



Policy

ENROLLMENT INTEGRITY AND IDENTITY COMPROMISE

DCB.502

EFFECTIVE DATE: OCTOBER 1, 2026

SOURCE: [SBHE Policy Manual Section 502](#)

1. Definitions:

- a. **Fraudulent Student:** Any applicant or enrolled student suspected of misrepresentation, identity theft, falsified documentation, financial aid fraud, or unauthorized system activity, based on credible information or preliminary evidence.
- b. **Fraudulent Enrollment for Benefits:** An individual who applies to an NDUS institution with no genuine intention of enrolling or participating in academic programs, but whose sole motivation is to gain access to specific student-only services, benefits, or privileges offered by the institution.
- c. **Ghost Student:** An enrollment record created using fabricated, stolen, identity information, or otherwise established by an actor who does not intend to participate in bona fide education, where the primary purpose of the enrollment is to obtain institutional, state, or federal funds or system resources. Indicators include absent or non-meaningful academic engagement, mismatched or unverifiable identification, use of automated bots or third-party brokers to create applications, or other patterns consistent with identity fraud or organized schemes.
- d. **Identity Compromise:** This occurs when an applicant's or student's personal information, credentials, or institutional account is accessed or used by an unauthorized party. Identity Compromise is treated as a security incident and does not constitute student misconduct.
- e. **Service Indicator:** An indicator is applied in the student information system to restrict access to services and prompt additional review and actions.
 - i. Stage 1 is when the student's information is under review.
 - ii. Stage 2 is when fraudulent activity has been confirmed.

2. Responsibility:

- a. All DCB employees are required to promptly report any known or suspected fraudulent activity.
- b. The Fraud Committee includes IT, Admissions, Business Office, Registrar, and Financial Aid Office to whom suspected or detected fraudulent activity shall be reported.

Policy

- c. DCB shall maintain written procedures, updated annually, outlining responsibilities, workflows, and points of contact related to fraud detection and reporting.
3. Process for Reporting Detected or Suspected Fraudulent Activities:
- a. Stage 1: Under Review is applied when fraud is suspected but not confirmed.
 - i. Stage 1 hold is placed on application of suspected fraud or identity compromise.
 - ii. DCB shall document all indicators, evidence, and the rationale for the Stage 1 designation in our shared file on Fraud Teams channel.
 - iii. The service indicator will be visible to all NDUS institutions.
 - iv. The service indicator prevents a student from receiving disbursement of financial aid at any NDUS institution and document release pending investigation.
 - v. If multiple institutions have issued indicators for a student, the institutions shall collaborate to determine whether removal is warranted.
 - vi. In circumstances where one institution places an indicator on a student and another institution contests that action; both institutions shall collaborate to determine whether removal is warranted.
 - b. Stage 2: Confirmed Fraud is applied when fraud is confirmed.
 - i. Stage 2 may be applied only after a documented investigation concludes that fraud occurred.
 - ii. DCB shall maintain a written determination outlining evidence and findings.
 - iii. All NDUS institutions shall honor a Stage 2 indicator applied by any other NDUS institution. In circumstances where one institution places an indicator on a student and another institution contests that action; both institutions shall collaborate to determine whether removal is warranted.
 - iv. The service indicator will be visible to all NDUS institutions.

Policy

- v. The service indicator prevents a student from registration, enrollment, receiving disbursement or refunds of financial aid at any NDUS institution and document release across NDUS.
- 4. Process for Identity Compromise:
 - a. DCB shall consider Identity Compromise when evidence indicates unauthorized account activity, inconsistent or suspicious submissions, verification mismatches not attributable to student intent, or credible reports from the student or external agencies.
 - b. Stage 1 service indicator shall be applied to protect the student and prevent unauthorized transactions.
 - i. The student's access to financial aid, registration, or personal data may be temporarily restricted.
 - ii. DCB shall notify the students within 5 business days of placing a Stage 1 indicator using verified contact information on file and begin identity verification procedures.
 - iii. Once a student has been selected for identification, they have 2 weeks to complete the request, or they will be administratively withdrawn. The identity video call must be in bright light, with no hood or headgear, nor gloves or filters. They must finish the meeting before they end the call, or this will result in failure of verification. The admission application will be denied and withdrawn.
 - iv. Once the fraud determination is confirmed, DCB IT department will block access to NDUS systems.
 - c. Stage 2 service indicator shall not be applied unless fraud by the student is confirmed.
- 5. Notification:
 - a. Notifications shall comply with the Family Educational Rights and Privacy Act (FERPA) and applicable state privacy regulations.
 - b. If an individual has submitted false or misleading information for the purpose of misleading or defrauding the institution, or fraudulently obtained federal funds, DCB shall notify and turn over student information to the Department of Education Office of Inspector General and ND Attorney General Consumer Protection Division in a timely manner.

Policy

- c. NDUS can generate a report to the Commissioner and NDUS Chief Compliance Officer of Stage 1 and Stage 2 service indicators.

- 6. Appeal:
 - a. The student may appeal by completing a new admission application and completing identity verification within 30 days of notification with Director of Student Success and Director of Admissions and Housing.

 - b. DCB shall promptly notify the student of the resolution.

- 7. Fraud Workflows:
 - a. If application is determined as fraud, admissions will be marked as fraudulent and withdraw the application. Students are notified of application status and will need to reapply with accurate information. Identity Verification hold is placed.

 - b. If application is successful, and financial aid suspects fraud, Identity Verification hold is placed until student passes or fails verification. If they fail, financial aid is cancelled and Registrar will withdraw students at a 100% refund. The Registrar will notify instructors and advisors of this withdrawal. Stage 2 hold is placed.

 - c. If any DCB employee suspects fraud, the student is reported to the fraud committee and the committee will act.

 - d. Admissions will complete all identity verification via TEAMS video calls.