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IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF PENNSYLVANIA

UNITED STATES OF AMERICA	Criminal No. 26- 248
v.	(18 U.S.C. §§ 2, 1349, and 1957(a))
EMMANUEL HILTON	**[UNDER SEAL]**

INDICTMENT

The grand jury charges:

FILED
NOV 17 2026
CLERK, U.S. DISTRICT COURT
WESTERN DISTRICT OF PA

GENERAL ALLEGATIONS

At all relevant times:

Federal Student Aid

1. The United States Department of Education ("Department of Education") was a cabinet-level executive branch agency of the United States government responsible for establishing federal education policy, administering financial aid, and enforcing civil rights laws in education. One of the Department of Education's primary responsibilities was the administration and oversight of Federal Student Aid (FSA). FSA provided grant, work-study, and loan funds to students attending college or career school. FSA was funded by U.S. taxpayers.

2. The Department of Education operated, administered, and regulated several FSA programs including the Federal Direct Loan program, Federal Pell Grant program, and the Higher Education Emergency Relief Fund (HEERF). Students who received a Federal Direct Loan were required to repay the loan. Federal Pell Grants assisted undergraduate students from low-income households with exceptional financial need, which did not need to be repaid. HEERF provided economic relief to undergraduate students during the COVID-19 pandemic, which did not need to be repaid.

3. The Department of Education's regulations required the students meet the following criteria, among others, to be eligible for FSA:

a. be enrolled in or accepted for enrollment at an eligible program seeking a degree or certificate at an eligible institution;

b. have a high school diploma or its recognized equivalent; and

c. demonstrate satisfactory progress in his or her course of study.

4. Eligible students could apply for federal student financial aid by completing a Free Application for Student Aid (FAFSA) form, which was typically submitted online in electronic format. All online FAFSA applications were processed through computer servers located in Virginia.

5. In order to complete and submit the FAFSA form electronically, an applicant was required to obtain a user ID called a Federal Student Aid Identification (FSAID) and establish a password. Each FAFSA applicant was assigned a unique FSAID.

6. The FAFSA form required the applicant to provide personal information including date of birth, social security number, address, email address, telephone number, asset and income information, and education history.

7. From 2019 through 2024, the FAFSA form included an explicit warning that using an assigned "FSAID (username and password) and/or any other credential" constituted a certification that the applicant was the individual associated with that credential and had not disclosed it to anyone else. It further warned that purposely providing "false or misleading information" may result in criminal penalties.

8. From 2024 through 2028, the FAFSA form required the applicant to certify, "under the penalty of perjury under the laws of the United States of America, that the

information…provide[d] on the FASA form is true and correct," and it warned "that any falsification of this statement" is criminally punishable, including the knowing and willful request for or acquisition of records pertaining to an individual under false pretenses." The FAFSA form further required the applicant to certify that they "are the person identified," and again warned that purposefully giving "false or misleading information" may subject them to criminal penalties.

9. The FAFSA form also included a statement and warning advising all applicants that FSA funds could only be used to pay specific costs associated with attending a higher-level education institution. Approved expenditures of FSA funds included tuition, fees and expenses such as books, supplies, transportation, and related living expenses. To help ensure FSA program funds were used only for educational purposes, the Department of Education transmitted approved FSA funds directly to educational institutions where students were enrolled – not directly to students themselves – to cover such items as tuition and fees.

10. Because FSA program awards often exceeded the cost of a student's tuition and fees, the FSA program rules directed recipient institutions to remit any excess funds to the applicable student. Such payments were commonly called credit refunds. Schools typically disbursed credit refunds to students via a direct deposit to a designated bank account, by check, or through a third-party servicer that mailed pre-paid debit cards to the student.

11. Schools required accreditation in order to receive FSA. Rasmussen University was a university located in the United States that was accredited to receive FSA on behalf of its enrolled students. Allan Hancock College was a college located in the United States that was accredited to receive FSA on behalf of its enrolled students.

Ghost Students

12. Beginning in late 2021, the Department of Education began receiving reports from various universities and colleges in the state of California of receiving an excessive number of student enrollment requests. The schools noticed a variety of unusual patterns with the student registrations. The Department of Education conducted analysis of the FAFSA system and identified patterns associated with username creation, common passwords based on identical password hashes, and reuse of the same physical address for multiple students. It appeared that FAFSA accounts were being created using stolen personally identifiable information (PII) of actual U.S. citizens. Once a FAFSA account was created, the fraud actors would enroll in a university or community college. These enrollments, which were in the names of actual U.S. citizens but did not represent the actual students in class – be it online or in person – were referred to as "ghost students." The Department of Education would award a grant or issue a loan in the ghost student's name, and the funds would be sent to the school where the ghost student was enrolled. The receiving school would subtract from the funds received the tuition and fees owed to the school and the remaining grant/loan money would be refunded to the ghost student. The refund was typically remitted to the ghost student via electronic funds transfer to a bank account that was provided by actors facilitating these fraudulent schemes.

13. As the investigation continued, agents identified broader trends of schools in other states beyond California being targeted with fraudulent FAFSA applications and ghost student school enrollments. Agents also identified a pattern in refund disbursements: disbursements in the names of numerous ghost students aggregating into the bank accounts of U.S.-based money mules

before being sent overseas by a variety of means to orchestrators of these schemes. Many of the overseas financial transactions were sent to individuals in Kenya.

14. Identity theft victims were American citizens who had their PII obtained and used without their permission. Identity Theft Victim #1, whose identity is known to the grand jury, was an actual person who resided in Oklahoma. Identity Theft Victim #2, whose identity is known to the grand jury, was an actual person who resided in California. Identity Theft Victim #3, whose identity is known to the grand jury, was an actual person who resided in Minnesota. Identity Theft Victim #4, whose identity is known to the grand jury, was an actual person who resided in California.

15. The conspiracy involved perpetrators located both inside and outside the United States, including individuals in Kenya who directed or worked with U.S.-based co-conspirators. The conspiracy relied heavily on the use of interstate and foreign wire communications.

16. The U.S.-based co-conspirators, referred to herein as "money mules," used U.S. bank accounts to receive stolen FSA funds obtained through the ghost student fraud scheme. After these U.S. bank accounts received the stolen FSA funds, the money mules would transfer the funds overseas using wire transfers and various money service businesses.

17. The defendant, EMMANUEL HILTON, a resident of the Western District of Pennsylvania, acted as a witting money mule by opening multiple bank accounts at JP Morgan Chase and Bank of America for the purpose of receiving fraudulently obtained FSA refunds belonging to identity-theft victims. Defendant later electronically transferred these stolen funds using bank wires and money service businesses to co-conspirators in Kenya.

COUNT ONE

The grand jury further charges:

18. Paragraphs 1 through 17 are incorporated as if fully set forth herein.

19. From in and around June 2023, and continuing thereafter until in and around February 2026, in the Western District of Pennsylvania, the defendant, EMMANUEL HILTON, knowingly and willfully did conspire, combine, confederate and agree with other persons, both known and unknown to the grand jury, to commit an offense against the United States, that is, wire fraud, in violation of Title 18, United States Code, Section 1343.

MANNER AND MEANS OF THE CONSPIRACY

20. Conspirators would obtain, possess, and transfer, and cause to be obtained, possessed, and transferred, the PII of identity theft victims, without lawful authority.

21. Conspirators would use, and cause to be used, identity theft victims' PII, to include names, social security numbers, dates of birth, and other means of identification, in FAFSA applications to apply for financial aid purportedly on behalf of identity theft victims.

22. Conspirators would create, and cause the creation of, false and fraudulent FSAID accounts and passwords in the name of identity theft victims for the purpose of fraudulently obtaining federal student aid funds.

23. Conspirators would create, and cause the creation of, email addresses associated with the identity theft victims for use in connection with false and fraudulent FAFSA applications.

24. Conspirators would file, and cause the filing of, materially false and fraudulent FAFSA applications to the Department of Education, which caused the transmission of interstate and foreign wire transmissions.

25. Conspirators would use, and cause the use of, identity theft victims' PII to enroll in U.S. higher education institutions that offered online classes and accepted FSA.

26. Conspirators would cause the Department of Education to disburse federal student aid to U.S. higher educational institutions based on the materially false and fraudulent representations and promises made in FAFSA applications.

27. The defendant, EMMANUEL HILTON, would open financial accounts under the custody and control of the Defendant at JP Morgan Chase and Bank of America to receive, deposit, and transfer FSA funds.

28. Conspirators would cause the disenrollment of students who were admitted into U.S. higher education institutions under identity theft victims' PII.

29. Conspirators would cause educational institutions to issue credit refunds of FSA funds to financial accounts under the custody and control of the defendant, EMMANUEL HILTON.

30. The defendant, EMMANUEL HILTON, would and did receive approximately $1,065,048.79 in FSA funds.

31. In order to conceal the scheme to defraud, Defendant would transfer, and cause the transfer of, the fraudulently obtained credit refunds between accounts and account holders, thereby concealing their true identities and evading detection.

32. Defendant would use bank wires and money services businesses to electronically transfer FSA funds to co-conspirators. The defendant, EMMANUEL HILTON, would and did disperse approximately $687,477.26 in wire transfers and approximately $231,596.98 using cross-border money transfer platforms.

33. The defendant, EMMANUEL HILTON, would share in the proceeds of the fraud.

34. In order to conceal the scheme to defraud, Defendant would falsely and fraudulently communicate to money services businesses the source of the FSA refund money and the identities of the individuals to receive the money.

In violation of Title 18, United States Code, Section 1349.

COUNTS TWO THROUGH SEVEN

The grand jury further charges:

35. The factual allegations in paragraphs 1 through 34 are incorporated as if fully set forth herein.

36. On or about each of the dates set forth below, in the Western District of Pennsylvania and elsewhere, the defendant, EMMANUEL HILTON, did knowingly engage and attempt to engage in the below monetary transactions by, through, and to a financial institution, affecting interstate and foreign commerce, in criminally derived property of a value greater than $10,000; that is, the transfer of funds from the JP Morgan Chase account bearing account number ending in 4025, to Standard Chartered Bank Kenya LTD, such property having been derived from specified unlawful activity, that is, conspiracy to commit wire fraud, as charged in Count One, knowing that the funds were derived from some form of unlawful activity, as described below for each count, each monetary transaction constituting a separate count of this Indictment:

COUNT	DATE OF MONETARY TRANSACTION	VALUE OF MONETARY TRANSACTION
TWO	September 5, 2024	$14,496.00
THREE	September 18, 2024	$14,430.00
FOUR	October 2, 2024	$22,258.00
FIVE	October 11, 2024	$13,749.00
SIX	October 29, 2024	$12,800.00
SEVEN	November 12, 2024	$10,800.00

All violation of Title 18, United States Code, Sections 2 and 1957(a).

FORFEITURE ALLEGATIONS

1. The United States hereby gives notice to the defendant charged in Count One that, upon his conviction of such offense, the government will seek forfeiture in accordance with Title 18, United States Code, Section 981(a)(1)(C), Title 21, United States Code, Section 853(p), and Title 28, United States Code, Section 2461(c), which requires any person convicted of such offense to forfeit to the United States of America any property, real or personal, which constitutes or is derived from proceeds traceable to the conspiracy, including, but not limited to, a money judgment representing the proceeds he obtained from his participation in the scheme to defraud.

2. If any of the above-described forfeitable property, as a result of any act or omission of the defendant:

a. cannot be located upon the exercise of due diligence

b. has been transferred, sold to, or deposited, with a third party

c. has been placed beyond the jurisdiction of the court;

d. has been substantially diminished in value; or

e. has been commingled with other property that cannot be divided without difficulty,

the United States shall be entitled to forfeiture of substitute property up to the value of the

forfeitable property described above, pursuant to 21 U.S.C. § 853(p), as incorporated by 28 U.S.C. § 2461(c).

A True Bill,

FOREPERSON

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