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College parents reportedly give up custody so kids get aid



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Dozens of wealthy families in Illinois have reportedly been using a controversial tactic to help their children pay for college: They give up legal guardianship so the teenagers can claim dramatically lower incomes and earn need-based financial aid, according to reports from two news organizations published Monday.

[ProPublica](#) and [The Wall Street Journal](#) each detailed the efforts in separate articles after uncovering dozens of applications filed by Chicago-area parents to financially divorce themselves from their kids over the past year and a half.

As part of the strategy, wealthy parents allegedly file paperwork to transfer legal custody of their kids to other relatives, friends or even co-workers. When the transfers are complete — often during their junior or senior years of high school — students are then able to declare themselves financially independent on college applications. In one instance detailed by the Journal, a student whose parents owned a \$1.2 million home only had to declare \$4,200 in income from a summer job.

That student was able to obtain about \$47,000 in scholarships and federal Pell grants to attend a private university that costs \$65,000 per year.

The practice is legal, but the Journal notes that the Education Department is looking into the matter. The agency did not immediately respond to HuffPost's request for comment.

"It's a scam," Andy Borst, the director of undergraduate admissions at the University of Illinois at Urbana-Champaign, told ProPublica. "Wealthy families are manipulating the financial aid process to be eligible for financial aid they would not be otherwise eligible for. They are taking away opportunities from families that really need it." Borst also spoke with ProPublica.

ProPublica noted that laws in Illinois governing the transfer of legal guardianship are broadly written and that as long as the parents, children and the court agree, a judge can approve the transfer even if parents are able to financially support their kids.

Almost all of the cases cited by ProPublica and the Journal echo language that says the new guardians "can provide educational and financial support and opportunities to the minor that her parents could not otherwise provide."

It's unclear if the tactic has been used in other states. The Education Department does not mandate students report their parents' income on federal financial aid forms if they have been legally declared independent.

The reports come just months after the unfolding of a college admissions scandal that saw [more than 50 people charged](#) with allegedly buying their kids' way into elite universities around the country. Celebrities including actresses [Lori Loughlin and Felicity Huffman](#) were named in the investigation,

and many parents were said to have paid \$200,000 to \$400,000 to secure their children spots at universities such as Yale and Georgetown.

Investigators called it the [largest admissions scam ever prosecuted](#) by the Justice Department, and it set off a nationwide reckoning regarding everyday access to elite colleges that have grown more competitive in recent years.

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<https://www.aol.com/article/finance/2019/07/30/college-parents-reportedly-give-up-custody-so-kids-get-aid/23782530/>