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Congress of the United States
House of Representatives
Washington, DC 20515

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Fraud Costs Thousands of Students Their Pell Grants

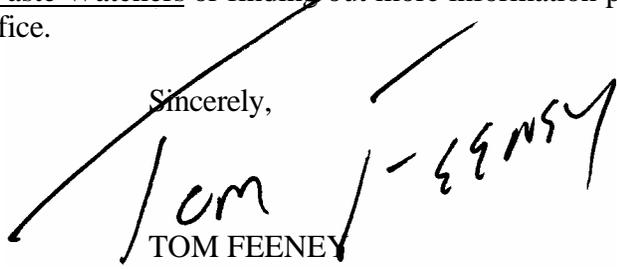
Dear Colleague:

This week the Washington Waste Watchers will be attacking waste in the form of fraud. Every year the federal government wastes billions of dollars of the taxpayers' hard earned money. Much of this waste is the result of fraud.

Tens of thousands of deserving students are denied Pell Grants, every year, because the needed resources are wasted when individuals defraud this valuable program. In one of the more egregious examples of fraud, *an administrator at the Beacon Career Institute in Florida defrauded the Department of Education of nearly one million dollars. The administrator submitted false documents to justify the disbursement of \$720,000 in improper Pell Grants. The same individual has also been charged with generating an additional \$1.7 million in fraudulent Pell Grant disbursements at the Caribbean Beauty and Technical Institute.* Although this individual is now incarcerated, this type of fraud goes undetected by investigators every day. This kind of fraud costs tax payers their hard earned money and prevents worthy candidates from receiving the Pell Grants they deserve. *The \$2.4 million in fraud in this example could have paid for 600 Pell Grants. The Department of Education estimates that in 2001 \$336 million in Pell Grants were improperly disbursed. That would be enough to pay for 91,500 grants.* Pell Grants have long been a valuable resource for America's brightest and most deserving young minds. This kind of fraud and abuse is a disgrace to our education system and will continue unless steps are taken to improve safeguards within this program.

The fraud in this program is symptomatic of the waste, fraud, and abuse that exists throughout the federal government. As a Co-Founder of the Washington Waste Watchers, a working group to combat waste, fraud, and abuse, I am working to identify examples of waste in the federal government and develop solutions to eliminate it. If you are interested in joining the Washington Waste Watchers or finding out more information please contact Myal Greene (5-2706) in my office.

Sincerely,



TOM FEENEY
Member of Congress
District 24, Florida

Today is Washington Waste Watchers' Wednesday

Every Wednesday night Members of the Washington Waste Watchers will be delivering Special Orders speeches on the topic of waste, fraud, and abuse. This week's topic is fraud.