



Lawrence F. Alwin, CPA
State Auditor

September 29, 2003

Members of the Legislative Audit Committee:

The Public Integrity Unit of the Travis County District Attorney's Office obtained three separate indictments on August 20, 2003, after the State Auditor's Office 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 alleged offenses. The forged applications and promissory notes led to the fraudulent disbursement of more than \$13,142 for tuition, fees, and personal expenses for Myrna Chavarria, Onyekachi Ibekwe, and Johnny Villarreal.

Between December 1998 and May 1999, Myrna Chavarria, a former student of the University of the Incarnate Word, allegedly forged the signature of a friend's sister on CAL applications and promissory notes. She then submitted the forged CAL applications and promissory notes to the Coordinating Board, which resulted in the disbursement of \$3,317. Myrna Chavarria faces one count of aggregated securing execution of a document by deception, one count of aggregated theft, and two counts of forgery.

Between October 1999 and February 2000, Onyekachi Ibekwe, a former student of Southern Methodist University, allegedly forged the signature of an acquaintance on CAL applications. He then submitted the forged CAL applications to the Coordinating Board, which resulted in the disbursement of \$5,000. Onyekachi Ibekwe faces one count of securing execution of a document by deception, one count of theft, and two counts of forgery.

In May 2000, Johnny Villarreal, a former student of The University of Texas at San Antonio, allegedly forged the signature of his uncle on a CAL application. He then submitted the forged CAL application to the Coordinating Board, which resulted in the disbursement of more than \$4,825. Johnny Villarreal faces one count of securing execution of a document by deception, one count of aggregated theft, and one count of forgery.

The offenses discussed above are all state jail felony charges. State jail felonies carry a maximum penalty of two years in a state jail and a \$10,000 fine.

If you have any questions, please contact Harold Burns 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

A Special Investigations Unit Report Regarding College Access Loans

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 contacts 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.