they provide to each student. Nebraska officials agreed with our findings and recommendations and described the actions that Nebraska plans to take to address the recommendations. [Read the report.](#)

INVESTIGATIONS AND OUTREACH

OIG investigations in the elementary and secondary education areas include criminal investigations involving bribery, embezzlement, and other unlawful activity, often involving State and local education officials, educational services providers, and contractors who abused their positions of trust for personal gain. Examples of some of these investigations and links to press releases follow.

Investigations of School Officials, Contractors, and Educational Services Providers

The following are summaries of OIG investigations involving K–12 school officials, contractors, and educational services providers.

Former Boone County Schools Maintenance Director and Schools Contractor Sentenced for Roles in \$3.4 Million Fraud Scheme (West Virginia)

In recent [Semiannual Reports to Congress](#), we highlighted our investigation involving the former maintenance director of Boone County schools, his parents, and the owner of Rush Enterprises, a Boone County Schools contractor, for their roles in defrauding the school district out of \$3.4 million. During this reporting period, the former official and the contractor were sentenced. The former director was sentenced to serve more than 2 years in prison, 3 years of supervised release, and was ordered to pay more than \$3.4 million in restitution while the contractor was sentenced to serve 1 and a half years of home confinement, probation, and was also ordered to pay more than \$3.4 million in restitution. The former director used his position to conspire with the contractor to falsify documents showing that the Boone County Board of Education was receiving large amounts of janitorial and custodial products including hand soap, trash can liners, and face masks from the contractor’s company, when the Boone County Board of Education was only receiving a small amount of those products or paid for products that were never delivered. When the contractor received the payments, he wrote checks from his

business account to himself, cashed those checks at multiple banks, and paid the former director a share of the proceeds from the fraudulent scheme with the cash. Approximately 80 percent of the total payments his company received were for products never delivered. The former maintenance director's parents made 11 cash deposits to their bank accounts in amounts ranging from \$8,000 to \$9,500 and totaling \$97,215—deposits designed to avoid banking reporting requirements, which they used along with other funds provided to them by their son, to purchase property. All involved with the scheme—the former official, his parents, and the contractor—have now been sentenced. [Read the press release.](#)

Another Former Executive of Community Academic Success Partnerships Pled Guilty in \$1.8 Million Fraud Scheme (Illinois)

In a previous [Semiannual Report](#), we highlighted our case involving the former Executive Director of the Center for Community Academic Success (CCAS) who had pled guilty to misappropriating some \$1.8 million. During this reporting period, her co-conspirator, another former CCAS executive, pled guilty to his role in the scam. CCAS received government grants and other funds to provide afterschool programs to schools in the Chicago area, including 21st Century Community Learning Centers Program funds that support academic enrichment opportunities. From 2012 to 2017, the two former executives submitted grant applications that inflated CCAS's projected annual expenses and falsely claimed that the organization would receive services from five subcontractors. In reality, the former officials knew that the subcontractors, two of which were other non-profit groups run by the two conspirators, provided no actual services to CCAS. The former Executive Director also admitted to a separate fraud scheme that bilked funds from the AmeriCorps VISTA program.

More Actions Taken in Bribery, Fraud, and Kickback Scheme Involving Two School Superintendents (Mississippi)

The superintendents of the Hollandale School District and Leake County School District, along with a contractor pled guilty for their roles in a public corruption scheme. The superintendent of the Leake County School District (and prior to that, superintendent of the Clarksdale Municipal School District), and the superintendent of Hollandale School District, used their positions to enter into reciprocal consulting contracts and generate reciprocal payments involving some \$250,000 in the districts' funds, for consulting services at a fraudulently inflated rate of payment and for consulting services that were not actually provided. Each superintendent directed payments of their respective school district funds to companies that they either controlled or had access to, which they used for their personal benefit. The superintendent of the Hollandale School District also engaged in a bribery and kickback scheme with the owner of Erudition Consulting Company, securing contract awards for services at fraudulently inflated rates or for services that were never

provided. The consultant then kicked back a portion of the contract awards to the superintendent. [Read the press release.](#)

Former Hulbert Public Schools Encumbrance Clerk Sentenced for Role in \$372,000 Fraud Scheme (Oklahoma)

In a recent [Semiannual Report](#), we highlighted our case involving a former treasurer of Hulbert Public Schools who had been sentenced, and a former encumbrance clerk who had pled guilty to stealing more than \$372,000 from the school district. During this reporting period, the former clerk was sentenced to serve 1 year and 1 day in prison, and was ordered to pay more than \$178,000 in restitution. From 2019 through 2021, the treasurer and the clerk used their access to the district’s financial systems to issue themselves excessive payroll payments above and beyond their district-authorized salaries. The former treasurer was previously sentenced to serve 1 year and 1 day in prison and was ordered to pay \$372,000 in restitution. [Read the press release.](#)

Former Superintendent of Evanston/Skokie School District 65 and Others Indicted for Roles in Bribery and Kickbacks Scheme (Illinois)

The now-former Superintendent of DeKalb County Schools (Georgia) was indicted on charges of bribery, theft, and fraud involving some \$280,000 in contracts—acts he allegedly committed while serving as Superintendent of Illinois’ Evanston/Skokie School District 65. According to the indictment, the former Superintendent allegedly received unauthorized kickback payments from outside consultants in exchange for awarding contracts to those consultants. The former Superintendent is also alleged to have entered into consulting contracts on his own behalf with a different public school districts, concealing his employment and payments from the School District. He also allegedly misused a School District issued purchase card for his personal benefit. Also indicted were the former Principal and the former Athletic Director of Hyde Park Academy High School, and a business owner, who were friends of the former Superintendent.

President of Therapy Company Providing Special Education Services Pled Guilty to \$190,800 Fraud Scheme (Puerto Rico)

The president of Exploring Together Therapy, a special education services provider participating in the Puerto Rico Department of Education’s Provisional Remedy Program, pled guilty to charges of theft. From 2021 through 2024, the president bilked the program out of more than \$190,800 by submitting fraudulent invoices for services never provided. As part of the plea agreement, the company president agreed to pay \$190,820 in restitution.

Former Savannah R-III School District Accountant Sentenced for Embezzlement (Missouri)

A former accountant for the Savannah R-III School District was sentenced for embezzlement. The former employee used his position and access to the District's checks and signature stamps to write himself checks totaling \$63,000 that he deposited into his own bank accounts. He also accessed a District's bank account from which he directed more than \$29,000 to accounts under his personal control that he used to pay off his credit cards and those of his wife, Kansas City Chiefs tickets, and travel. Further, the former accountant, through a tax preparation and bookkeeping service he operated, willfully withheld more than \$21,000 from his employees' salaries intended for retirement funds and unlawfully used the funds for personal and business-related expenses. The former accountant was sentenced to serve 1 year and 1 day in prison, and was ordered to pay more than \$122,000 in restitution. [Read the press release.](#)

Action Taken Against Another Businessman for Bid Rigging, Antitrust Violations (Florida)

In a recent [Semiannual Report](#), we highlighted our investigation involving five businessmen who had violated the Sherman Antitrust Act—a Federal statute that prohibits activities restricting interstate commerce and competition in the marketplace. At that time, all five had pled guilty, one of whom had been sentenced for their roles in the scam. During this reporting period, another participant, the president of a roofing company, was sentenced. Beginning in at least 2010 through 2022, the businessmen and others participated in a conspiracy to suppress and eliminate competition by agreeing to rig bids for commercial roofing contracts in the State of Florida, including for schools. The roofing company official was sentenced to serve 2 years of probation, and was ordered to pay more than \$86,000 in fines.

Two Former Paris Union School District 95 Principals Indicted on Embezzlement Charges (Illinois)

The former principal of Carolyn Wenz Elementary School and the former principal of Mayo Middle School, two schools in the Paris Union School District 95, were indicted on embezzlement charges. According to the indictment, the two are alleged to have enriched themselves with Federal program funds for work involving those programs that exceeded what they had actually completed. They are also alleged to have submitted and received mileage reimbursement for official business in amounts greater than the actual miles driven.

Investigative Outreach Efforts

During this reporting period, the OIG continued to conduct fraud awareness outreach activities. This included sharing the OIG’s free brochures, fact sheets, flyers, and online trainings aimed at helping school officials and the general public identify and report K–12 and education-related disaster recovery fraud to the OIG. We also continued to promote our *Eye on ED* podcast episodes that include topics involving K–12 and education-related disaster recovery fraud. These [free materials and Eye on ED podcasts](#) are available via our website.



Pandemic Relief Aid Oversight

Three statutes were enacted into law, providing the Department with more than \$280 billion to support States, K–12 schools, school districts, and institutions of higher education (IHE) in addressing their needs and those of their students affected by the coronavirus pandemic. These laws include the Coronavirus Aid, Relief, and Economic Security Act or CARES Act (March 2020); the Consolidated Appropriations Act, which incorporated the 2021 Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA) (December 2020); and the American Rescue Plan (ARP) (March 2021). Since 2020, the OIG has been conducting audits and reviews of programs, grants, requirements, and flexibilities established under these laws. This work is available [on our website](#).

REPORT

Since 2021, the OIG has issued a number of reports involving State educational agencies' (SEA) use of pandemic aid, including Elementary and Secondary School Emergency Relief (ESSER) funds. During this reporting period, we issued another report involving ESSER funds, titled "Puerto Rico Department of Education's Use of ARP ESSER Funds to Measure Student Academic Progress." The objective of our inspection was to determine whether the Puerto Rico Department of Education (Puerto Rico DOE) ensured that (1) contracted services paid with ARP ESSER funds to measure students' academic progress were provided as required and (2) results were used as intended to modify individual students' instructional plans and help prevent academic failure. The Puerto Rico DOE was allocated about \$3 billion in ARP ESSER funds to support 860 schools serving about 261,000 students. As of November 25, 2025, it had drawn down about \$2.7 billion (90 percent) of its \$3 billion ARP ESSER allocation. The Puerto Rico DOE used \$3.9 million of its ARP ESSER funds to pay an educational technology services firm (contractor) to design, administer, tabulate, and analyze the results of interim assessments of Puerto Rico students' academic proficiency in five core subjects during school year 2023–2024. Puerto Rico DOE's Office of Academic and Programmatic Affairs was responsible for managing the \$3.9 million professional services contract (contract) and monitoring contractor performance. This contract was the focus of our review. Below you will find a summary of our findings, and you can find copies of all of our pandemic-related work [on our website](#).

Puerto Rico Department of Education's Use of ARP ESSER Funds to Measure Student Academic Progress

We found that the Puerto Rico DOE did not ensure that all services contracted for and paid with ARP ESSER funds to measure students' academic progress were provided by the contractor. It also did not ensure that teachers used the results of the contractor-administered student academic proficiency assessments to modify students' instructional plans and help prevent academic failure. As a result, the Puerto Rico DOE used \$3.9 million in ARP ESSER funds to pay for services that the contractor either did not perform or performed late, and that did not achieve the intended purposes of helping teachers develop differentiated work plans based on each student's academic lag, diagnose students' immediate learning needs so they could be

addressed promptly, and implement targeted re-teaching strategies effectively. This wasteful spending meant that fewer funds were available for other allowable activities that could have helped mitigate the learning loss caused by the coronavirus pandemic. Based on our finding, we recommended that the Puerto Rico DOE:

1. Return the \$3.9 million charged to the ARP ESSER grant for the student academic proficiency interim assessments or take other remedial actions as appropriate, such as making accounting adjustments to other valid and allowable obligations incurred during the ARP ESSER grant period of availability;
2. Develop and incorporate into its existing contract monitoring and oversight policies and procedures, control activities, or protocols designed to ensure that only qualified personnel are assigned to manage and oversee contracts and those charged with that responsibility verify that the contractually required services are rendered before paying the contractor;
3. Implement its contract amendment procedures, as designed, to ensure that all future changes to the scope of contracted work are documented and approved in writing; and
4. Provide sufficient training to its employees, including teachers, who are responsible for implementing initiatives and activities under contracts funded with Federal education funds to help ensure that all contractual obligations and objectives are met and Federal education funds are used as intended.

The Puerto Rico DOE partially agreed with our finding and did not state whether it agreed with our recommendations, but did describe the corrective actions it planned to take to address three of the four recommendations. [Read the report.](#)

INVESTIGATION

Investigation with the Pandemic Response Accountability Committee Fraud Task Force

The OIG is a statutory member of the Pandemic Response Accountability Committee (PRAC), and since its inception, OIG staff have served on PRAC subcommittees and task forces, including the PRAC's Fraud Task Force. During this reporting period, the following action was taken as a result of the PRAC's Fraud Task Force. The OIG worked with or assisted in the investigation.

**Former
Department
Employee
Sentenced for Role
in \$400,000 Fraud
Scheme (Maryland)**

In a recent [Semiannual Report](#), we highlighted an investigation involving a now-former Department employee who had pled guilty to fraud and money laundering associated with a \$400,000 pandemic relief aid fraud scam. During this reporting period, the former employee was sentenced to serve 3 years of probation and was ordered to pay more than \$203,700 in restitution. The former employee was also the owner of a fitness company and logistics company. From April 2020 through 2022, the former employee and business owner along with her conspirators submitted fraudulent Payment Protection Program (PPP) loans on behalf of those companies and used the funds received for non-business purposes, including luxury vehicles, residential properties, cryptocurrency, jewelry, and private jet travel. The former staffer and conspirators then submitted forms loaded with phony information to get those PPP loans forgiven.



Department Management *and* Operations

Effective and efficient business operations are critical to ensure that the Department effectively manages and safeguards its programs and protects its assets. Our reviews in this area seek to help the Department accomplish its objectives by ensuring its compliance with applicable laws, policies, and regulations and the effective, efficient, and fair use of taxpayer dollars with which it has been entrusted.

REPORT

OIG work completed over the last 6 months in this area includes the OIG's statutory report on the Department's FY 2025 consolidated financial statement. A summary of this work follows.

Audit of the U.S. Department of Education's FY 2025 Consolidated Financial Statement (Statutory)

During this reporting period, the Independent Auditors' Report, covering the Department's consolidated balance sheet as of September 30, 2025, and the related notes to the consolidated balance sheet (the FY 2025 consolidated financial statement), was issued. The Chief Financial Officers Act of 1990 requires the Inspector General to audit the agency's financial statements each year, which is intended to help improve an agency's financial management and controls over financial reporting, and to deter fraud, waste, and abuse of government resources. Specifically for FY 2025, the auditors issued an unmodified opinion on the Department's consolidated financial statement—meaning the auditors found that it was presented fairly, in all material respects, in accordance with U.S. generally accepted accounting principles. The auditors also reported:

- One material weakness related to the Department's student loan portfolio, finding that the Department did not design and implement sufficient controls to support the reliability of the underlying data and code used in the subsidy re-estimates. This increases the risk that the financial statements could be materially misstated.
- Three significant deficiencies related to (1) information technology control (IT), which increases the risks of unauthorized use, disclosure, disruption, modification, or destruction of information housed in the Department's data systems; (2) monitoring of its service organizations, which increases the risks of incomplete or inaccurate loan receivable information, data, and transactions; and (3) entity level controls that ensure corrective action plans are implemented and control deficiencies are remediated timely. Insufficient entity controls contributed to the previous deficiencies.

- No instances in which the Department's financial management systems did not substantially comply with required, applicable provisions of the Federal Financial Management Improvement Act; and
- No reportable noncompliance with provisions of laws tested or other matters.

Seven recommendations were made to the Department to address the auditor's findings. The Department concurred with the findings and agreed to take action to address the recommendations. [Read the report \(pages 84–96\)](#).



Non-Federal Audit Oversight Activities

The Inspector General Act of 1978, as restated (5 U.S. Code (U.S.C.) sections 401–424), requires that inspectors general take appropriate steps to ensure that any work performed by non-Federal auditors complies with Government auditing standards. To fulfill these requirements, we perform several activities, including conducting desk reviews and quality control reviews of non-Federal audits, providing technical assistance, and issuing audit guides to help independent public accountants or audit organizations performing audits of participants in the Department’s programs. You can find these audit guidance and other materials for non-Federal auditors [on our website](#).

DESK REVIEWS AND QUALITY CONTROL REVIEWS

Non-Federal audits, such as entity-wide single audits of governments and nonprofits or program-specific Title IV audits of for-profit and foreign schools or servicers, assure the Federal government that recipients of Federal funds comply with laws, regulations, and other requirements material to Federal awards. To help assess the quality of the thousands of audits performed each year, we conduct quality control reviews of a judgmental sample of audits. We also perform desk reviews of a judgmental sample of audit reporting packages to identify quality issues that may warrant follow-up work, revisions to the reporting package, or the attention of appropriate management officials.

During this reporting period, we completed three desk reviews. All three reporting packages contained quality deficiencies that were brought to the attention of the auditees and auditors for corrective action in future engagements. We also completed seven quality control reviews. For four of these reviewed audits (57 percent), we found quality deficiencies that impacted the reliability of the audit results and required corrective action. In three reviewed audits (43 percent), we identified quality deficiencies that we communicated to the auditor for correction in future audits.

When a quality control review receives a rating of Fail and the independent public accountant or audit organization cannot or does not adequately resolve the deficiencies, we may find the audit report is not reliable and we will recommend the report be rejected. When we identify significant quality deficiencies or repeated poor performance by non-Federal auditors, we refer them to the American Institute of Certified Public Accountants (AICPA) and their respective State boards of accountancy for possible disciplinary action.

During this reporting period, we made a recommendation to the Department to reject the reports for two audits performed by the same auditor, and the Department accepted our recommendation and rejected the audit reports in question. We also referred that auditor to the AICPA and to the Boards of Accountancy in the auditor’s home State and in the States where the auditees were located, for possible disciplinary action.

TECHNICAL ASSISTANCE

The OIG’s Non-Federal Audit Team is also dedicated to improving the quality of non-Federal audits through technical assistance and outreach to State and local government auditors, independent public accountants, audit organizations, and others, including auditee officials and Department program officials.

Technical assistance involves providing advice about standards, audit guides and guidance, and other criteria and systems pertaining to non-Federal audits.

During this reporting period, the OIG presented audit update sessions at two conferences, reaching hundreds of financial aid professionals, leaders in postsecondary career education, auditors from institutions of higher education, and school district Federal program administrators.



Additional Efforts

During this reporting period, the OIG issued other statutory reports and continued to produce and conduct fraud awareness materials and efforts aimed at helping State and school officials, students, and the general public understand, identify, and report fraud to the OIG. We also continued to produce and share information on education-related fraud schemes and scams, and how the public can protect themselves against them. Summaries of some of these efforts follow.

**FY 2026
Management
Challenges Report
(Statutory)**

During this reporting period, the OIG issued its FY 2026 Management Challenges Report, a statutorily required report that highlights the most serious management challenges the Department faces and actions the Department needs to take to address them. To identify these challenges, the OIG routinely examines past audit, inspection, and investigative work and reports issued by the Government Accountability Office, including reports issued to management where corrective actions have yet to be taken; assesses ongoing audit, inspection, and investigative work to identify significant vulnerabilities; and analyzes new programs and activities that could pose significant challenges because of their breadth and scope. For FY 2026, the OIG identified five management challenges the Department faces: (1) change management; (2) oversight and monitoring of grantees, (3) oversight and monitoring of student financial assistance programs; (4) data quality and reporting, and (5) IT security. [Read the report.](#)

**FY 2025 Small
Business
Innovation
Research Report
(Statutory)**

In December, the OIG issued its statutory report on FY 2025 OIG investigations involving the Small Business Innovation Research program. The National Defense Authorization Act for FY 2012 requires the inspector general of a Federal agency participating in the program to submit an annual report describing its investigations involving those programs. The Department participates in the Small Business Innovation Research program, although it is a relatively small program within the agency. As reported, for FY 2025, the OIG received no allegations of possible fraud, waste, or abuse involving the Small Business Innovation Research program. [Read the report.](#)

**FY 2025
Performance
Results Report
(Statutory)**

During this reporting period, the OIG issued its FY 2025 Performance Results Report, in accordance with the Government Performance Modernization Act of 2010. The report presents the results of our work throughout FY 2025 in meeting our performance goals set forth in our organizational [Strategic Plan for FYs 2023–2028](#). As highlighted in the FY 2025 Performance Results Report, the OIG successfully met or exceeded its targeted measurements for 15 of its 16 performance goals.

The Report presents those results and highlights actions the OIG took throughout the fiscal year that enabled it to achieve those results. The Report also presents the OIG's performance measures for FY 2026. [Read the report.](#)

Fraud Awareness Efforts

The first step in stopping education-related fraud is learning how to identify it. The second step is knowing how to report it. That is why our fraud awareness efforts are so important. During this reporting period, the OIG issued new and updated brochures, flyers, and information sheets aimed at helping our stakeholders and the general public identify, avoid, and report education-related fraud to the OIG. This included our fifth [FraudGram newsletter](#), designed to educate and alert the public to education-related schemes and scams, as well as provide information on free resources to identify fraud, and the importance of reporting fraud to the OIG. The OIG also conducted 105 fraud awareness efforts during this reporting period. This included trainings, discussions, briefings, panel sessions, one-on-one meetings, and social media campaigns—to reach school officials at the K–12 and post-secondary levels, as well as State and local law enforcement and prosecutive entities. You'll find these materials, as well as our online trainings, Eye on ED Podcasts, and other resources aimed at identifying, reporting, and stopping fraud [on our website](#).

Interview

During this reporting period, OIG Assistant Inspector General for Investigation Services Jason Williams was featured in an ABC News story on ghost students and student aid fraud. Assistant Inspector General Williams shared information on how criminals operate these schemes and what is being done to stop them. The story ran on ABC's Good Morning America, Nightline, and on ABC stations across the country. [ABC News Story](#)



PARTICIPATION ON COMMITTEES, WORK GROUPS, AND TASK FORCES

OIG staff continue to play an active role in CIGIE efforts. OIG staff currently serve on the following CIGIE committees, subcommittees, and work groups:

- Deputy Inspector General Working Group
- Information Technology Investigations Subcommittee
- Assistant Inspector General for Investigations Subcommittee
- Assistant Inspector General for Investigations Training Subcommittee
- Assistant Inspector General for Investigations Undercover Subcommittee
- Assistant Inspector General for Management Working Group
- Council of Counsels to the Inspectors General
- Data Analytics Working Group of the Information Technology Committee
- CIGIE/OMB Reform Working Group
- Federal Hotline Working Group
- Human Resources Directors' Roundtable
- Enterprise Risk Management Working Group
- Internal Affairs Working Group
- OIG Communitywide Quality Assurance Working Group
- CIGIE Accessibility Working Group
- CIGIE Professional Development Committee Coaching Subcommittee
- CIGIE Training Courses
 - » The OIG staff lead or facilitate CIGIE training courses, including the following:
 - IG Criminal Investigator Academy (as needed)
 - Inspector General Investigator Training Program
 - Franklin Covey Leadership Courses

Law Enforcement-Focused

- **Federal Bureau of Investigation Cyber Crime Investigations Task Force.** The OIG is a member of this task force of Federal, State, and local law enforcement agencies conducting cybercrime investigations nationwide, with agents physically located in Washington, D.C., Boston, Massachusetts, and Dallas, Texas.
- **Grant Fraud Working Group.** The OIG is a member of this working group, composed of OIGs and other governmental agencies, that meets quarterly to discuss challenges, opportunities, and best practices involving grant fraud investigations.
- **National Center for Disaster Fraud.** The OIG is involved in this partnership between the U.S. Department of Justice and various law enforcement and regulatory agencies that work to improve and further the detection, prevention, investigation, and prosecution of fraud related to disasters.

- **Pandemic/COVID-19 Federal-State Fraud Task Forces.** OIG criminal investigators continued to work with their Federal and State investigative and prosecutive partners to address pandemic relief aid fraud.
- **Puerto Rico Anti-Public Corruption Task Force.** The OIG is a member of a joint task force focused on combatting public corruption in Puerto Rico. The task force is led by the U.S. Department of Justice and includes the FBI, Puerto Rico and local law enforcement agencies, and Federal OIG offices.
- **Whistleblower Protection Coordinator Group.** The OIG's designated Whistleblower Protection Coordinator (WPC) and OIG attorneys participate in a governmentwide group of WPCs to stay abreast of legislation affecting internal and external whistleblowers.
- **DC and Memphis Fraud Task Forces.** The OIG is a member and contributes investigative resources to the D.C. Safe and Beautiful Task Force and the Memphis Safe Task Force. Our involvement brings together OIG's from beneficiary granting agencies to provide investigations related to fraud in our respective programs.

Other Governmentwide Groups

- **Federal Audit Executive Council, Financial Statement Audit Committee Workgroup.** OIG staff serve on this interagency workgroup, which consists of OIG auditors from numerous Federal agencies. The committee addresses governmentwide financial management and financial statement audit issues through coordination with GAO, the Department of the Treasury, and OMB. It also provides technical assistance on audit standards, policies, legislation, and guidance, and plans the CIGIE/GAO Annual Financial Statement Audit Conference.
- **Intergovernmental Audit Forums.** OIG staff serve on several intergovernmental audit forums, which bring together Federal, State, and local government audit executives who work to improve audit education and training and exchange information and ideas regarding the full range of professional activities undertaken by government audit officials.

Department Groups

- **Investment Review Board and Planning and Investment Review Working Group.** The OIG participates in an advisory capacity in these groups that review technology investments and the strategic direction of the information technology portfolio.
- **Department Human Capital Policy Working Group.** The OIG participates in this group that meets monthly to discuss issues, proposals, and plans related to human capital management.
- **Department Fraud Task Force and Policy Group.** The OIG participates in this group that meets monthly to discuss policy changes within ED's programs that strengthen internal controls and coordination between the OIG and the Department's fraud fighting efforts.

Required Reporting

The following provides acronyms, definitions, and other information relevant to the tables that follow.

ACRONYMS AND ABBREVIATIONS USED IN THE REQUIRED TABLES

Acronym	Definition
Department	U.S. Department of Education
FSA	Federal Student Aid
IES	Institute of Education Sciences
IG Act	<u>Inspector General Act of 1978, as restated (5 U.S.C. §§ 401–424)</u>
OCIO	Office of the Chief Information Officer
ODS	Office of the Deputy Secretary
OGC	Office of General Counsel
OESE	Office of Elementary and Secondary Education
OFO	Office of Finance and Operations
OIG	Office of Inspector General
OPEPD	Office of Planning, Evaluation and Policy Development
OSERS	Office of Special Education and Rehabilitative Services
Recs	Recommendations
RMSD	Risk Management Services Division
SAR	Semiannual Report to Congress

DEFINITIONS

Reports

Term	Definition
Attestation Reports	Attestation reports convey the results of attestation engagements performed within the context of their stated scope and objectives. Attestation engagements can cover a broad range of financial and nonfinancial subjects and can be part of a financial audit or a performance audit. Attestation engagements are conducted in accordance with American Institute of Certified Public Accountants attestation standards, as well as the related Statements on Standards for Attestation Engagements.
Audit Reports	Audit reports provide objective analysis, findings, and conclusions to assist management and those charged with governance with improving program performance and operations, reducing costs, facilitating decision-making by parties responsible for overseeing or initiating corrective action, and contributing to public accountability.
Flash Reports	Flash reports are used to rapidly share value-added information related to Department programs or operations that focus on user needs while maintaining overall quality.
Fraud Advisory	A fraud advisory report is a new report used to inform the Department of fraud risks, indicators, trends, and suspicious and potentially fraudulent activity involving Federal education funds identified by OIG proactive data analytics efforts.
Inspection Reports	Inspection reports provide information or communicate a need for action related to the Department's programs or operations. They have targeted objectives to systemically and independently assess the design, implementation, and results of operations, programs, or policies.

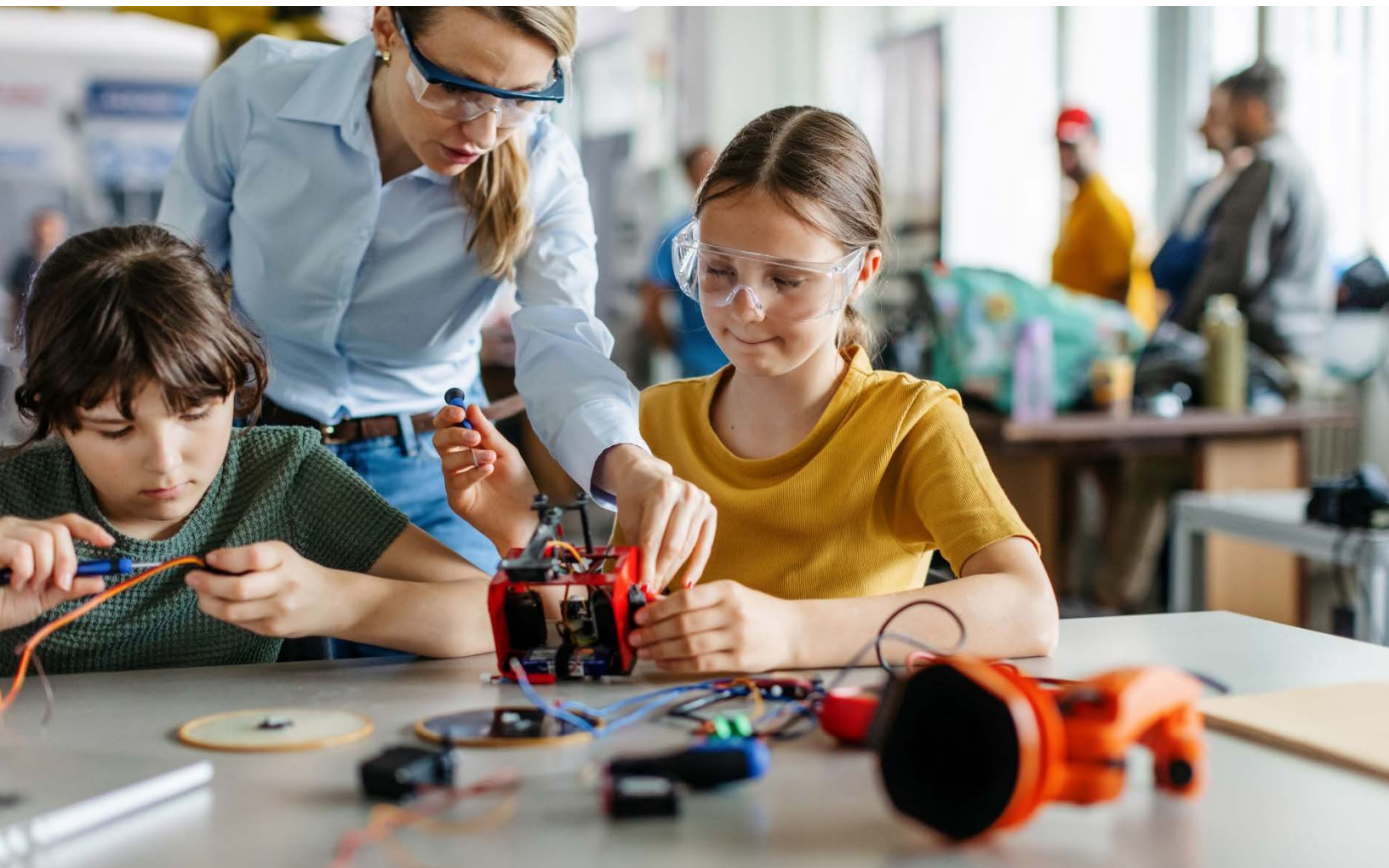
Terminology

Term	Definition
Better Use of Funds	As defined by the Inspector General Act of 1978, as restated (5 U.S.C. sections 401-424) , better use of funds is the monetary amount for a recommendation made by the OIG that could result in funds being used more efficiently if management took actions to implement and complete the recommendation.
Questioned Costs	As defined by the Inspector General Act of 1978, as restated (5 U.S.C. section 405) , questioned costs are identified during an audit, inspection, or flash review because of (1) an alleged violation of a law, regulation, contract, grant, cooperative agreement, or other agreement or document governing the expenditure of funds; (2) such cost not being supported by adequate documentation; or (3) the expenditure of funds for the intended purpose being unnecessary or unreasonable. The OIG considers that category (3) of this definition would include other recommended recoveries of funds, such as recovery of outstanding funds or revenue earned on Federal funds or interest due to the Department.

Term	Definition
Unsupported Costs	As defined by the Inspector General Act of 1978, as restated (5 U.S.C. section 405) , unsupported costs are costs that, at the time of the audit, inspection, or flash review, were not supported by adequate documentation. These amounts are also included as questioned costs.

OIG Product Website Availability Policy

The OIG's final issued products are generally considered to be public documents, accessible on the OIG's website unless sensitive in nature or otherwise subject to Freedom of Information Act exemption. Consistent with the [Freedom of Information Act](#) (5 U.S.C. Section 552), and to the extent practical, the OIG redacts exempt information from the product so that nonexempt information contained in the product may be made available on the OIG website.



REQUIRED REPORTING TABLES

The following pages present summary tables and tables containing statistical and other data as required, including under the [Inspector General Act of 1978, as restated \(5 U.S.C. §§ 401–424\)](#), and other statutes and orders.

Section and Statute or Order	Requirement	Table Number	Page Number
-	Statistical Summary of Audit-Related Accomplishments (October 1, 2025, through March 31, 2026)	1	31
-	Statistical Summary of Investigation-Related Accomplishments (October 1, 2025, through March 31, 2026)	2	32
Section 405(b) (1)(1)	Significant Problems, Abuses, and Deficiencies Related to the Administration of Programs and Operations	Nothing to Report	
Section 405(b) (3)	Recommendations Described in Previous Semiannual Reports on Which Corrective Action Has Not Been Completed, Including Potential Cost Savings Associated with the Recommendations	5	36
Section 405(b) (4)	Total Number of Convictions During the Reporting Period Resulting from Investigations (October 1, 2025, through March 31, 2026)	2	32
Section 405(b) (5)	Summary of each report made to the head of the establishment under section 406(c)(2) of this title during the reporting period.	Nothing to Report	
Section 405(b) (6), (8) & (9)	Audit and Other Reports Issued During the Reporting Period Including Questioned Costs, Better Use of Funds, and Whether a Management Decision Had Been Made by the End of the Reporting Period (October 1, 2025, through March 31, 2026)	3	34
Section 405(b) (8) & (9)	Management Decisions on Audit or Other Reports and Products Issued Prior to the Reporting Period (Prior to October 1, 2025)	4	35
Section 405(b) (13)	Unmet Intermediate Target Dates Established by the Department Under the Federal Financial Management Improvement Act of 1996	Nothing to Report	
Section 405(b) (14)	Peer Review Results - Reviews of OIG Operations Completed During the Reporting Period	Nothing to Report	

Section and Statute or Order	Requirement	Table Number	Page Number
Section 405(b) (15)	Peer Review Results - Recommendations from Previously Issued Peer Reviews that the OIG Has Not Yet Implemented	Nothing to Report	
Section 405(b) (16)	Peer Review Results - Reviews of other Offices of Inspector General Completed by the OIG During the Reporting Period	6	<u>39</u>
Section 405(b) (17)	Investigative Reports Issued Number of Persons Referred to the U.S. Department of Justice Number of Persons Referred to State and Local Prosecuting Authorities Indictments and Criminal Informations that Resulted from Prior Referrals to Prosecuting Authorities	2	<u>32</u>
Section 405(b) (18)	Description of the Metrics Used for Developing the Investigative Data for the Statistical Tables	2	<u>32</u>
Section 5(b) of P.L. 117-286	Summary of Significant Investigations Closed During the Reporting Period (October 1, 2025, through March 31, 2026)	7	<u>39</u>
Section 405(b) (19)	Report on Each Investigation Conducted by the OIG Involving a Senior Government Employee (GS-15 or Above) Where the Allegations of Misconduct were Substantiated	Nothing to Report	
Section 405(b) (20)	Description of Instances of Whistleblower Retaliation	Nothing to Report	
Section 405(b) (21)	Description of Attempt by Agency to Interfere with OIG Independence	Nothing to Report	
Section 405(b) (22)	Description of Audits, Inspections, Other Reports and Investigations Closed but Not Disclosed to the Public	Nothing to Report	
Section 122(e) Trafficking Victims Protection Act	Number of suspected violations of the law reported, number of investigations, outcomes of those investigations, and recommended actions to improve programs and operations related thereto.	Nothing to Report	
Section 5203 Administrative False Claims Act	Number of Administrative False Claims Act reports submitted by investigating officials to reviewing officials; actions taken in response to such reports; and instances in which the reviewing official declined to proceed on a case reported by an investigating official.	Nothing to Report	

Table 1. Statistical Summary of Audit and Other Report Accomplishments (October 1, 2025-March 31, 2026)

Accomplishment	SAR 92
Audit Reports Issued	1
Inspection Reports Issued	3
Questioned Costs (including Unsupported Costs)	\$3,900,000
Value of Recommendations for Better Use of Funds	\$0



**Table 2. Statistical Summary of Investigative Accomplishments
(October 1, 2025-March 31, 2026)**

Accomplishment	Description of the Metric	SAR 92
Investigative Cases Opened	Number of cases that were opened as full investigations or converted from a complaint or preliminary inquiry to a full investigation during the reporting period.	10
Investigative Cases Closed	Number of investigations that were closed during the reporting period.	14
Cases Active at the End of the Reporting Period	Number of investigations not closed prior to the end of the reporting period.	102
Investigative Reports Issued	Number of Reports of Investigation issued during the reporting period.	16
Other Fraud-Related Report Issued with Financial Impact	Number of other fraud-focused reports issued during the reporting period and the financial impact.	1 \$3,500,000
Total Number of Persons Referred to State and Local Prosecuting Authorities	Number of individuals and organizations formally referred to state or local prosecuting authorities for prosecutorial decisions during the reporting period.	0 Criminal 0 Civil
Total Number of Persons Referred to the U.S. Department of Justice	Number of individuals and organizations formally referred to the U.S. Department of Justice for prosecutorial decisions.	9 Criminal 0 Civil
Indictments and Criminal Informations that Result from Prior Referrals to Prosecuting Authorities	Number of individuals who were indicted or for whom a criminal information was filed during the reporting period.	14
Convictions/Pleas	Number of criminal convictions, pleas of guilty or nolo contendere, or acceptance of pretrial diversions that occurred during the reporting period.	13
Fines Ordered	Sum of all fines ordered during the reporting period.	\$86,707
Restitution Payments Ordered	Sum of all restitution ordered during the reporting period.	\$7,037,432
Civil Settlements/ Judgments (number)	Number of civil settlements completed or judgments ordered during the reporting period.	\$0

Accomplishment	Description of the Metric	SAR 92
Civil Settlements/ Judgments (amount)	Sum of all completed settlements or judgments ordered during the reporting period.	0
Recoveries	Sum of all administrative recoveries ordered by the Department or voluntary repayments made during the reporting period.	\$0
Forfeitures/Seizures	Sum of all forfeitures/seizures ordered during the reporting period.	\$0
Estimated Savings	Sum of all administrative savings or cost avoidances that result in a savings to, or better use of funds for, a program or victim during the reporting period. These are calculated by using the prior 12 month period of funds obtained or requested and then projecting that amount 12 months forward.	\$0
Suspensions and Debarments Referred to Department	Number of suspensions and debarments referred to the Department during the reporting period.	4

Table 3: : Audit and Other Reports Issued During the Reporting Period Including Questioned Costs, Better Use of Funds, and Whether a Management Decision Had Been Made by the End of the Reporting Period (October 1, 2025, through March 31, 2026)

Office	Report Type and Number	Report Title, Date Issued, and Status	Questioned Costs	Unsupported Costs	BUF	Number of Recs
FSA	Inspection I24IL0217	Quality of Data Reported through the Department's Integrated Postsecondary Education Data System Surveys by Southern New Hampshire University Issued: January 16, 2026 Status: Open	\$0	\$0	\$0	5
OFO	Audit A25FS0234	Fiscal Year 2025 Consolidated Financial Statement of the U.S. Department of Education Issued: January 22, 2026 Status: Unresolved	\$0	\$0	\$0	7
OESE	Inspection I25GA0233	Puerto Rico Department of Education's Use of ARP ESSER Funds to Measure Student Academic Progress Issued: March 17, 2026 Status: Open	\$3,900,000	\$0	\$0	4
OSERS	Inspection I25CA0218	Omaha Public Schools' Oversight of Individualized Education Programs Issued: December 19, 2025 Status: Open	\$0	\$0	\$0	2
Total	4	-	\$3,900,000	\$0	\$0	18

Table 4. Audit and Other Reports Described in Previous Semiannual Reports and Resolved During this Reporting Period

Table includes the Department office responsible for the report, number of recommendations, and the value of the potential cost savings.

Office	Report Type and Number	Report Title	Number of Recs	Value of Potential Cost Savings
FSA	Inspection 124GA0163	U.S. Department of Education's Assessment and Recoupment of Liabilities from Closed Institutions of Higher Education	6	\$0
Total	1	-	6	\$0



Table 5. Recommendations Described in Previous Semiannual Reports on Which Corrective Action Has Not Been Completed, Including Potential Cost Savings Associated with the Recommendations

Table includes the Department office responsible for the report, link to the report, number of open recommendations, and the value of the potential cost savings. The Department commented on all reports within 60 days of issuance.

Office	Report Type and Number	Report Title	Number of Recs	Value of Potential Cost Savings
FSA	Audit A22DC0105	FSA Transition Plans for Business Process Operations Vendors	5	\$0
FSA	Flash F23IT0138	Federal Student Aid's Actions to Mitigate Risks Associated with the FSA ID Account Creation Process	2	\$0
FSA	Audit A23GA0122	FSA's Implementation of the FUTURE Act and FAFSA Simplification Act's Federal Taxpayer Information Provisions through the Student Aid and Borrower Reform Initiative	1	\$0
FSA	Inspection I23NY0150	Federal Student Aid's Performance Measures and Indicators for Returning Borrowers to Repayment	3	\$0
FSA	Audit A24FS0167	Final Independent Auditors' Report of Federal Student Aid's Financial Statements for Fiscal Year 2024	5	\$0
FSA	Audit A23NY0143	Federal Student Aid's Oversight of Contractor's Acceptability Review Process for Proprietary Institution Annual Audits	5	\$0
FSA	Inspection I24DC0166	FSA's Oversight of Section 117 Reporting Requirements	6	\$0
FSA	Inspection I24DC0194	FAFSA Simplification Act and Student Loan Forgiveness Initiatives Accounting	3	\$0
FSA	Audit A03I0006	Special Allowance Payments to Sallie Mae's Subsidiary, Nellie Mae, for Loans Funded by Tax-Exempt Obligations	3	\$22,378,905
FSA	Audit A20IL0005	Bais HaMedrash and Mesivta of Baltimore's Use of Professional Judgment	3	\$236,235

Office	Report Type and Number	Report Title	Number of Recs	Value of Potential Cost Savings
OCIO	Audit A23IT0118	The U.S. Department of Education's Federal Information Security Modernization Act of 2014 Report For Fiscal Year 2023	1	\$0
OCIO	Audit A24IT0153	The U.S. Department of Education's Federal Information Security Modernization Act of 2014 Report For Fiscal Year 2024	1	\$0
OCIO	Audit A25IT0212	The U.S. Department of Education's Federal Information Security Modernization Act of 2014 Report For Fiscal Year 2025	2	\$0
OCIO	Inspection I23IT0111	Examination of the U.S. Department of Education's Incident Response Coordination Efforts	1	\$0
OESE	Audit A05S0001	The U.S. Department of Education's Processes for Reviewing and Approving State Plans Submitted Pursuant to the Elementary and Secondary Education Act of 1965, as Amended	3	\$0
OESE	Flash F19GA0027	Puerto Rico Department of Education's Unallowable Use of Temporary Emergency Impact Aid for Displaced Students Program Funds for Payroll Activities	2	\$0
OESE	Audit A21IL0034	Effectiveness of Charter School Programs in Increasing the Number of Charter Schools	1	\$0
OESE	Inspection I23DC0112	The Department's Approval of Alternate Assessment Waivers and Extensions	1	\$0
OESE	Audit A02T0001	Texas Education Agency's Administration of the Temporary Emergency Impact Aid for Displaced Students Program	10	\$12,366,942
OESE	Audit A06T0001	Texas Education Agency's Administration of the Immediate Aid to Restart School Operations Program	5	\$34,065

Office	Report Type and Number	Report Title	Number of Recs	Value of Potential Cost Savings
OFO	Audit A24NY0157	U.S. Department of Education's Compliance with Payment Integrity Information Reporting Requirements	1	\$0
OFO	Audit A24FS0168	Final Independent Auditors' Report of the U.S. Department of Education's Financial Statements for Fiscal Year 2024	5	\$0
OFO	Audit A25DC0225	U.S. Department of Education's Compliance with Payment Integrity Information Reporting Requirements for Fiscal Year 2024	1	\$0
OFO	Inspection I23DC0144	The Department's Compliance with Whistleblower Protections for Contractor and Grantee Employees	2	\$0
OPEPD	Audit A09R0008	Office of the Chief Privacy Officer's Processing of Family Educational Rights and Privacy Act Complaints	2	\$0
IES	Audit A24DC0187	The Department's Compliance with the Geospatial Data Act	1	\$0
ODS	Inspection I24DC0165	The Department's Administration of the Reasonable Accommodation Program	8	\$0
RMSD	Audit A05D0017	University of Illinois at Chicago's Gaining Early Awareness and Readiness for Undergraduate Programs Project	4	\$1,018,212
OGC	Inspection I24DC0196	U.S. Department of Education's Nondisclosure Policies, Forms, and Agreements	2	\$0
Total	29	-	89	\$36,034,359

Table 6. Peer Review Results - Reviews of Other Offices of Inspector General Completed by the OIG During the Reporting Period

Summary of Peer Review

During this reporting period, the OIG conducted a peer review of the system of quality control for the inspection and evaluation function of the Federal Deposit Insurance Corporation Office of Inspector General (FDIC OIG) in effect for the year ended September 30, 2025. FDIC OIG received an external peer review rating of pass. The report was issued on March 26, 2026, and is available on the [FDIC OIG website](#).

Table 7. Summary of Significant Investigations Closed During the Reporting Period (October 1, 2025, through March 31, 2026)

The following are significant OIG investigations that were closed during the reporting period. The OIG defines significant as an investigation that involves one or more of the following: (1) at least \$1 million in Federal funds; (2) resulted in a prison sentence of at least 10 years; (3) involves a Department employee, contractor, or subcontractor or (4) involves public corruption involving a school official or employee, grantee, subgrantee, public official, or other person in a position of public trust.

Case	Subject	Summary
Former Boone County Schools Maintenance Director and Schools Contractor Sentenced for Roles in \$3.4 Million Fraud Scheme (West Virginia)	K-12 Fraud	This SAR, page 10
Former Savannah R-III School District Accountant Sentenced for \$121,000 Embezzlement (Missouri)	K-12 Fraud	This SAR, page 13
Former Department Employee Sentenced for Role in \$400,000 Fraud Scheme (Maryland)	Pandemic Aid Fraud	This SAR, page 17
Second Person Sentenced in Fraud and Identity Theft Scheme Involving \$150,000 in Pandemic Relief Aid (Florida)	Pandemic Aid Fraud	SAR 91, page 3

2026 Management Challenges

The Reports Consolidation Act of 2000 requires the OIG to identify and summarize the most significant management challenges facing the Department each year. Below are the management challenges that the OIG identified for FY 2026.

1. Change Management
2. Oversight and Monitoring of Grantees
3. Oversight & Monitoring of Student Financial Assistance Programs
4. Data Quality and Reporting
5. IT Security

Copies of our Management Challenges reports are available on our website oig.ed.gov.



U.S. DEPARTMENT OF EDUCATION, OFFICE OF INSPECTOR GENERAL

H  **TLINE**
OIGHOTLINE.ED.GOV