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Your Community College

Fraud gets the headlines but Congress may deliver the real blow
| Kevin G. Walthers

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Contributed

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You've likely seen stories about financial aid fraud at community colleges across California, often with headlines indicating a system in crisis. The "crisis" headlines come from the astonishing amount of financial aid that has been fraudulently issued, but those headlines often don't fully tell the whole story.

The latest estimates indicate about \$10 million in fraud over the last year in California. But when that is compared to a financial aid budget of \$1.7 billion, we realize the total amount of fraud is less than six-tenths of one percent.

Allan Hancock College has not been immune to fraudulent activity, but we have taken proactive measures to limit the damage and ensure transparent reporting to maintain trust with students and federal partners.

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For the 2024–25 academic year, Hancock reported that only 0.01 percent of the \$16.7 million in financial aid disbursed — approximately \$1,670 — was found to be fraudulent.

While that figure is relatively small, it underscores the broader vulnerability of California's community college system to sophisticated scams targeting online and asynchronous courses.

It all starts with a seemingly routine application to CCCApply, the centralized application portal used by all 116 California community colleges. But behind those applications are a clever scheme designed to exploit the system.

Once accepted, these fraudulent students enroll in online classes and apply for financial aid, often without any intention of attending or completing coursework.

Our faculty and staff work tirelessly to identify students who are likely not real students.

Hancock was among the first colleges in California to take decisive action against suspected fraudulent enrollments, implementing a process to drop students based on clear indicators of inauthenticity.

At the time, this approach was ahead of statewide guidance, but it has since become a common and necessary practice across the California community college system.

Our guiding principle was simple: if the student was legitimate, they would reach out — and could be easily reinstated.

In the online classroom atmosphere, faculty use tools early in the semester to ensure students are in fact real students. Faculty understand that fraudulent “students” not only represent a potential financial threat, but they take away seats from our own students who are earnestly trying to advance toward a degree or certificate.

The landscape is changing, though. Today, some fake students have begun actively participating in classes. Many of these students are actually bots, computer programs designed to answer quizzes and turn in assignments.

One college even discovered a student using a fake identity, who claimed they were employed by an AI company to teach its software how to complete online classes.

With all the public concern over fraudulent students, there is a much deeper threat to higher education flying under the radar. Ongoing conversations and policy proposals in Washington, D.C., are advocating for a reduction in funding for the Pell Grant program, an essential tool for working-class and middle-income families to afford college.

The Pell Grant was established in 1972 to broaden access to college beyond the traditional, wealthy students who overwhelmingly made up the student body of most four-year colleges.

The irony is that most of those in Congress who are now considering reductions to Pell Grants likely had a Pell Grant themselves. If not, they certainly benefitted from the exceptionally low university tuition rates prior to the mid-1990s.

At that time, states (both red and blue) began to reduce funding to state colleges and universities and “replaced” the funding with tuition increases. In other words, the states began taxing college students to fund general government, thus devaluing the impact of the Pell Grant.

Recent proposals to reduce Pell Grant funding exacerbates this issue and will result in funding reductions for three million students and a total loss of funding for another 1.2 million.

Allan Hancock College has shown leadership in minimizing fraud and protecting taxpayer dollars, but no amount of internal diligence can offset the damage that would come from slashing federal aid.

Pell Grants are a ladder for working-class and middle-income families striving for a better future.

Undermining this program risks closing the doors of opportunity for millions of Americans at a time when education is more essential than ever.

The real crisis isn't the handful of fake students. It's the potential abandonment of the real ones.

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