

December 2, 2002

Members of the Legislative Audit Committee:

The Public Integrity Unit at the Travis County District Attorney's Office obtained five separate indictments for Blanca Echeverria, Claudia Monreal, Benjamin Calderon, Tara Luckey, and Ignatius Ezenagu on November 13, 2002, after the Special Investigations Unit investigated allegations of forged College Access Loan (CAL) applications and promissory notes. The Higher Education Coordinating Board (Coordinating Board) requested the investigation of these individual offenses. The forged applications and promissory notes led to the fraudulent disbursement of more than \$44,900 for tuition, fees, and personal expenses for the former students.

Between October 1998 and October 2000, Blanca Echeverria, a former student of the University of the Incarnate Word, allegedly forged the signature of an individual on CAL applications and promissory notes without that person's knowledge. She then submitted the forged CAL applications and promissory notes to the Coordinating Board, which resulted in the illegal disbursement of more than \$15,802. Blanca Echeverria faces one count of aggregated securing execution of a document by deception and three counts of securing execution of a document by deception.

Between August 1996 and January 2001, Claudia Monreal, a former student of the University of the Incarnate Word, allegedly forged the signature of an individual on CAL applications without that person's knowledge. She then submitted the forged CAL applications to the Coordinating Board, which resulted in the illegal disbursement of more than \$12,620. Claudia Monreal faces two counts of securing execution of a document by deception.

Between April 1997 and August 1998, Benjamin Calderon, a former student of the University of the Incarnate Word, allegedly forged the signature of an individual on CAL applications and a promissory note without that person's knowledge. He then submitted the forged CAL applications and promissory note to the Coordinating Board, which resulted in the illegal disbursement of more than \$7,237. Benjamin Calderon faces three counts of securing execution of a document by deception.

Between April 2000 and June 2001, Tara Luckey, a former student of Southern Methodist University, allegedly forged the

CAL is the acronym for **College Access Loans**. The CAL program is funded through the Hinson-Hazelwood college student loan program and is administered by the Higher Education Coordinating Board. Students apply for this aid through the financial aid office of the college they plan to attend. Promissory notes require a co-signer, and the co-signer's credit worthiness is checked. Due to similar cases already investigated by the Special Investigations Unit of the State Auditor's Office, the Coordinating Board now makes contact with co-signers to verify their signatures and the loan amounts.

The **Special Investigations Unit** investigates reports of illegal activity involving state agencies and universities.

Texas Government Code, Section 321.022, requires state agencies and universities to report suspected fraud or unlawful conduct to the State Auditor's Office if there are facts that point to fraud or unlawful conduct.

To report suspected illegal activity, call 1-800-TX-AUDIT (1-800-892-8348), send a fax to (512) 936-9400, visit www.sao.state.tx.us, or mail information to the State Auditor's Office, Attn: SIU, P.O. Box 12067, Austin, Texas 78711.

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signature of an individual on CAL applications and promissory notes without that person's knowledge. She then submitted the forged CAL applications and promissory notes to the Coordinating Board, which resulted in the illegal disbursement of more than \$6,686. Tara Luckey faces four counts of securing execution of a document by deception.

Between March 1999 and June 1999, Ignatius Ezenagu, a former student of the Texas Chiropractic College, allegedly forged the signature of an individual on a CAL application and a pre-approval student loan request form without that person's knowledge. He then submitted the forged CAL application and pre-approval request form to the Coordinating Board, which resulted in the illegal disbursement of more than \$2,574. Ignatius Ezenagu faces one count of tampering with governmental record and one count of securing execution of a document by deception.

Securing execution of a document by deception and tampering with governmental record are state jail felony charges that carry a maximum penalty of two years in a state jail and a \$10,000 fine. Aggregated securing involves obtaining money through more than one transaction in a school year, but the transactions make up one scheme or a continuing course of conduct. The total amount of money obtained determines the grade of the offense.

If you have any questions, contact Ralph Disher or John Weber, Special Investigations Unit, at (512) 936-9500.

Sincerely,

Lawrence F. Alwin, CPA
State Auditor

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cc: Dr. Don W. Brown, Commissioner, Higher Education Coordinating Board
The Honorable Ronnie Earle, Travis County District Attorney