

# Fraud and Abuse

## Policy Change Adopted on Second Reading

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The Higher Learning Commission (HLC) Board of Trustees (“the Board”) adopted this policy on second reading at its meeting on February 23–24, 2023.

### Background

HLC adopted its policy on Fraud and Abuse in February 2017 to codify the federal requirement that HLC review allegations of fraud and abuse through an appropriate review mechanism and report any findings of fraud and abuse to the U.S. Department of Education (USDE).

The adopted policy changes clarify that allegations of fraud and abuse can be submitted to HLC by various external parties and that any allegation received by HLC will be reviewed using the appropriate review mechanism under HLC policy. The changes also clarify that HLC’s reporting requirement to the USDE is triggered only upon a finding or substantiation of evidence indicating fraud and abuse following HLC’s review of such an allegation, rather than upon receipt of the allegation.

HLC circulated these policy changes to the membership and other interested parties after the Board’s November 2022 meeting. No external comments were received warranting changes in language.

### Implementation

This policy is effective immediately.

### Adopted Policy Change

Wording that was deleted or revised is shown as strikethrough (~~old wording~~); new language, whether through addition or revision, is shown in bold (**new wording**). These revisions have been made on HLC’s website at [hlcommission.org/policies](https://hlcommission.org/policies).

Policy Title: Fraud and Abuse  
Policy Number: FDCR.A.20.010

An institution shall not engage in fraud and abuse, as outlined in state and federal law and regulation, or in practices or procedures that are designed **to**, or have the tendency to, create a falsification, ~~or~~ deceive, **or deliberately mislead** students.

**Allegations of fraud and abuse may be received by HLC from external sources, including but not limited to, the federal government, a state government, or through the institutional complaints process.** If HLC receives an allegation of fraud and abuse ~~concerning an institution from the federal government, any state entity or other party~~, HLC will determine whether the alleged fraud and abuse ~~constitutes~~ **would constitute** a violation of ~~the Criteria for Accreditation, particularly related to institutional integrity~~ **one or more HLC requirements**. In ~~considering~~ **reviewing** any allegation of fraud and abuse, HLC may consider the nature of the allegation, whether the alleged fraud and abuse appears to meet HLC's understanding of fraud and abuse as outlined in this policy, **other HLC policies**, or in federal or state definitions of fraud and abuse, and whether the source of the allegation has provided any evidence of ~~such~~ **the alleged** fraud and abuse.

HLC will review ~~such allegations~~ **an allegation of fraud and abuse** through ~~its complaint process or through other mechanisms~~ **an appropriate mechanism** provided for in HLC policy and practice **procedure based on the source and nature of the allegation**. An institution that has been determined, through ~~those processes~~ **the appropriate review mechanism**, to have engaged in fraud and abuse as outlined in this policy shall be considered to be in violation of HLC ~~standards~~ **requirements, including those** related to institutional integrity, and ~~may be found to be in violation of other HLC standards as well, and shall be subject to HLC sanctions or withdrawal of accreditation as outlined in those policies~~ **appropriate action, up to and including withdrawal of accreditation**.

**Evidence of fraud and abuse may also arise from any HLC evaluative activity. In such cases, an institution shall be considered to be in violation of HLC requirements, including those related to institutional integrity, and shall be subject to appropriate action, up to and including withdrawal of accreditation.**

HLC shall report ~~suspected~~ incidents of fraud and abuse to the U.S. Department of Education as outlined in its policy on the Relation with the U.S. Government, **following the conclusion of HLC's review of the allegation or evaluative activity. HLC may also refer such allegations to appropriate state and federal agencies.**

Policy History

Last Revised: February 2023

First Adopted: February 2017

Revision History: revised February 2023

Notes: In February 2021, references to the Higher Learning Commission as “the Commission” were replaced with the term “HLC.”