

THE UNITED STATES ATTORNEY'S OFFICE  
DISTRICT *of* MARYLAND

SEARCH

[HOME](#) [ABOUT](#) [NEWS](#) [U.S. ATTORNEY](#) [PRIORITIES](#) [PROGRAMS](#) [EMPLOYMENT](#) [CONTACT US](#)[U.S. Attorneys](#) » [District of Maryland](#) » [News](#)

## Department of Justice

U.S. Attorney's Office

District of Maryland

FOR IMMEDIATE RELEASE

Friday, June 11, 2021

**Former University Financial Advisor Facing Federal Charges for Wire Fraud****Financial Aid Scheme Allegedly Ran for Over a Decade**

**Greenbelt**, Maryland – A criminal complaint has been filed charging Randolph Stanley, age 42, of Clinton, Maryland, for the federal charge of conspiracy to commit wire fraud, in connection with a scheme to fraudulently obtain student aid.

The criminal complaint was announced by Acting United States Attorney for the District of Maryland Jonathan F. Lenzner; Special Agent in Charge Terry Harris of the U.S. Department of Education, Office of Inspector General (OIG) Eastern Regional Office and Special Agent in Charge Christopher Dillard of the Defense Criminal Investigative Service - Mid-Atlantic Field Office.

According to the affidavit filed in support of the criminal complaint, representatives from an online state university (University 1) headquartered in Adelphi, Maryland, met with agents of the Department of Education OIG to discuss a suspected student loan fraud scheme. University 1's initial investigation indicated Stanley allegedly led a scheme to unlawfully obtain state and federal student aid using approximately 60 students enrolled at University 1.

Stanley has been employed with the Defense Contract Audit Agency since October 2008. Previously, Stanley was employed as a Financial Advisor at University 1 from 2005 to 2007, which included determining student eligibility for federal, state, and institutional funds based on federal regulations. Stanley also reported to (DCAA) that he was Director of Student Finances at a for-profit university (University 2) from June to October 2008, where he claimed to have "counseled prospective and continuing students as well as faculty and staff on all aspects of the financial aid application process."

Students seeking to obtain federal student aid to cover student expenses such as tuition and fees, room and board, and books and supplies, must complete a Free Application for Federal Student Aid (FAFSA). After submission of the FAFSA, the Department of Education office of Federal Student Aid (FSA) conducts an automated review of the information submitted to calculate the expected family contribution toward the cost of a student's attendance at an institution of higher learning. After aid is awarded, universities schools draw down federal student aid funds and disburse them. The institution applies the aid to tuition and fees and any surplus is distributed directly to the student. This is commonly referred to as the student loan refund.

The affidavit alleges that between 2005 and 2021, Stanley has fraudulently obtained federal student aid on behalf of Student Participants, who enrolled in at least eight universities. Student Participants in the Stanley ring allegedly received federal student aid but were not legitimate students as they lacked the intent to earn a degree. As part of the scheme, Student Participants allegedly either allowed their personally identifiable information (PII) to be used on student loan financial forms or their PII was used without their knowledge, making them victims of identity theft.

The affidavit alleges that Student Participants, including Stanley, were awarded tuition, which went directly to the schools. Between 2005 and 2021, at least 65 Student Participants—including Stanley—were allegedly awarded at least \$6.7 million in federal student aid, with at least \$6.2 million disbursed to Student Participants. Stanley, as the ringleader of the scheme, would allegedly pocket all or some of the student refunds, occasionally sharing refund money with other Student Participants.

According to the criminal complaint, Stanley allegedly paid a portion of the student loan refunds to Africa-based "Writer Participants" whom he directed to complete the coursework for the Student Participants. The role of the Writer Participant was allegedly to complete Student Participants' coursework, and preserve the appearance of sufficient academic performance, in order to maintain the student's eligibility for financial aid. As detailed in the affidavit, Writer Participants directly submitted assignments using the Student Participants' usernames and passwords while falsely claiming to be the Student Participant and/or provided the assignments to Stanley or the Student Participant for submission.

To avoid detection, with the aid of a Writer Participant (Co-Conspirator 1), Stanley allegedly attempted to hide the IP addresses of the Writer Participants to hinder the university's ability to identify instances of shared IP addresses. Writer Participants also allegedly manipulated popular plagiarism databases to screen work for potential plagiarism detection.

As part of the scheme to defraud, Stanley maintained four separate bank accounts to conduct financial transactions related to the scheme. Some Student Participants allegedly directed universities to deposit student loan refunds directly into Stanley's personal bank accounts. University 1 records show that from 2015 to 2018, University 1 deposited more than \$530,000 in student loan refunds for Student Participants other than Stanley, into four of Stanley's bank accounts. Stanley allegedly used some of the funds to pay Writer and Student Participants.

Stanley's scheme allegedly extended to submitting bogus documents on behalf of Student Participants to meet university admission requirements. For example, the affidavit alleges that Stanley and a second co-conspirator (Co-Conspirator 2) arranged for foreign nationals to create fraudulent diplomas, transcripts, and other documents to qualify Student Participants for admission.

If convicted, Stanley faces a maximum sentence of 20 years in federal prison for wire fraud. Actual sentences for federal crimes are typically less than the maximum penalties. A federal district court judge will determine any sentence after taking into account the U.S. Sentencing Guidelines and other statutory factors.

A criminal complaint is not a finding of guilt. An individual charged by criminal complaint is presumed innocent unless and until proven guilty at some later criminal proceedings.

Acting United States Attorney Jonathan F. Lenzner commended the Department of Education OIG and Defense Criminal Investigative Service for their work in the investigation. Mr. Lenzner thanked Assistant U.S. Attorneys Erin B. Pulice and Special Assistant U.S. Attorneys Jessica Harvey and Craig Fansler, who are prosecuting the federal case.

###

---

<b>Topic(s):</b> Financial Fraud	<b>Contact:</b> Marcia Murphy (410) 209-4854
<b>Component(s):</b> <u>USAO - Maryland</u>	