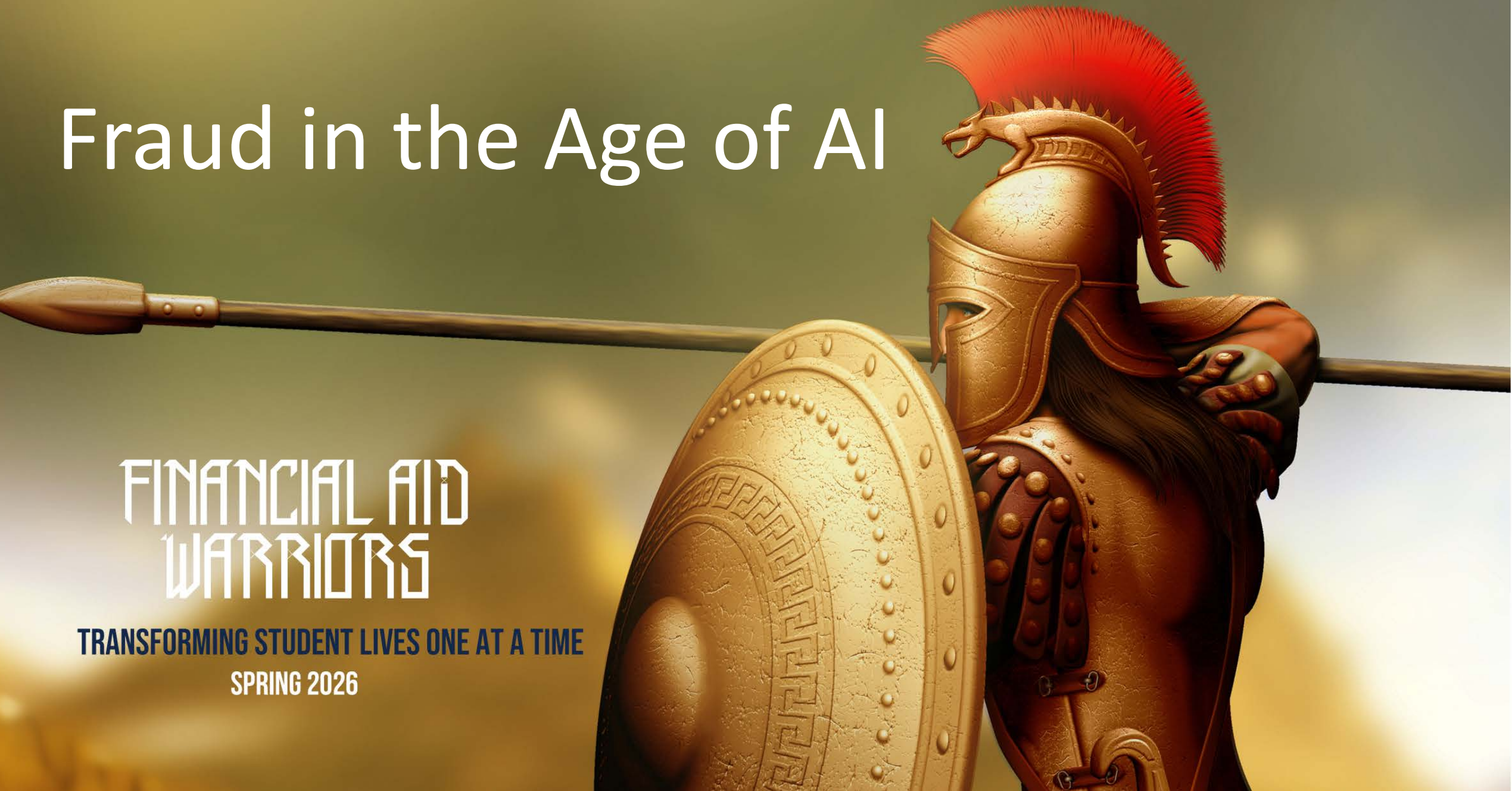


# Fraud in the Age of AI

## FINANCIAL AID WARRIORS

TRANSFORMING STUDENT LIVES ONE AT A TIME

SPRING 2026



# Fraud in the Age of AI

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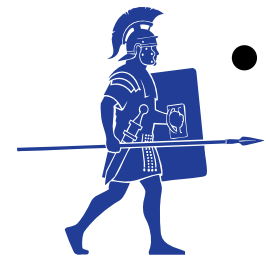
- Fraud Prevention in Financial Aid: An Interactive Think Tank
- Emerging risks with AI-generated documentation
- Discussion-driven session on policies and best practices



# Session Learning Objectives

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- Identify emerging fraud risks related to AI-generated documentation
- Recognize red flags in student-submitted documentation
- Discuss institutional verification strategies
- Explore policy approaches for AI-related fraud



# Why This Session Changed

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- Originally focused on fraud rings and fraudulent applications
- Two conversations at the Federal Student Aid Conference prompted a shift
- Focus moved toward documentation submitted to financial aid

offices



# Conversation #1: Anxiety Around Fraud Responsibility

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- Concern about financial aid office responsibility for detecting fraud
- Pressure to catch every instance
- Heavy workload and risk of missing something



# Conversation #2: AI and Documentation

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- Concern about AI-generated student documents
- Examples: SAP appeals, medical letters, transcripts
- AI tools making documentation easier to create



# Fraud Spectrum

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- AI assistance with writing
- Questionable documentation
- Misrepresentation of circumstances
- Clear fraudulent documentation



# Top 10 Potential AI Fraud Red Flags

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- Highly polished or generic narratives
- Similar wording across appeals
- Vague hardship explanations
- Unverifiable medical providers
- Identical formatting patterns
- Metadata inconsistencies
- Template language
- Missing provider contact information
- Unusual transcript formatting
- Extremely fast submission turnaround



Dear Financial Aid Appeals Committee,

I am writing to respectfully request reconsideration of my financial aid eligibility after an extremely challenging semester that significantly impacted my academic performance. Over the past several months, I have endured a series of unexpected personal hardships that created emotional, mental, and logistical barriers to my ability to succeed academically.

During the semester, I faced a number of overwhelming circumstances within my family that required my immediate attention and emotional support. These challenges created a great deal of stress and disrupted my ability to fully focus on my coursework.

However, these circumstances have now been resolved, and I am fully committed to returning to my studies with renewed determination and focus. I have developed a plan to prioritize my academic responsibilities moving forward.

Thank you for your time and consideration of my appeal.

Sincerely,

[Redacted Signature]

# Live Poll

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Raise your hand:

- Real student explanation
- AI generated explanation
- I don't have any clue



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# Audience Scenario #1

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**Look on your table!**



# Audience Scenario #2

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**Look on your table!**



# Audience Scenario #3

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**Look on your table!**



# Ethical Discussion: AI Assistance

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- Is AI help the same as fraud?
- When does assistance become misrepresentation?
- Should policy address AI explicitly?



# Policy Framework for AI Documentation

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- Require verifiable third-party documentation
- Narrative statements alone may not be sufficient
- Allow requests for additional verification
- Define procedures for suspected fraud
- Provide staff training



# Think Tank Discussion

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- What policies does your institution currently have?
- How are you verifying documentation?
- What challenges are you facing?
- What changes might you implement?



# Questions?

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