

Universities, Student Visa Programs, Fraud Investigations, and Related Concerns About Deception

Fraud and Exploitation

Federal authorities have investigated a variety of fraud-related issues involving universities, student visa programs, and employment authorization systems. These investigations have not all involved the same type of misconduct, and it is important to distinguish between fraud committed by institutions, fraud committed by individuals, and fraud involving immigration or employment programs.

University Fraud Cases

In some instances, federal agencies have found that universities themselves engaged in misconduct. One example is the University of Phoenix, which reached a settlement with the Federal Trade Commission over allegations that it misled prospective students regarding employment opportunities and relationships with major employers. The settlement included debt relief and other remedies for affected students.

Source:

<https://www.ftc.gov/news-events/news/press-releases/2023/09/ftc-action-leads-us-dept-education-forgive-nearly-37-million-loans-students-deceived-university>

Other university investigations have involved financial misconduct, grant fraud, campus safety reporting violations, research misconduct, and misuse of federal funds. In such cases, the institution itself, university officials, or individual employees may be held responsible depending on the circumstances.

OPT Fraud Investigation

In May 2026, Immigration and Customs Enforcement (ICE) announced that investigators had identified more than 10,000 potential fraud cases connected to the Optional Practical Training (OPT) program. OPT allows certain international students on F-1 visas to work in the United States after completing or nearing completion of their academic studies.

Source:

<https://www.politico.com/news/2026/05/12/ice-optional-practical-training-fraud-00916797>

According to public reporting, investigators alleged that some individuals may have maintained immigration status through employment arrangements that could not be verified. Allegations included the use of shell companies, nonexistent worksites, empty offices, residential addresses presented as businesses, and other forms of potentially fraudulent employment reporting.

Additional reporting:

<https://monitor.icef.com/2026/05/us-immigration-officials-allege-opt-is-being-widely-abused-and-say-more-actions-are-forthcoming/>

The investigation focused primarily on employment verification and compliance with OPT rules rather than on whether students had actually attended school.

Were the Students Real Students?

Based on the information made public, there is no indication that all or most of the individuals under investigation were fake students. Because OPT eligibility generally requires attendance at a certified institution and completion of an academic program, many of the individuals under review may have been students enrolled at legitimate universities.

The central question in the investigation was whether the employment reported under OPT complied with federal requirements. Investigators alleged that some individuals may have reported employment that did not exist or could not be verified.

Relationship to Human Trafficking

Immigration fraud and labor exploitation can sometimes overlap. In separate cases unrelated to the OPT investigation, federal authorities have investigated schemes involving visa fraud, labor trafficking, forced labor, wage theft, and coercive employment practices. Such cases may involve threats, manipulation of immigration status, debt arrangements, or other forms of exploitation.

There is currently no public evidence indicating that the 2026 OPT investigation was primarily characterized by federal authorities as a human trafficking operation.

Fake Universities and Student Visa Fraud

The OPT investigation should not be confused with separate federal investigations involving fake universities or visa fraud schemes.

One notable example was the University of Farmington case. The University of Farmington was an undercover operation created by federal authorities as part of an investigation into student visa fraud. Prosecutors alleged that some individuals sought student visa status without pursuing a legitimate education.

Source:

<https://www.justice.gov/usao-edmi/pr/eight-indicted-recruitment-and-harboring-aliens-profit-through-university-farmington>

This type of case differs significantly from the 2026 OPT investigation. In the University of Farmington matter, the focus was on alleged misuse of student status itself. In the OPT investigation, the focus was on employment authorization and whether reported jobs were legitimate.

Deceptive Social and Relationship Tactics

Concerns have also been raised about individuals who allegedly use false credentials, fabricated employment histories, misrepresented educational backgrounds, or false claims of professional success to gain trust in social, professional, or romantic settings. A person may falsely claim to be attending a university, graduating from a prestigious institution, working for

a legitimate company, holding a high-paying position, or maintaining a lawful status in order to appear more trustworthy, desirable, or successful than they actually are.

Such deception may be used to obtain financial benefits, housing, immigration advantages, emotional relationships, sexual relationships, business opportunities, or other personal gains.

When deception is used to manipulate another person into providing money, services, housing, intimate relationships, or other benefits under false pretenses, it may constitute fraud or other unlawful conduct depending on the circumstances. In more serious cases involving organized schemes, identity fraud, coercion, labor exploitation, immigration fraud, or financial crimes, law enforcement agencies may become involved.

Conclusion

The various federal investigations involving universities, student visas, and employment authorization programs address different forms of misconduct. Some cases involve universities accused of deceptive practices or regulatory violations. Others involve students, recruiters, employers, or third parties accused of visa fraud or employment fraud.

Concerns about deception extend beyond institutional and immigration matters. False claims regarding education, employment, professional status, or personal background may be used to gain trust and obtain benefits from others. Whether such conduct occurs in business, immigration, academic, or personal contexts, transparency, verification, and accountability remain important safeguards against **fraud and exploitation**.