



## FRAUD AND ABUSE

### Proposed Policy Change Approved on First Reading

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The Higher Learning Commission (HLC) Board of Trustees (“the Board”) approved this policy on first reading at its meeting on November 3, 2022.

#### Background

HLC’s policy on Fraud and Abuse was adopted in February 2017 to reflect the U.S. Department of Education’s emphasis on increasing joint accountability and communication across the program integrity triad established by the Higher Education Act of 1965 (as amended) through reporting and reviewing suspected incidents of fraud and abuse. At the time, the policy served to codify the 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.

The proposed policy changes would 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 would clarify that HLC’s reporting requirement to the U.S. Department of Education 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.

#### Comments Invited

HLC invites comments on this change before the Board takes final action at its meeting on February 23–24, 2023. Comments can be sent to [policycomments@hlcommission.org](mailto:policycomments@hlcommission.org). Comments are due by January 16, 2023.

#### Proposed 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**).

## 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 Number Key

*Section FDQR: Policies Required by Federal Regulation*

*Chapter A: Federal Compliance*

*Part 20: Fraud and Abuse*

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*Last Revised: February 2017*

*First Adopted: February 2017*

*Revision History: Adopted February 2017*

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