



Fraud *in* Focus

K–12 Fraud Investigative Results for Fiscal Years 2020–2025

This Fraud in Focus report presents the results of the U.S. Department of Education (ED) Office of Inspector General (OIG) investigations into K–12 fraud for fiscal years (FY) 2020–2025, providing an overview of investigative results, fraud focus areas, the bad actors committing this fraud, and allegations of K–12 fraud received via the OIG Hotline portal.

**Investigations****130****Total****Monetary Results¹ \$70,880,184****Criminal & Civil
Outcomes²****98****Suspension &
Debarment Referrals³ 74****Administrative
Referrals/Actions⁴****13**

OIG K–12 Fraud Investigations Overview

ED is statutorily responsible for administering more than 100 programs and disbursing billions of dollars each year to State and local educational agencies, schools, organizations and entities to help educate our nation's students. But each year, criminals target these programs, including special education, vocational rehabilitation, and Title I funds to school districts serving low-income families. These bad actors abuse ED programs and intentionally misuse and embezzle ED funds aimed at helping students, schools, and teachers.

Since its inception, the OIG has remained dedicated to combating fraud at the K–12 level. These investigations are particularly challenging compared to other types of Federal education fraud because K–12 funds are decentralized across thousands of independent school districts. Most funding flows from ED to State educational agencies, which then distribute resources to local educational agencies or school districts and individual schools. Federal dollars are often blended with State and local funds and tracked through localized bookkeeping practices—which makes oversight more complex. As such, to help identify K–12 fraud, the OIG relies heavily on tips and complaints from individuals within school systems, as well as findings from OIG audit-related reviews, ED program reviews, reviews by State and local oversight entities, and results from Single Audits.

¹ Monetary Results: The OIG captures monetary results during the course of our investigations. Monetary results include restitution orders, fines, forfeitures, seizures, settlements, judgments, recoveries, and administrative savings.

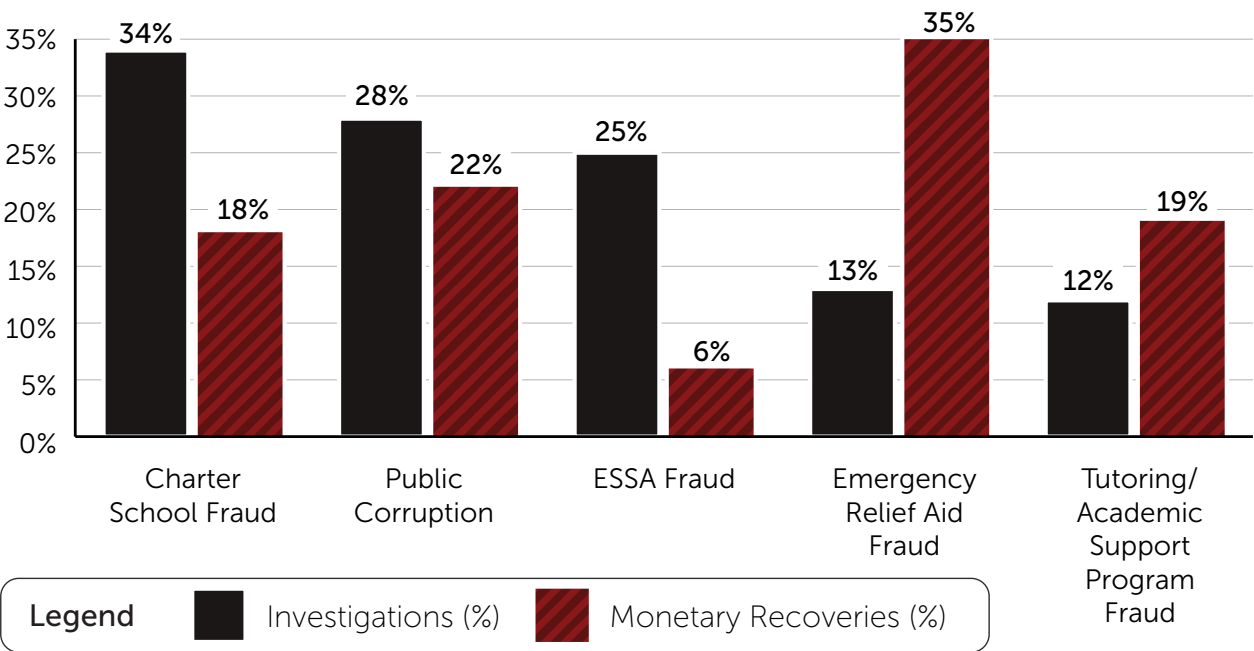
² Criminal & Civil Outcomes: Criminal outcomes include criminal convictions, plea agreements, pre-trial diversions, or deferred prosecutions. These outcomes are preceded by criminal charges and arrests. Civil outcomes are the results of settlements between parties or civil judgments.

³ Suspension & Debarment Referrals: Number of referrals the OIG made to ED for appropriate action.

⁴ Administrative Referrals/Action: Number of referrals the OIG made to ED for appropriate action following an OIG investigation.

Areas of K–12 Fraud Investigations

During FYs 2020–2025, OIG K–12 investigations fell primarily within five categories: (1) charter school fraud, (2) public corruption, (3) fraud involving programs authorized under the Elementary and Secondary Education Act (ESEA), as amended by the Every Student Succeeds Act (ESSA), (4) tutoring and academic support program fraud, and (5) fraud involving emergency relief programs. See the table and text below for more detail.



Note that the percentages for cases and recoveries do not tally to 100 percent, as for this focus period, some of our K–12 fraud investigations fell into more than one category.

Charter School Fraud

OIG investigations into charter school fraud identified the misuse of Federal education program funds, such as Charter School Program funds. This includes embezzlement, inflated student enrollment numbers, ghost students or staff, and fake invoicing schemes.

34%	18%
Cases	Monetary Recoveries

Public Corruption

Public corruption encompasses a range of conduct and crimes that involve a breach of public trust or abuse of position by school officials or employees using their position for personal gain, often with the help of accomplices. OIG investigations into public corruption at the K–12 level found bribery and kickback schemes, irregularities in contract awards, and criminal conflicts of interest.

28%	22%
Cases	Monetary Recoveries

ESEA/ESSA Fraud

This includes ESSA Title I—Improving the Academic Achievement of the Disadvantaged, which delivers financial assistance to school districts and schools with high numbers or percentages of children from low-income families. OIG investigations into these programs identified fraud involving embezzlement, misuse of funds, and false representation.

25%	6%
Cases	Monetary Recoveries

Emergency Relief Aid Fraud

From 2018–2019, Congress provided billions of dollars in emergency funding to help K–12 schools and school districts meet the educational needs of students affected by hurricanes and wildfires. And from 2020–2021, Congress provided billions in funding to assist States, K–12 schools, and school districts in meeting their needs and those of their students affected by the coronavirus pandemic. OIG investigations into these programs predominately involved false claims, mismanagement, or misuse of funds.

13%	35%
Cases	Monetary Recoveries

Tutoring, Academic Support Program Fraud

Federally funded education programs such as the 21st Century Community Learning Centers program provide academic enrichment, tutoring, and other activities during non-school hours (such as before school, after school, and during the summer), primarily for students and families in high-poverty, low-performing schools. OIG investigations into these programs identified fraud involving embezzlement, ghost students, and false invoicing schemes.

12%	19%
Cases	Monetary Recoveries

Who Commits K–12 Fraud?

OIG investigations have revealed that individuals who commit K–12 fraud frequently operate within the school system itself. These perpetrators have included State Superintendents of Education, charter school leaders, district superintendents and other high-ranking school officials, and school employees at all levels, as well as school vendors. K–12 fraud is often enabled by weak internal controls and insufficient separation of duties—for example, when a single employee is responsible for purchasing items, receiving them, and paying the invoices for those items, there is no independent verification that goods or services were actually received. The absence of proper checks and balances, or the concentration of too much authority in one person, creates an opportunity for misconduct. Under these conditions, fraud, embezzlement, and public corruption can occur—sometimes involving millions of taxpayer dollars.

Below are several examples of OIG K–12 investigations completed during FYs 2020–2025, revealing fraud committed by trusted partners in various roles in schools and school districts.

State Superintendent	In 2021, the former Secretary of the Puerto Rico Department of Education was sentenced to prison for conspiracy and fraud. The former Secretary and others used their positions to benefit and enrich themselves with Federal funds, specifically by awarding contracts through a corrupt bidding process. This included a \$95,000 professional services contract that the Puerto Rico Department of Education awarded to a contractor with close ties to the former Secretary despite being unqualified under the terms of the contract request for proposal. Read more.
School District Superintendents	In 2022, four former school officials, including two former Alabama school district superintendents, were sentenced to prison for their roles in a \$10 million fraud scheme involving Alabama’s virtual school. The conspirators fraudulently enrolled students in virtual public schools and then falsely reported those students to the Alabama State Department of Education. Read more.

Charter School Officials

In 2020, former executives of Celerity Educational Group, a nonprofit company that owned and operated charter schools in California, were sentenced for their roles in a \$2.5 million fraud scheme. The executives misappropriated about \$2.5 million in school funds that they used for personal luxuries. [Read more.](#)

High-Ranking School Official

In 2023, the former president of the Madison District Public Schools Board of Education in Michigan and a business owner were sentenced to prison for their roles in kickback scheme. The former president used his position to award some \$3.1 million in school maintenance and construction contracts to the business owner, who was his long-time friend, in exchange for a financial kickback. The business owner admitted to making more than \$560,000 in payments to the former president, which the former president spent on personal luxuries. [Read more.](#)

Other School Staff

In 2024, a former employee of Silver River Mentoring and Instruction—an alternative school for middle and high school students in Florida—was sentenced for stealing more than \$616,700. From 2016 through 2023, the employee handled the payroll at the school and gave herself 137 unauthorized paychecks by logging false information into the school's accounting software and receiving the paychecks through wire transfers. [Read more.](#)

Vendor

In 2021, the president and other employees of Creative Educational and Psychological Services, a tutoring services company in Puerto Rico, were sentenced to prison or probation for their roles in a \$24 million fraud scheme. The conspirators charged the PRDE for claiming tutoring services never provided and creating false attendance and other records and documents to support their fraudulent efforts. [Read more.](#)

Emergency Relief Aid

In 2025, the former senior director of fiscal services for the Magnolia School District in California—where 81 percent of its students are classified as socioeconomically disadvantaged— was sentenced to prison for embezzling more than \$16.4 million from the district that received ESSER program funds. The former official made unauthorized payments to himself with district funds. [Read more.](#)

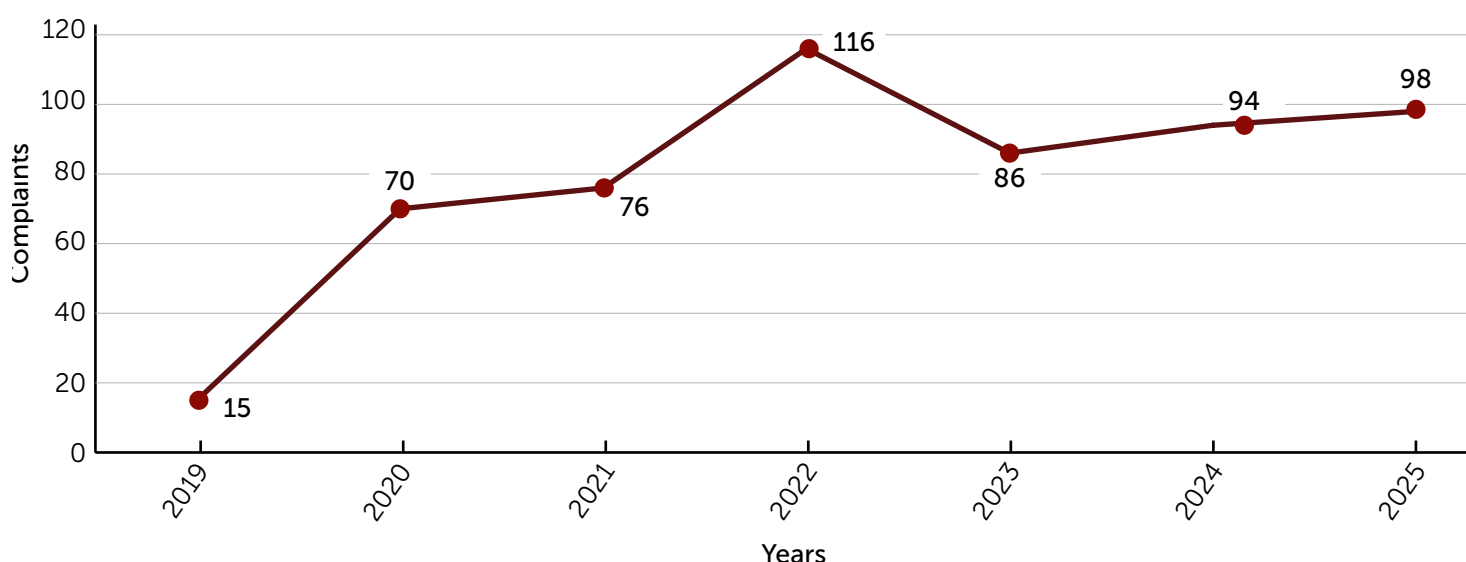
Additional information and summaries of other OIG investigations can be found in our [Semiannual Reports to Congress](#) and in the [press releases](#) section of our website.



OIG Hotline Complaints (FYs 2020–2025)

The [OIG Hotline](#) is available 24/7 for anyone who knows of or suspects fraud, waste, abuse, mismanagement, or violations of laws and regulations involving ED programs or funds, including fraud at the K–12 level. During FYs 2020–2025, the OIG received approximately 6,000 complaints to its Hotline each year, which included some 555 complaints related to K–12 programs and operations. As you see in the table below, Hotline complaints involving K–12 fraud increased in FY 2020, driven largely by the infusion of pandemic relief aid that flowed to States and school districts. Hotline complaints that did not result in an OIG criminal or civil investigation were forwarded to ED for appropriate handling or to another Federal or State agency or OIG with jurisdiction over the program.

K–12 Hotline Complaints (FYs 2020–2025)



Learn More

About [the OIG and OIG Investigation Services](#).

About OIG investigations into K–12 fraud in our [Semiannual Reports to Congress](#) and [press releases](#), [news interviews](#), and our [Eye on ED podcasts](#).

About [indicators of K–12 fraud and other free materials](#) to help identify and report fraud to the OIG.