



[ROBIN MINOR:] As I indicated, the School Eligibility Channel is located within the Division of Program Compliance, and so I know it may be disappointing to some of you that even though Secretary Duncan indicated on yesterday that we are going to become less compliance driven, the Office of Program Compliance is not being eliminated. We are here to stay. However, in the spirit of transparency of the current administration we wanted to give this presentation today to give you some insight into our current processes of oversight in the area of consumer protection and also a little heads up on some of the things we have planned for the future.

We thought it may be helpful before we go into that just to do a little background on the schools that participate in Title IV. As you can see, of our main populations, the proprietary, public, and private not for profit is pretty much broken down evenly, about 34% of proprietary schools and following that about 31% public and 28% in private nonprofit, and then we have roughly 400 foreign institutions that participate. The 1 significant difference, however, is when you look at the funding. The public institutions make up almost half of the funding that is disbursed, about 47%. We have roughly about 6100 institutions participating totally and for the '07/'08 year had about 86 billion in financial aid. You heard Secretary Duncan yesterday indicate that that had gone up to 96 and that we were well over the way of exceeding 100 billion for the current academic year. Ironically, the number of schools really doesn't change much from year to year, the total number, because some schools come in, some schools go out, so we always end up somewhere in the range of about between 61 and 6200 schools.

We also thought it would be useful to just review our current mechanisms of how we conduct oversight of institutions. What you have here is kind of a circle of the mechanisms that we utilize. For eligibility review, every institution has to come through recertification at least once every 6 years. For some institutions, it is less, depending upon the length of the participation agreement that the school currently has. We also look at the schools when they come in to add programs or additional locations to make a determination as to whether or not we think the school is administratively capable to take on those additional responsibilities. Each year every institution has to submit an annual compliance audit and financial statement conducted by an independent auditor, and it is our responsibility to resolve those audits.

The next one, data analysis, is an internal process that we have where we actually can conduct our own internal analysis based upon the information we have on the school, and what we try to do is identify outliers. So, we, for example, would look at an institution that has a high amount of loan volume but none or very little adjustments to the loan amounts. What that may indicate to us is that the school is not making RT24 refunds, and so it doesn't mean that that is the situation, but it means we will take a look at that school. So, we identify a number of indicators each year, and then we run analysis and identify the schools that fall outside of the norms and take a look at those institutions.

The last one on the sofa is program reviews, and we think most people probably feel like we do most of our monitoring through program reviews and, actually, we do not.



We actually look at a larger number of schools without actually ever stepping on the campus. We probably review anywhere between 37% and 52% of our institutions every year through what we call a comprehensive compliance review. We are looking at the data we have in our system from the institutions, and we are looking at data we've collected, the data we've collected through the audits, through the recertifications, through information coming in through other external agencies, and so I do want to give you a heads up, though, that we will be conducting more program reviews in the future, and we will be hiring additional staff so if any of you are interested in coming over to the other side, we are looking for a few good men and women, so please let us know because we will be doing some substantial hiring in the future.

We wanted to start by providing some background information on just what the general requirements are in the race regarding consumer information, and we've provided them here. The basic information most people are aware of is providing information on the type of financial aid that you offer, the cost of attendance at the institution, how you apply for financial aid. Those are pretty standard, and they are defined very specifically in the regulations. Under the miscellaneous information, you're providing information such as your facilities and your faculty, the accreditation. There have been some recent changes in HEOA that have added additional things to what is being required, and they are being covered in detail in another section, but I did want to go over some of the high level new requirements. There are now policies that the institution must disclose on their student's ability to transfer credits to other institutions. There is a requirement that institutions provide information on their student body diversity based upon their PELL recipients. There are requirements now for retention rates, information on placement and the employability of their students, and also information on what professional programs their students who were in 4-year programs proceeded into.

Also, as kind of a sign of our times, there are some additional requirements on policies regarding missing persons/vaccinations. Most of the schools have to now develop a fire safety report. There are policies required on your evacuation and emergency preparedness and response process and procedures, and my staff asked me to also use this time to make a plug for having you update in our system your alternate contact information in the case of disasters and emergencies. We've sent out a couple of emails and solicitations for you to provide that information to us, and we are looking for personal contact information. You know, the first thing we heard was "well, why do they want my cell phone number." Well, we want an alternate contact to be able to reach out to someone at the institution in the event the institution is closed, and we want to check on the status and provide information as to what the institution needs to do or to see if there is any assistance we can provide.

There is also a requirement now that you provide policies on what happens in the event that the student or your students utilize unauthorized copyrighted material, so I relate that to downloading music now is a popular thing on campuses. So, those are some of the new requirements in the HEOA, and then if you've been in financial aid as long as I have, which is over 30 years, you realize that whenever Congress wants to implement any new policy they tie it to Title IV financial aid. Hence, we have Constitution Day,



which means that on September 17th of each year the institution is required to have a program that addresses the signing of the Constitution.

Drug and alcohol abuse prevention: These are policies that talk about what penalties your school will implement in the event of an issue of a violation with drug and alcohol abuse, providing information on counseling. All of that has been around for a while. Some of the new things here, however, would be that now there is a requirement that a very specific and distinct statement be provided on the penalties that are assessed for drug and alcohol abuse. Completion and graduation rates for student athletes: That has been around for a while. It is basically disclosing what scholarships you are providing to your student athletes. Equity in athletics has been around for a while. That is basically the institution providing information, which demonstrates that there is equity in their male and female population when it comes to the distribution of scholarships on campus. Student right to know pretty much encompasses all of the reporting requirements on completion and graduation rates and in student right to know there is a way that we monitor compliance, and it is basically through the submission of the IPEDS report and for the most part, institutions comply with that. We typically have a handful of institutions each year who don't submit the IPEDS report, and the penalty for that is the assessment of a fine. For some reason this year, we had twice as many institutions that didn't comply. Still not a large number, about 30 institutions, and the largest fine this year was a little bit in excess of \$30,000. The fines can range so far in the past from about 1000 to \$50,000.

Campus security: I am not going to elaborate on because Geneva is going to go into that pretty extensively. FERPA is simply providing students their rights regarding their records at your institution, their rights as far as having access to them and information on how that information can be disclosed. And then, the safeguarding customer information: The main thing I wanted to say here is that postsecondary institutions are held accountable to the same standards that the FTC applies to financial institutions, so there is a requirement that you have a policy in place for the safeguarding and security of your information.

Next, I thought we would go into a couple of the common program review findings we have in the area of consumer protection. The first one is crime awareness requirements are not met, and typically what happens here is that we identify an institution where their policies are insufficient, and the remedy for that normally is that we ask the institution to revise the policy and resubmit them to us and we review them. This also can encompass an institution that has been cited for not providing a timely warning. That would be the case when there has been some incident on campus, and a determination is made as to whether the school acted promptly enough or not; also in this category would be misreporting or failing to report at all. A lot of what we see is underreporting, reporting in the incorrect classification. A lot of times what we have seen in the past is that the drug and alcohol abuse cases on campus are underreported. We see where institutions don't report the information that is provided to the local police station rather than being held directly on campus. For these type of violations, unlike a typical finding, which for example if there were a finding where you didn't make a refund, the liability



would be the amount that was supposed to go back into the programs. However, because there is no dollar liability assessed for these particular findings, they are referred to our Office of Administrative Actions and Appeals Division for consideration of a fine and as far as these crime awareness fines in the past, the regs provide that we can assess \$27,500 for each occurrence, and occurrences can be defined differently. It could be the number of times that was underreported, the number of times the school failed to make a timely warning. It really depends upon the situation. Just to give you a little history, so far the largest fine that we have imposed for failure to comply with the crime requirements is a little bit in excess of \$300,000. The 7(1) consumer information requirements not met: Typically this would be just that the information and all the other information I previously discussed has not been provided somehow to the institution's community, and you could provide this information a number of ways. You can utilize the federal publications that we have that describe the Title IV programs. You can post it on your website. It can be part of your catalog. It can be provided in a number of different places as long as all of the information is being provided. So, when we identify this, typically we give the institution an opportunity to correct this, to update their policies, to add additional policies. It doesn't mean that we can't assess a fine, but typically we give the institution an opportunity to remedy this. If you don't mind, if we can hold the questions until the end, I just want to make sure we get through everything, and plus Geneva may cover some of this.

The next set of findings that occurs in the area of consumer information and protection is in the area of misrepresentation, and traditionally these have been the findings that have been most difficult for us to identify, and that's because it is very rare that an institution will put in writing an incorrect statement, and normally we identify these type findings through our interviews with students. However, there have been situations where we've gone onto a campus and we've been able to identify a misrepresentation finding just from the documentation. So, some of the findings we have identified are the institution published false information or made claims that it couldn't substantiate, and that would be something like they had in their advertising material that they had a 90% placement rate, but when we asked for documentation to back that up they don't have the documentation or the documentation indicates otherwise. The false and misleading advertising is an issue that has taken priority in this current administration. If you've been watching a lot of what's been happening, what's been going on in negotiating rulemaking, this is an area where we'll be stepping up our ability to monitor this, and that's the reason that some of the new initiatives that I'm going to be talking about that we've attempted to put into place.

As I indicated, the second one, information obtained from student interviews, is when you have a student interview, and a student is providing you information, it is still very difficult for us to finalize a finding here because you could have 1 student indicating "I was told this," but the institutional documentation indicates differently, and the institution is saying "but that's not what we said." In this particular situation where we had this finding, it was pretty clear from the students that we interviewed that there had been a misrepresentation. It was a case in which students were enrolling in a program, and what they indicated to us is that they were entering this program and were being told



that when they completed it they would be qualified to move on into this certain career. Well, what we ended up finding out was that for this particular institution and this particular program they did not have state approval for their students to take the license that they would need to pursue this career path, so when we had a group of students indicating that to us and it became pretty obvious you would not have students enrolling into a program and paying money for which at the end of the day they would have no use for it, we were able to sustain a finding in that particular case with the student interviews.

Misrepresentation of an educational program can be pretty widespread. It could be the case of, and what we've seen is, a program that has an externship attached to it, and the institution would indicate that we will provide you an externship at a certain point in this program prior to you completing. However, when it comes to that point in the program, there are no externships available. You may have 200 students in the program, and there are 5 externships being offered. They [inaudible] misrepresentation to those students. In one of the cases that we had, those students literally just had to cease their enrollment until the school could place them in an externship, and in 1 of the cases that didn't happen, so you basically have students who have excluded a significant amount of time in being unable to complete the program. It also could include things like advertising that we offer. "We use state of the art equipment" and once the student enrolls and you go into the classroom and it's a computer course where you are being taught to repair computers and the systems are 10 years old, well, that's not state of the art; would not be useful for a student with the way technology changes on a regular basis.

And then the last one, misrepresentation of consumer information, could again be a number of things. One of the examples we've seen is when an institution has applied to add an additional location, and the institution is in a situation like being provisionally certified where they have to wait for approval from the department before they can make disbursements at that additional location. However, they advertise and enroll students and indicate to students that they are eligible to receive Title IV, then that is a misrepresentation of the basic consumer information. With misrepresentation, there can be some pretty severe penalties here. If we're able to identify that fraud has occurred, then we're going to refer the case to the Office of Inspector General, and they will pursue it on a criminal basis. We had, a recent situation with a misrepresentation, where the institution we initiated a fine in excess of \$6,000,000. In the most egregious situations, then we can start an emergency action and progress to a termination of the institution, so it really depends upon the level and the extent to which the misrepresentation has occurred. As I indicated, because typically this has been an area that has been pretty hard for us to identify, we are engaging in some new initiatives, including having discussions and negotiating the rulemaking around regulation changes that may impact this.

We've listed here the high level categories of what's being discussed in Neg Reg, but I wanted to focus on the one that's most relevant to our topic today regarding gainful employment in a recognized occupation. Currently, the regulations state that at



proprietary institutions and non-degree programs at all institutions in order for their program to be eligible the program has to lead to gainful employment in a recognized occupation. There was a recent exception with proprietary schools for their liberal arts programs. Gainful employment does not have a definition. It is not defined in the regulation, and so this is currently being discussed in Neg Reg. How will we determine what is gainful employment? Will it be based upon the salary that the student is able to obtain? All of that is in discussion at this point. "Recognized occupation" is, however, defined in the regulation, and it is defined as an occupation that's included in the Department of Labor's Dictionary of Occupational Titles. Currently, when you submit something on the E-app, a program on the E-app that falls into this category, you are asked to provide the CIP code, the classification of instructional program code, along with that program, and we've utilized that in the past because that's the code that the Office of Postsecondary Education utilized, and we did it for consistency. The regs actually indicate that the DOL codes are what should be used to identify what's considered a recognized occupation, so we're in the process of looking into requiring that in the future when you add these non-degree programs or the programs at proprietary institutions.

We're working with the Department of Labor. One of the partnerships is to have it so that we have a link directly into their website so that you would be able to go in and link directly to the career that would be applicable to the program. There are a lot of nuances around that, however, that we've submitted to be discussed, in Neg Reg. For example, How many careers would you have to link to? Or would it apply to all schools? So it is not definite, but we want to give you a heads up that this is the path that we are looking at going into. As I indicated, we don't need a regulatory change to actually do this because the regs actually currently require it. We've just been utilizing the CIP code instead.

This is the same circle that I'd alluded to before, but we've added the box of partnerships. We've always traditionally had certain partnerships, and so what we're doing now will be enhancing those partnerships and developing new ones, and we're trying to take advantage of other agencies, federal agencies or state agencies, who also have oversight of consumer issues that we can leverage off of the oversight that they're doing instead of basically creating the ball all over again. Some of the agencies that we have developed these partnerships with are the Federal Trade Commission, the Department of Labor, FBI, Security and Exchange Commission, and then our traditional partners of states, accreditors, and GA's. In addition, about a month and a half ago, maybe 2 months ago, the White House had an initiative where they created an inner agency, I will call it a task force of federal agencies, to collaborate on consumer protection issues and to have discussions about how we could continue to leverage each other's resources in the future, and those agencies included the Department of Education, the Department of Labor, Treasury, Justice, Veterans Administration, and IRS.

With the Federal Trade Commission, we've always had somewhat of a relationship with them, but we've enhanced that recently. The Federal Trade Commission has a website



called Consumer Sentinel, and what that is is a repository of complaints filed by consumers on behalf of all different types of organizations, including postsecondary institutions. The website is available to law enforcement agencies and because of our oversight responsibilities, we were able to qualify for access to it. So, how are we going to use it? We basically can go in and do a search on a particular complaint type, and we'll indicate that we want schools, postsecondary institutions, and it will produce for us a list of any complaints that have been received on postsecondary institutions. We also, as we're preparing to conduct a program review, can go out to the website and just search on that particular institution and see what complaints have been filed. In addition, we have our own internal complaint system. Whenever we receive a complaint from a student or an external party, we log, we track, and we respond to that, so we now have the capability of providing that information to the FTC, so we will be sharing information on what type of complaints are being received on behalf of postsecondary institutions. This is beneficial to us because a lot of times in the past students wouldn't necessarily come to the Department of Education when it was a complaint regarding misrepresentation of an academic program, so this would give us the benefit of having access to that information. We had a question in the session yesterday regarding "do we give the institution an opportunity to respond?", and definitely so. When we receive a complaint, the first thing we do is basically try to make a determination as to the legitimacy of it. Having worked in the financial aid office for many, many years, we are well aware that students sometimes misinterpret the way things need to be done or they think they can get their money 3 months before school starts or whatever, so we make a determination as to whether or not it's a legitimate complaint. If it seems to be a legitimate complaint, then we will conduct our research, and the first thing we normally do is contact the institution to figure out exactly what happened and give the institution an opportunity to respond. The only time that we would not be able to notify an institution that a complaint is going on would be if it is a qui tam, and we don't have the qui tams. Those are handled by our Department of Justice. It may start out in our office. It may be referred. It may result in a qui tam, and in those situations we are not allowed to notify the institution.

[AUDIENCE:] [inaudible]

[SPEAKER:] Oh, I'm sorry. Yeah. Geneva's going to cover it in detail, but it's basically a lawsuit by a group of students or a private party, but she'll give you a little more information. Traditionally in the past, we've always had, as I indicated, relationships with the FTC. We provided links on our student aid awareness websites to the FTC websites to give them information on scholarship scams. It gives them a link to the annual report on scholarship scams. It's filed with Congress each year. There are links to different fact sheets that are published on how you chose the right college; some of the names of them: Don't Get Scammed On Your Way to College, Need Training for a Job, Student Loans, Avoiding Deceptive Offers. So, we've always had that relationship where we provided information, and then other partnering initiatives are we are working with each other on different guides and publications. The FTC is in the process of updating their guide that they use to monitor private vocational institutions and distance ed institutions, and so they solicited from us and we provided feedback to them on that



publication. We're also in discussion with them on providing a joint publication on business practices and guidelines to the institutions that we have common oversight responsibilities for.

With the Department of Labor, I talked a little bit about how we will be attempting to link into their website to utilize their occupational titles. In addition, they have a website, www.careeronestop.org, that's an excellent resource. We've added this to our websites for students to provide information on careers, on salaries and benefits, education and training that's needed for particular careers, and regional economic development. It has information, for example, that if you live in the Midwest you really shouldn't be pursuing a career in this particular field because there is an overwhelming number and they're all unemployed, so that type information is provided out there. Probably not in those particular words, but you get the gist of it. And also, we are including it in our training for financial aid administrators because it's an excellent website for schools to utilize to assist them in providing some of this information to students in the future. As I indicated, this consumer protection is a high priority for this administration and so we don't know all of what's going to come out of Neg Reg, but what you really should be doing is to be getting prepared for what you may need to provide. So, at this point, I'm going to turn it over to Geneva. She's going to get into a little more detail on the Clery and some of the other external partnerships and internal partnerships that we have and then we'll take questions afterwards.

[AUDIENCE:] [inaudible]

[SPEAKER:] She wanted some examples of student complaints, and we'll do that when we get into the question and answer section.

[GENEVA LEON:] Hello everyone. I know that at this point I'm the only thing keeping you from lunch, so we'll see if we can move this along. As Robin indicated, we do have an external partnership with the FBI, and I thought, well, let's talk a little bit about that. You're probably wondering what are we doing with the FBI, and I also wanted to mention Session 25 for General Provisions. If you haven't gone to that, you might want to go to that. They have a little more information about consumer information that you might want to get. I know there's one, I think, this afternoon and another one tomorrow, so you might want to go to that. They are giving a lot of the new changes for HEOA. There are so many different federal agencies, as Robin mentioned. The White House initiative is saying they want us to partner more, so as we learn of other agencies are also having monitoring and enforcement around different issues that we can leverage, that's what we're doing and heading towards in all of our different partnerships. But with the FBI, of course, we've always worked with the FBI for any kind of white collar crimes that they're involved with, and that's where we're giving information to them. At times, we're testifying with them to help build the case, but we're also now in a partnership with them on campus security reviews. We identified that they have an office that goes out to different states and reviews the uniform crime reporting, and they're looking to make sure that the states are sending that information to them correctly,



Are they accurately reporting this information? Well, within that, occasionally they would also visit a university's police department and audit them as well in their UCR reporting. So, what we're doing now is each month, they try to do at least 12 a year, they're picking a state and within that state review they're also picking, if there is one, a police department within a university that they can also do an audit of. Now, when the FBI comes out there, they're very quick. They're pulling maybe 200 samples of different incidents that have happened, but they're checking to make sure that they have been correctly reported through their UCR reporting so since they're there, we're also now monopolizing on that and coming out as well and opening a Clery review. Our review generally will be about 3 days, and we camp out at the police department. Certainly, it's not at your offices, and you're probably happy about that, but it's still within your campus, so looking at your campus as a whole, it can still be problematic for them if we're finding problems with what they're doing with Clery, so we're coming out there with the FBI, certainly they're the experts in crimes, and they can help us with any particular situation that we're finding and assist us with resolving any gray areas of the different instances that we've discovered in our findings, so we're partnering with them. We're also partnering with them with data analysis. They do have this huge database of all the different crimes across the country for the UCR reporting. They're going to now look at our data that we collect on Clery that the schools send to us and do some analysis of that and do some comparison with their database, and certainly the data is not matching because Clery is not all UCR or UCR is not all Clery, visa versa, but there are still some outliers that they can identify for us and potentially give us information. That's a new initiative for us. We haven't gotten any results of that yet, but we're looking forward to seeing exactly what that will produce for us.

Of course, again, why partner with the FBI? It's all about trying to protect the campuses and the students and the individuals working on the campus, to help them. So, with their trying to make sure that they've got accurate data, we're also trying to make sure that the schools are presenting accurate data to the students. So, what are those requirements? This all started almost over 20 years ago with a young lady named Jeanne Clery that was brutally raped and murdered on campus in her dorm. Her parents had no idea that there had been quite a number of crimes happening in that particular area within the past 3 years, so they and many other victims' families persuaded Congress to enact the new rules around Clery reporting, and that actually started back in 1990, so almost 20 years ago. We've been doing this for a while. Of course, the first thing you've got to publish an annual report. It's got to go to all of the community, the entire campus community, the employees, students. If you choose to put it on a website, you still have to make notice to everyone to let them know where that website is, give a general summary of that information, and then if they choose to get it in paper, you still have to make that available as well, so there are still things you need to do besides just putting it on your website. Reporting to us: Usually, reporting to us these 3 years of data is done in late summer. For instance, the calendar year '08 was reported in October '09. On the timely warnings, they actually have a new HEO change there where they've added immediate, that the timely warning has to be made immediately. I think there was lots of discussion about possibly putting a timeline on that, where they talked about 30 minutes, and then they decided, you know, even 30



minutes may be too late, so it's really up to the campus to come up with their policy for timely warning and what's the quickest way they can get that information out to the community. Your crime logs have to be available. The crime logs are going to include more than just Clery crimes. It's going to include any kind of crime. For instance, theft is not necessarily a Clery violation, but certainly you have crime that's done within the theft department. We do have burglary and robberies, but we don't have the theft within Clery.

Also, in 2010, I think Robin hit on that a little bit, when you're publishing an annual report for campus crime you now also have to publish a fire safety report. Many schools are opting to do this all at once, so the report is included with the fire safety and the campus security in 1 particular report, but you don't have to. You can still do these separately and, of course, the fire safety is if you have student housing. So, it's if you have student housing then you're required to do the fire safety. Also, the emergency response is being added this year, and you also have to have regular drills for your emergency response. A statement on the missing students notification: Again, if you have the housing you have to have your missing students statement. So, what happens when we do these Clery reviews with the FBI? As I mentioned, we do about 12 a year. Once the FBI is deciding what state they're going to visit, then they will also always choose a university to visit as well. We will send a notice out to the university that we'll be on site to do our review. We do generally stay at the police department. We try to include the financial aid department to let you know that we're going to be there.

It's been interesting going to some of the police departments. They're very good at policing, but their recordkeeping needs help and, certainly, it's probably something you could help them with amongst your other many other things. We do have an FSA assessment that could help them kind of audit themselves, an evaluation. So, when you go there many times and ask them for an audit trail of what they presented in their annual report or what they presented to the Department of Ed, they say "well, we don't have a trail named audit." No, I mean paperwork. Do you have paperwork that backs this up? So yeah, we have a lot of problems with that and generally that's one of our highest findings is them not being able to document the numbers that they presented to us. We had an institution one time, the police department, he sends in the number. I think it was 40 violations for alcohol, and it was really supposed to have been 440, so that's a huge typo to make, and it's just that they're just not that good at their recordkeeping and, unfortunately, that then results in fine actions for us because it's a Clery violation, and it was misreporting and it turns into a dollar figure for an institution. So, once the FBI is out there on site, they're actually pulling incidents. They usually look at the part 1 crimes, the major ones, the murders, the sex offenses. They're looking at the most recent 6-month period, whereas we're looking at the most recent closed year, so any that we do currently we'd be looking at calendar '08 data for our particular review. When we're out there, we're not only looking at the police crimes, we're also looking at disciplinary actions. That's where you find all the drug and alcohol and weapons issues are, over on the disciplinary side. Many universities make sure that all of their disciplinaries are also, if it's a crime, a reported crime, but then we have others that aren't as good at that, so many times our disciplinary actions we're



identifying underreporting by an institution, but those are the different things that we're pulling.

Once we complete our review, we're going to issue a program review report to the institution. They're going to have an opportunity to respond. Within our program review report, we will also include the FBI's, they call it a QAR. It's a quality assessment report. If they have findings as well, those findings will be included in our report. The institution responds. Then, we'll issue a final program review determination. As many of you know, the Clery's don't result in a liability, but they are subject to fine actions, so we would then, if there are findings, refer it to our Administrative Actions and Appeals Division, and they would issue a separate fine letter. I briefly mentioned these guys before, and I think if you went to our Top 10 Program Review and Audit Finding Session they also talked about these, the FSA assessments. I can't reiterate these enough. There are checklists in there. If you go back through all of your consumer information that you are required to give to students and to the community, you can use these, the checklists. They need to update them for the HEOA. Those pieces are not on there yet. Of course, many of that is not totally final yet, but the plan is to get those updated with the new requirements as well but for at least now, they're great checklists to use to go back through and make sure that you're providing all that you need to provide, and there's a checklist on every single consumer requirement that's out there.

Other external partnerships: Robin briefly mentioned the SEC, Security and Exchange Commission, for our publicly traded institutions. We've had a few meetings with this group to identify areas that we can partner. Certainly, they receive complaints. We receive complaints, so we've worked out a referral to and from on any particular complaints that we get about an institution. We're sharing information. Once the SEC has actually taken an action, they put all of their actions out on Lexis-Nexis, so we've provided access rights to many of our staff to use that system to do research on. We also have our quarterly statements that we look at on a regular basis that the SEC produces on our publicly traded universities.

State government offices: The states we've been working with for quite a while. We did recently add, though, contacts for all the attorney generals' office for student complaints that we get that really are more of a state nature. We will refer them to the appropriate attorney general's office for resolution, so we have all of those particular contacts updated and ready to go for staff to use. Assistant U.S. attorneys' offices we work with also on a regular basis. On cases that they are taking, we're also a resource for them. The licensing and higher education offices: These are the 2 offices that we've had a partnership for several years, at least 15 years, where we share data. Any of our final outcomes we're sharing. If we have a final program review determination or a final audit resolution, a letter of credit information, any type of actions that we're taking, denials, termination actions, we're sharing with the state offices as part of our partnership and in turn, they do the flip side of that. If they have actions that they're taking against an institution or pulling licensing, they're sharing that information with us as well or if they go out and do reviews of an institution and identify problems, they're letting us know what's going on and what they found. We actually have an annual meeting that we



attend and partner with the state regulators called NASAP, and that's where we actually provide training, receive training, share information, and actually discuss different cases that we may have, so it's kind of like an oversight triad, and the other group that participates in this is the accreditors.

The accreditors also come to this national meeting as well as some guaranty agencies, but with the accreditors, our final outcomes, the same thing, same type of sharing of information with the accreditors and then on the flip side any actions that they're taking at any of their meetings, they're also sharing the results of those with us as well.

The guaranty agency: As many of you know, the guaranty agencies also perform program reviews. Once they've done a program review they're actually entering that data directly into our data system, the same system that you use for the electronic application that we call PEPS. They're entering their program reviews. We're looking at that information. The guaranty agency can even do a referral for an institution for a termination consideration to our Administrative Actions Office as well. They do a lot of outreach, technical assistance, and again also they'll refer to OIG. We have a standing requirement that any time there's suspicion of fraud of any nature it has to be referred to the Inspector General's Office, and that same premise is available to you as well, so anytime that you're seeing something like that, either individual or whatever, you can also refer that information. They have a regular 800 number. It's called 1-800-MISUSED, so that's the OIG hotline number that you can report any type of fraud to, but in addition to us, the guaranty agencies refer to OIG or they even refer to us if it is not necessarily fraud but they see that there's some noncompliance issues, they'll refer that information to us.

Now, let's just go briefly about some internal partnerships. Of course, as we grow with databases and we get additional data, as we do with our COD system, our CPS with the FASTA data, our NSLDS, with all of the Title IV recipient data in it, we have that data available to us, so we're sharing a lot of information. Our business operations folks, they're getting the results of your reporting. If they're having reporting problems or they're seeing reporting problems from your institution, they're referring that information to us for a possible program review, so if you're getting requests from our operational folks or some of their contractors to do different reconciliation or resolve an open issue or your failure to report certain information, you need to resolve those because the next thing that the operations group's going to do is refer that information over to us for us to take a further look and possibly do a program review. We've been working quite a bit with them in preparation in case the law passes for 100% direct loan transition to help with anything that they need in that arena.

Office of Postsecondary Education: They're our policy folks. We work with them on a regular basis. This is where you would send your IPEDS data or report your IPEDS data; also, where you report your campus security information, so any time there's a failure to report, that office is referring that information over to us again, and when you miss those reporting requirements, that actually goes straight to our Administrative Action and Appeals Division for a potential fine for missing that reporting requirement.



Other internal partnerships: Again, the OIG. We make referrals to them. We get referrals from them, cases that they're not going to take and do an investigation or an audit of but are still noncompliance. They'll refer that information to us for further investigation. Any time the OIG does an audit of an institution they'll send you a draft audit. Then, they'll send you a final audit. That final audit actually comes to our offices for resolution, so we will do the final determination on an OIG audit. Now, on the slide it says auditor QCR. That is a quality control review. The additional work that the OIG does is if you have a problem with an auditor or if we've gone out and done a program review and found significant findings, but the school's audit came into us clean for the same period of time, we would question that auditor's work and so, in doing, we would actually make a referral to the OIG that this auditor apparently missed a lot of things or potentially missed a lot of things, and they would decide whether or not they were going to do a quality control review of that auditor's paperwork. So, they'll actually audit the auditor but, certainly, if you're finding you're having trouble with auditor as well you can refer that to the OIG and they'll look into it further. We have a new initiative with the inspector general's office where we're going to be talking about data analysis. It's actually a reinvention of an initiative. We did it once with them already, where we kind of just talk about what are the fraud areas that they have seen and then what data do we have that could potentially identify that fraud, and I think Robin mentioned one earlier about the high number of loans with no or little adjustments to those loans could potentially mean that there was an RT24 problem or a refund is just not being made, so in doing so, in identifying those data outliers, we identified, I think there were, like 20 different schools or more where the OIG did investigations/audits and we did program reviews. So, we're getting ready to do that initiative again and identify what are the most recent fraud issues that they're seeing and then what data do we have that could potentially tell us where this fraud could exist. It's sometimes like finding a needle in a haystack, but there actually were quite a number of cases where they came up to the top of the list on the initiative we did before, and absolutely we found fraud, unfortunately.

Also, general council, these are our lawyers. Robin mentioned qui tams. These are the whistleblowers or informants that are coming into the Department of Justice and then they're contacting the Department of Ed to say do you want to intervene in with this case or, you know, what's the history that you have? So, those are always on a need to know basis. If you have a need to know that this exists, then you're involved. There may actually be cases we don't even know about because someone has decided we didn't have a need to know but, certainly, if we have information about what's being claimed, they would come to us and ask us for additional information or whether or not we have sufficient evidence to intervene in that case as well, but those are qui tams. So, we work with the lawyers on those and, again, we have advice if we're having settlement agreements on program reviews or audits or if we're doing teach-out agreements, it's our lawyers that are handling all of those agreements for us.

This is us. This is the school participation teams. I think you also have all of this contact information in the other handout that you have, but for this one it kind of gives



you a little further delineation as to who we are. Victoria Edwards is our chief compliance officer and then Robin Minor, who is in charge, the general manager, of our school eligibility channel, and then you'll have 3 different kind of clusters or divisions where we have the different teams that report under us. If you notice under the yellow block, there is me. I have the northeast part of the country, so the Boston, New York, and Philadelphia teams all report to me, and then I also have the foreign schools. These are schools that American students can take their loan money and directly enroll in that institution and get their degree from that institution, so they actually have to be eligible as well, and then we have a new office, the campus security office. Since we've started this partnership with the FBI, we've actually staffed up a small office of folks to handle this particular work, but then on over we have Carolyn White, who has Atlanta, Dallas, and Kansas City. Carol is also here, so if you would like to meet her, talk with her, she is wandering around at the conference, and then our northwest sector is actually vacant right now, so as Robin mentioned we're going to be staffing up, so hopefully we'll get the permission to hire soon on that but, again, those are the teams in the northwest area that all report. These positions are all in Washington D.C. but then, of course, our teams are across the country. So, that's all the contact information, the states that they have within their purview, their area case director who is in charge of the team, and then all of their team leaders. All of that information is on that sheet, so it should be a handy piece of paper for you.

Okay, I think at this point we can entertain questions from the audience. We are being taped, so if you would please come to the microphone if you have a question so that everyone can hear the question. If you would also, state your name and the institution that you represent. So, if you have questions, by all means we're here to respond to those. I think you're going to need to use the mic.

[LOIS MADSEN:] Thank you for your presentation. It's been very helpful. My name is Lois Madsen. I'm with Vatterott Colleges, St. Louis, Missouri. The question I have is the FSA assessment tool related to consumer information, how current is the information on the assessment tool? Has it been updated for all of the recent changes to consumer information requirements?

[LEON:] It does not have the HEOA changes on there yet because many of those are not final but as soon as those are final, they're going to be updated to include that.

[MADSEN:] Thank you.

[GENEVA LEON:] Any other questions?

[MINOR:] There was an earlier question about examples of some of the complaints that we receive, I mean, and it's really all across the board. I mean we have student indicated that they never attended the institution but they found out when they tried to go somewhere else that the school had disbursed or drawn their money for them. We've had complaints about they aren't being issued the credit balances, that the program didn't do what the school promised it was going to do. We've had a complaint



that instructors never showed up, so it can be all across the board. I mean, literally, and that's why I say we literally have to go through and make some determination one as to whether or not it's anything within our purview and if not, whom do we refer it to.

[DONNA PRICE:] My name is Donna Price and I'm with Austin Peay State University in Tennessee, and my question is, well, on our campus I try to be the leader in disseminating the new information for the changes, but how are other entities, such as campus security, oh I don't know maybe student affairs and those types of folks, are they also notified through their professional contacts? How are they notified of things that really are not directly related to financial aid but campus requirements?

[LEON:] Right. From what I understand, everything goes out on IFAP. When there's a particular group that need to know this information, we try to get it out to other group organizations so that they can also get it out to their group of folks. We always include the financial aid officer in hopes that the financial aid officer will also coordinate this information within their campus or even in the president's office. It goes to their office, and then we expect that office to disseminate this information and we try to include something in the language that says please make sure that your police department is getting this or whomever needs to have this information is getting this information but, certainly, if you are able to help with that coordination, that's great. I've actually attended some of the police department conferences where we try to share this information and provide training on Clery to the group of folks who would need this information. So, there is a combination of things on how we've gotten this out.

[PRICE:] Yeah, we do try to be a leader at our campus for that. However, I'm always paranoid that, you know, maybe I won't see some information, and so I just wanted to know how that got out, so thank you.

[LEON:] Sure. Any other questions? For those that are leaving, enjoy your lunch.

[AUDIENCE:] Okay, first of all, I find it's very difficult to get the penalties for the drug and alcohol abuse things for each state and is there any way you can help us more with that because I'm a small school? I don't have like a big staff to comply with the, you know, the drug and alcohol policy for example. We have to give them the penalties and the, you know, of using or being caught with whatever it is for selling. I got it for the State of New York, but it was very, very hard for me to get, and I guess they update it from time to time, and I don't know when it's updated. Is there any way that your department can help us, like maybe provide for us in 1 place whatever state you want the information for just call us here or notify us here and we'll give it to you?

[LEON:] Yeah. I mean, it's really a state requirement that you need to get that information. We're hoping that schools within that state would be able to get that information.

[AUDIENCE:] It's hard. You wish you did but it's not easy. How are you going to get it?



[LEON:] Yeah. It's certainly a nice thing to do, and I can certainly take the suggestion back or if you want to write it down on your evaluation sheet. Ooh. I was supposed to remind folks.

[AUDIENCE:] Any help that you can get us.

[LEON:] Strongly agree. Strongly agree. Do your evaluation for this session, but if you want to write that down and, certainly, if there are any other things that you want us to speak on in the future, you can put that information on your evaluation as well.

[AUDIENCE:] Another thing, also, would it be possible for the school participation team or whoever it is, the top person, to take anonymous questions from schools so we can call and ask a question without your logging who we are and what school we represent? I know I find that in FINAID-L, a lot of people ask questions because they are afraid to ask you guys, you know, because they don't want to, you know what I am saying?

[LEON:] Anonymous questions. We don't necessarily have a vehicle to submit an anonymous question but, certainly, you can call the teams.

[AUDIENCE:] But they always ask you what school are you? What's your name? You know, and maybe we're just like a little uncomfortable to do that.

[LEON:] Well, you know it's amazing because it could be a little different for your institution, so you really need to know what type of school are you? You know, do you currently have an administrative action with us? It could be a different answer.

[AUDIENCE:] No, I'm not saying...of course, of course...you would have to give the full information otherwise you would have to qualify your response. That's understood, of course, but if there would be a place where you could call and ask...you wouldn't be able to say, well you told me this and this on this and this date and I'm going according to that. We wouldn't be able to use it for that without authority, you know? But, you at least would have the information; something we're just not clear about and we want to call and just clarify so that we do it right, but we don't want to say who we are when we call.

[LEON:] You know if it's just a clarifying question, it's not that we're going to immediately come out and do a program review of your institution.

[AUDIENCE:] No, I know, but you'd be surprised what some of the questions if you ever looked on FINAID-L, questions that I would.....

[LEON:] Yeah, we actually monitor FINAID-L. Yes.

[AUDIENCE:] I have no problem calling the department to get the answer, but a lot of schools out there are very uncomfortable calling the department. I've answered posts,



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a lot of times saying “Why don’t you call them up and ask them” and they say “well, I don’t feel so comfortable asking them.” You know. It’s not a matter of we’re trying to hide anything. We’re just not comfortable calling you.

[LEON:] Right. Okay.

[AUDIENCE:] Think about that. Okay?

[LEON:] All right. Thank you. Any other questions? All right. Thank you. Enjoy your day.