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ProUni: TCU Auditors found scholarship holders with income above the limit; MEC promises to correct the distortions

BRASILIA – An audit carried out by the Brazilian Court of Audit (TCU) detected irregularities in the Program *Universidade para Todos* – ProUni (University for Everyone). Developed to provide scholarships to the low-income population, ProUni has, among its beneficiaries, approximately 1700 new-automobile owners, including luxury models such as the Mitsubishi Pajero, GM Tracker, Toyota Hilux, Honda Civic and Toyota Corolla. The investigation found evidence of fraud against at least 30 thousand scholarship holders, 8% of a total 385 thousand beneficiaries. The survey was approved by the TCU the day before yesterday. ProUni grants scholarships in private institutions. It is up to these institutions to check the students' documentation.

The auditors cross-referenced the list of ProUni beneficiaries and the National Registry of Motorized Vehicles (Renavam), maintained by the National Transit Department (Denatran). Approximately one thousand full-scholarship holders and 700 partial-scholarship holders own cars manufactured between 2005 and 2008. The auditing took place between June and November, last year.

TCU auditors attested that the income limit for application is not being observed. According to the law, full scholarships, which cover 100% of tuition, can only be granted to students whose monthly family income does not exceed one and a half minimum wages per person (R\$ 697.50). For partial scholarships (50%), the limit is three minimum wages (R\$ 1,395). According to TCU, there are scholarship holders whose income exceeds R\$ 200 thousand per year – more than R\$ 16.6 thousand per month. (See the full TCU report on ProUni)

Another irregularity detected by TCU was the granting of scholarships to people who have already graduated from college, or who are currently enrolled in public universities. When cross-referencing between ProUni data and the students registry of federal universities, and also those of four state universities, among which the State University of the Rio de Janeiro, the auditors noticed that 2,143 scholarship holders attend public institutions, being 956 of them from federal universities.

The investigation showed that 3,561 scholarship holders of ProUni had already graduated from college in 2004, before the program began. This information is in the Annual List of Social Information (Rais), of the Ministry of Labor. Some 123 other scholarship holders also figure in the list of graduates with Student Loans, a program of educational funds by the MEC (Ministry of Education).

The Minister of Education, Fernando Haddad, has promised that ProUni will undergo a screening process, and announced measures to correct the mistakes, among which requesting the Federal Revenue to assess the Income Statement of scholarship holders and their family members. For the second half of the year, the candidate will have to inform his/her parent's taxpayer number (CPF).

Haddad emphasized that the income limits are to be assessed at the moment the candidate is admitted into the program. According to the Minister, it is desirable that the student finds a job or an internship and increases his/her family income. He also said there will be inspections whenever "substantial changes" in income are perceived.

Haddad avoided challenging TCU, but he made it clear that he was not satisfied. He highlighted

that out of the 57,850 scholarship holders who own cars or motorcycles, only 39 have luxury models. According to MEC, 75% of the vehicles are more than ten years old, and 41% are motorcycles. Two days ago, the Minister requested the TCU hearing to be postponed, due to conflicts in calculation of the cost of scholarships and in the percentage of vacancy in the program: according to the court, 42% of the scholarships were not used. MEC claims that percentage was 11.7%.

Out of the 39 luxury cars owners, ten were cut from the program, according to the Minister. He affirmed that, due to an error that occurred in the ProUni system, the CPF of a coordinator is registered as that of a scholarship holder, which explains the income distortion. MEC notified 219 institutions that have scholarship holders that figure as federal university students. According to the Minister, they will be guided to leave the federal institution.

The Minister denied the fact that the irregularities may be a threat to ProUni's continuity. MEC has already notified 74 institutions that offered low percentages of scholarships, and 93 that did not admit new ProUni students this year.

- "It is the Federal Government's most successful program" Said Haddad.