

# ***NEWS RELEASE***

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## ***OFFICE OF THE UNITED STATES ATTORNEY SOUTHERN DISTRICT OF CALIFORNIA***

***San Diego, California***

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***For Immediate Release***

### **San Diego College Pays \$700,000 and Former Financial Aid Director Pleads Guilty to Resolve Allegations of Financial Aid Fraud**

**NEWS RELEASE SUMMARY** – April 15, 2013

United States Attorney Laura E. Duffy announced today that United States University, a for-profit college located in San Diego, has agreed to pay a civil settlement in the amount of \$686,720 and that the school's former Financial Aid Director has pled guilty, resolving allegations that between December 2008 and February 2011, the school submitted falsified financial aid applications to the U.S. Department of Education in order to obtain Pell Grant funds for which students were not eligible.

The civil settlement was paid by Educacion Significativa, LLC, and IAC Funding, LLC, doing business as United States University. The school, which has campuses in Chula Vista and Cypress, California, was known as InterAmerican University from 1997 to 2010, when it changed its name to United States University. United States University offers courses of study in nursing and other programs.

The school's former Financial Aid Director, Christina Miller, pled guilty in federal court (Case Number 13cr1157MMA) to criminal financial aid fraud, in violation of Title 20, United States Code, Section 1097(b), admitting that she knowingly and willfully falsified student financial aid applications, resulting in the improper awarding of federal Pell Grants to ineligible students. Under federal law, students already holding Bachelor's degrees are generally not eligible for Pell Grant funds, but Miller admitted changing student degree status in order to allow the school to improperly receive Pell Grant funds from the U.S. Department of Education. Miller is scheduled to be sentenced on June 27, 2013.

"We all benefit from successful students' economic and professional contributions to our country," said United States Attorney Duffy. "Financial aid fraud not only harms the American taxpayer, but robs our community of that investment. This resolution should send a strong message to those who would choose to fraudulently obtain monies from taxpayer-funded financial aid programs. We will continue to work closely with our investigative partners in taking both criminal and civil measures to combat fraud against government programs."

"Federal student aid exists so that individuals can pursue and make their dream of a higher education a reality. As the law enforcement arm of the U.S. Department of Education, the Office of Inspector General is committed to fighting student aid fraud and we will continue to aggressively pursue those that participate in these types of crimes," said Natalie Forbort, Special Agent in Charge of the U.S. Department of Education Office of Inspector General Western Regional Office.

FBI Special Agent in Charge, Daphne Hearn stated, "Fraud and abuse of educational taxpayer-funded programs deprives those who are eligible and most deserving of this financial aid. The FBI and our partners will pursue those who would seek to undermine these programs, so that this important block of financial aid is available for those who need it most."

The investigation arises from a lawsuit that was brought under the qui tam, or whistleblower, provisions of the federal False Claims Act, which permit private citizens with knowledge of fraud against the government to bring an action on behalf of the United States. As provided by the False Claims Act, the

whistleblower in this case, Veronica Glaser, a former student and employee at the school, will receive a share of the recovery.

The investigation and prosecution of this matter was the result of the collaborative effort of the United States Attorney's Office for the Southern District of California; the Department of Education, Office of Inspector General; and the Federal Bureau of Investigation. Assistant U.S. Attorney Christopher Tenorio is handling the criminal prosecution of Christina Miller. Assistant U.S. Attorneys Joseph Price and Douglas Keehn handled the civil False Claims Act matter brought against United States University.

**DEFENDANT**

**Criminal Case Number: 13CR1157-MMA**

Christina Miller

**SUMMARY OF CHARGES**

Financial Aid Fraud—Title 20, United States Code, Section 1097(b)

**INVESTIGATING AGENCIES**

Department of Education, Office of Inspector General  
Federal Bureau of Investigation