

'Ghost Students' and the Rise of AI Identity-Fraud Screening in US Financial Aid

AI in Education · Good practice · United States of America

Quality score: 40/100

Evidence strength: Observational / pre–post

Summary

Fraud rings use generative AI to create fake 'ghost student' identities to claim US federal financial aid. The Department of Education's new FAFSA identity-verification system rejected an estimated \$2 billion in fraudulent applications in its first months.

Key dimensions

Dimension	Score
Evidence of learning impact	0/3
Equity & inclusion	0/3
Transparency, ethics & data protection	3/3
Teacher capability & pedagogy	0/3
Scalability & sustainability	3/3

Evaluated by C-NAPSE

Data sources

[C-NAPSE web research](#) — accessed 2026-09-21

[U.S. Department of Education \(Federal Student Aid\)](#) — accessed 2026-09-21

[AI-Enabled Ghost Student Fraud: How IT Leaders Are Fighting Back](#) — EdTech Magazine — accessed 2026-09-21

[How scammers are using AI to steal college financial aid](#) — Identity Theft Resource Center — accessed 2026-09-21

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