

Legal Guardianship in Illinois – Another Way of Gaming the System

There are ways to pay less taxes because of loopholes in the Tax Code; people con their way into getting food stamps; many people receive disability payments with fake disabilities; others receive government funds for taking care of their own family members; recent headlines involved students cheating on college entrance exams and parents bribing athletic coaches to get their children into elite universities. The list goes on and on. But the idea of transferring parental rights in order to receive financial aid was jaw-dropping.

This latest scheme appeared in the Wall Street Journal earlier this month. A consultant hired by the parents said, she hadn't "figured out a loophole. Anybody that goes on the [federal financial aid] website can find the criteria for being an independent student or a dependent student. It's all right there."

A system designed to provide money to middle and low income students for college has been corrupted by wealthy people who figured out this latest con.

Wealthy parents legally transfer their parental rights to a third party; "the children, who are about 16 or 17 at the time, are able to declare themselves "independent" on the Free Application for Federal Student Aid – meaning officials can only consider the child's income when determining how much assistance they should receive." The parents' and "guardian's" income is not asked for or taken into account. The judge simply considers the "best interest of the child."

According to the report in the WSJ, one parent had no problem admitting her household income was greater than \$250,000 a

year and had a home valued at \$1.2 million. She transferred parental rights of her daughter to her business partner. The daughter earned \$4,200 during the summer. She attended a private college that costs \$65,000 a year. Based solely on her \$4,200 income, the daughter received a \$27,000 merit scholarship and an additional \$20,000 in **need-based aid**, which she won't have to pay back. The daughter is responsible for \$18,000 a year, which her grandparents pay.

So, this 17-year old received, free and clear, \$20,000 in need-based aid which clearly should've gone to someone whose parents didn't earn more than \$250,000 a year and who didn't live in a \$1.2 million home.

One of the students, whose parents were utilizing this system, reported it to her high school guidance counselor, who, in turn, reported it to the University of Illinois, who then reviewed its records and saw the upturn in applications filed by students who were in guardianship. Funds from the university, as well as the state and federal government are involved.

The whole mess is now under investigation by Illinois lawmakers. I never know if politicians know what they're doing, are too stupid to realize they're writing laws which can be misused or abused, or whether, no matter how fool-proof, someone will figure out how to game the system. Like anything else, be it accessing monies intended for more needy students or even gun control, we cannot legislate morality.

There is no shortage of disturbing news out there. But I have to say the people engaged in this tactic have to be some of the most ethically and morally corrupt people who, no doubt, still retain control over their children despite the fact that, on paper, they do not. They are still calling the shots when it comes to their children's education, food, clothing and shelter and everything else. In essence, the legal guardianship is a sham.

Those same people, by their complicity in this scam, have no problem denying other, less fortunate, children the opportunity to obtain limited public and private funds specifically designed to help those who would not, otherwise, be able to access the same educational opportunities.

While, at this point, it may be technically "legal," there are lots of things that are legal, but it doesn't make them right.

It is disgraceful. It is disgusting. And those parents should be ashamed of themselves.

I don't get, but if you do, God bless you.