



TO: Chief Executive Officers
Chief Information Systems Officer Association
Chief Student Services Officers

FROM: Dr. Valerie Lundy-Wagner, Interim Vice Chancellor, Digital Innovation and Infrastructure

RE: Important Update to Admission Application Fraud and Financial Aid Fraud

The California Community Colleges Chancellor's Office (Chancellor's Office) remains committed to identifying and reducing fraud in admission and financial aid applications. To that end, we would like to provide the following update to the June 22, 2021 memo (DII-21-200-02) on our efforts to address fraud in partnership with the California Community Colleges Technology Center (TechCenter), districts and colleges. This memo highlights improvements (i.e., implemented and in progress), how the Chancellor's Office hopes to better leverage data on fraudulent activity, and information on continuous engagement and improvement.

System-Level Improvements To-Date

Effective July 15, 2021, Imperva Advanced Bot Detection was implemented on OpenCCC as planned to reduce fraud. This tool obstructs the ability of fraudulent actors and known bad data centers to utilize automated processes to complete the registration process on CCCApply. Imperva was deployed to further reduce the system's likelihood of passing potentially fraudulent applications on to colleges and districts. Based on early observations, the TechCenter has identified that approximately 20% of the OpenCCC traffic is malicious and bot-related, of which nearly 15% has been addressed through Imperva.

Also in July, the TechCenter shifted practices to enhance automation around potential fraud. Whereas colleges/districts were previously allowed to keep applications deemed likely to be fraud indefinitely, new policy requires colleges to confirm if the application is from a real student or not within two weeks. If colleges take no action, the applications identified as likely fraud will be automatically confirmed as fraud. This process was put in place to help alleviate the workload required to confirm spam locally, and often manually. An additional benefit is that this approach allows the SPAM filter to leverage its machine learning capability to better discern fraudulent applications. With this change, it is vital that false positives (i.e., applications marked fraudulent by the SPAM filter that are not fraudulent) are reported promptly to the TechCenter to avoid legitimate student accounts becoming suspended.

System-Level Improvements in Progress

The systems' admission and onboarding tools, OpenCCC, CCCApply, and MyPath, also referred to as the Student Success Suite 1.0 and are still on track for enhancement and simplification this fall. This work will include a more streamlined user (student) flow, preferred language options, faster account recovery (especially relevant for returning students), increased security, and improved data validation. Two specific enhancements are noteworthy. First, starting in September 2021, OpenCCC accounts / CCCIDs associated with fraudulent activity will be suspended. This will keep bad actors from submitting multiple fraudulent applications from a single account. Second, the multi-factor registration will require the confirmation of an email or phone number before a student can complete an application is expected in October 2021. This enhancement is not anticipated to present significant barriers for most real students. However, it is worth engaging with local teams (i.e., outreach, basic needs coordinators, and categorical programs) to identify how best to identify and support students who lack reliable access to a USPS address and/or a smartphone, and who may need assistance navigating the internet and email.

Many of these enhancements are occurring in parallel with efforts to streamline the admission and onboarding in ways that benefit students as well as the college and district staff who support them. For additional information on enhancements to the Student Success Suite, please contact the Statewide Program Director, Jennifer Coleman at jcoleman@ccctechcenter.org.

Leveraging Data in Fraud Prevention

The *Vision for Success* commitments and adoption of Guided Pathways require the agency and colleges to use data to inform decision-making. As the Chancellor's Office continues to monitor reported instances of admission application fraud and financial aid fraud, data are a key component of the evolving strategy. While the Chancellor's Office has not previously required reporting from colleges or districts, effective September 2021 the Chancellor's Office will be collecting metrics to better monitor the extent of fraud-related events, as well as measure the overall impact of preventative measures (such as Imperva) as they are implemented.

As such, the Chancellor's Office is requesting that starting in September 2021 colleges or districts report the following metrics monthly:

- Number of incidents of suspected registration fraud – Defined as a student who has registered for classes but is subsequently removed due to suspected fraud.
- Number of incidents of suspected financial aid fraud – Defined as an incident of suspected registration fraud where a corresponding FAFSA has been submitted.
- Number of incidents of confirmed financial aid fraud – Defined as a financial aid fraud incident that was reported to the Department of Education Office of the Inspector General (OIG).
- Value of financial aid returned – Defined as the total amount of financial aid funds that the college was required to return due to financial aid fraud.

Application and Financial Aid Fraud

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Please send these metrics along with the contact information from the approving Chief Business Office (CBO) or President/CEO by the 10th of the each month to Stephen Heath, sheath@cccoco.edu. The Chancellor's Office and TechCenter will work to institutionalize this data collection and associated protocols as we continue to learn more.

Fraud as a Moving Target

It is clear that nationally, bad actors are attempting to take advantage of any vulnerability across different sectors. As the Chancellor's Office continues to take steps that will reduce information and cybersecurity threats during the admission and onboarding process, we are committed to ensuring access. Technology will continue to evolve and the Chancellor's Office is committed to protecting the system, districts, colleges, and real students to the best of our ability with available resources. Engaging key stakeholders across institutions and reporting instances of fraud to the TechCenter is critical. Every report of fraud helps improve preventative measures and reduce or better yet, eliminate the next fraudulent attempt. Fraudulent applications can be reported by sending a .TXT file with one Application-ID or CCC-ID per line to staffsupportccctc@opencccc.zendesk.com, with the following naming convention: CollegeMISCode_Fraud_mmddyy.txt.

Additional opportunities to share information about mitigating fraud in the application and financial aid process, as well as strategies to combat fraud, include the Chancellor's Office and TechCenter workshops. A half-day workshop during the month of October will be available to all system stakeholders (tentatively scheduled for Friday, October 20, 2021). The workshop's primary audience will be Information Technology, Admissions and Registration, and Financial Aid leaders, with the goal to provide a forum where they can better understand how the system is working to combat financial aid fraud at multiple levels. Details will be announced on the relevant list-serves, and should be shared with all appropriate stakeholders. Thank you for support and commitment to ensure that our community colleges are available to students and communities that need us now more than ever.

Additional methods of reducing fraud, while also prioritizing equity, continue to be actively researched by the Chancellor's Office and the TechCenter staff. More information will be provided as it becomes available. Should you have any questions or need further assistance, please contact me at vlundywagner@cccoco.edu or 916-322-1928.

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