



U.S. Department of Education
Office of Inspector General

Federal Student Aid's Actions to Mitigate Risks Associated with the FSA ID Account Creation Process

July 24, 2024
ED-OIG/F23IT0138

SUMMARY FLASH REPORT



UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF INSPECTOR GENERAL

Technology Services

July 24, 2024

TO: Margaret Glick
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FROM: Antonio Murray
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Technology Services
Office of Inspector General

SUBJECT: Summary Final Flash Report, "Federal Student Aid's Actions to Mitigate Risks Associated with the FSA ID Account Creation Process," Control Number ED-OIG/F23IT0138

Attached is the Summary Final Flash Report of "Federal Student Aid's Actions to Mitigate Risks Associated with the FSA ID Account Creation Process," Control Number ED-OIG/F23IT0138 for public view. Given the sensitivity of the information it contains, the full report is restricted.



Summary Report

Federal Student Aid's Actions to Mitigate Risks Associated with the FSA ID Account Creation Process

Why the OIG Performed This Work

A Federal Student Aid (FSA) ID is a username created by students, parents, and borrowers to log in or interact with FSA websites, including online submissions of the Free Application for Federal Student Aid.

Protecting these FSA IDs is important because personally identifiable information is used to create the FSA ID accounts for millions of citizens.

The objective of our review was to determine FSA's actions to mitigate risks associated with the verification of identities in the FSA ID account creation process.

To accomplish our objective, we interviewed FSA officials to (1) determine what actions FSA has taken to address risks associated with the verification of identities during the creation of the FSA ID account and (2) identify any plans for implementing additional controls specifically related to risks associated with the verification of identities during the creation of FSA ID accounts in the future. To assess FSA's success in identifying possibly fraudulent FSA ID accounts after account creation, we analyzed data associated with suspected accounts.

What Did the OIG Find?

FSA has implemented controls to address identity verification risks associated with FSA ID account creation, but FSA could take further actions by implementing preventive controls to better protect Title IV funds and the public from fraudulent activity. We found that approximately \$27.3 million in Title IV funds was disbursed to suspected fraudulent FSA ID accounts.

Further, although FSA has taken several steps to mitigate other risks to FSA ID accounts, these controls mitigate risks after the FSA ID account has been created and do not mitigate risk associated with the creation of the FSA ID account.

We also identified a data reliability issue with the National Student Loan Data System (NSLDS) data.

What Is the Impact?

Suspect FSA ID accounts put Federal student aid funding and the personal information of millions of students, parents, and borrowers at risk.

What Are the Next Steps?

We made two recommendations related to the FSA ID account creation process. In addition, we made one recommendation regarding the data reliability issue identified during the review.

We provided a draft of this report to FSA for comments. Of the three recommendations, FSA agreed with two of the recommendations and partially agreed with the recommendation regarding the NSLDS data reliability issue.