

Special Investigations Unit
Report Regarding Higher Education Coordinating Board
Loan Applications

January 24, 2001

Members of the Legislative Audit Committee:

The Public Integrity Unit at the Travis County District Attorney's Office obtained indictments for Brenda Francis and Christopher Abrego on December 13, 2000, after the Special Investigations Unit investigated allegations of forged College Access Loan (CAL) applications. The Higher Education Coordinating Board requested the investigation of these two separate offenses. The forged applications led to the fraudulent disbursement of more than \$13,000 for tuition, fees, and personal expenses for former students of Baylor University and Texas Lutheran University. Brenda Francis is a former student of Baylor University, and Christopher Abrego is a former student of Texas Lutheran University.

Brenda Francis faces one count of forgery and one count of securing execution of a document by deception. Christopher Abrego faces two counts of forgery, two counts of securing execution of a document by deception, two counts of theft, and two counts of tampering with a governmental record. These offenses are state jail felony charges that carry a maximum penalty of two years in a state jail and a \$10,000 fine.

Between August 1994 and January 1995, Brenda Francis allegedly forged the signature of her ex-husband on two CAL applications without her ex-husband's knowledge. She then allegedly submitted the forged CAL applications to the Higher Education Coordinating Board, which resulted in the illegal disbursement of more than \$6,100.

Between January 1, 1999, and January 31, 1999, Christopher Abrego allegedly altered the loan amount on his CAL application without the knowledge of the co-signer, a family friend, which resulted in the illegal disbursement of more than \$7,200.

Combined, Brenda Francis and Christopher Abrego intended to deprive the Higher Education Coordinating Board of more than \$13,000.

What is CAL?

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 Higher Education Coordinating Board now makes contact with the co-signer to verify authorization of their signature and the loan amount.

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If you have any questions, you may 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

The **Special Investigations Unit** investigates reports of illegal activity involving state agencies and universities. It refers the results to prosecuting authorities.

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 (not merely suspicion) 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.