

# Session #39

## Partnering for Compliance and Consumer Protection

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# Partnering for Compliance and Consumer Protection

- Regulatory Requirements
- Common Consumer-Related Findings
- External and Internal Partnerships to Assist in Oversight
- Resources

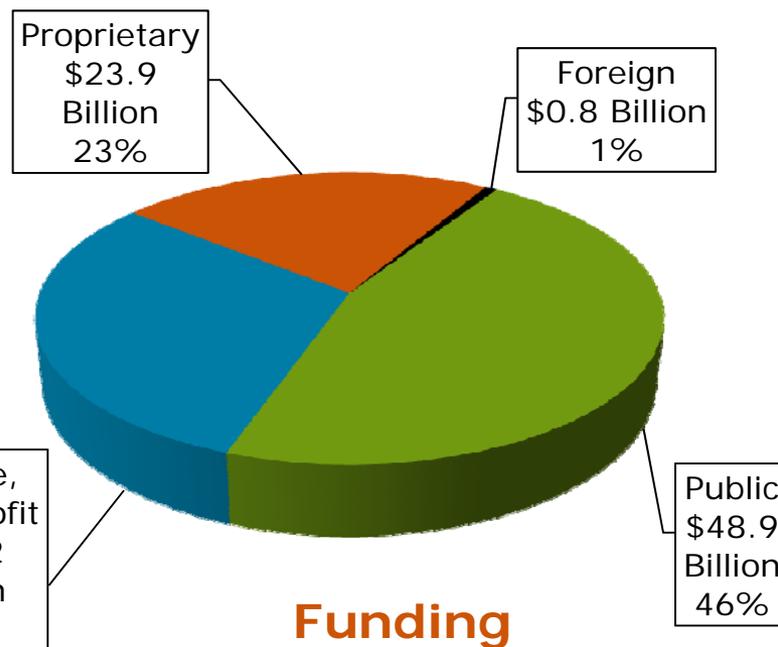
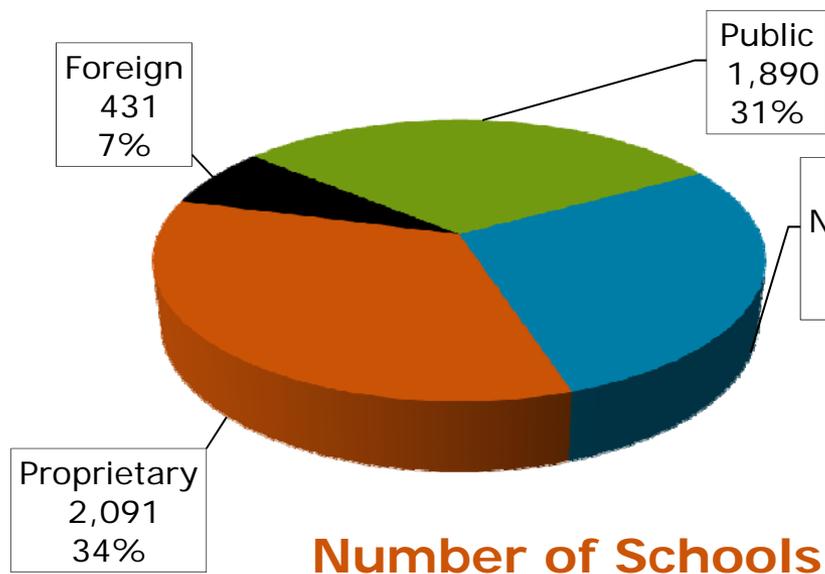


# Why is Compliance Important?

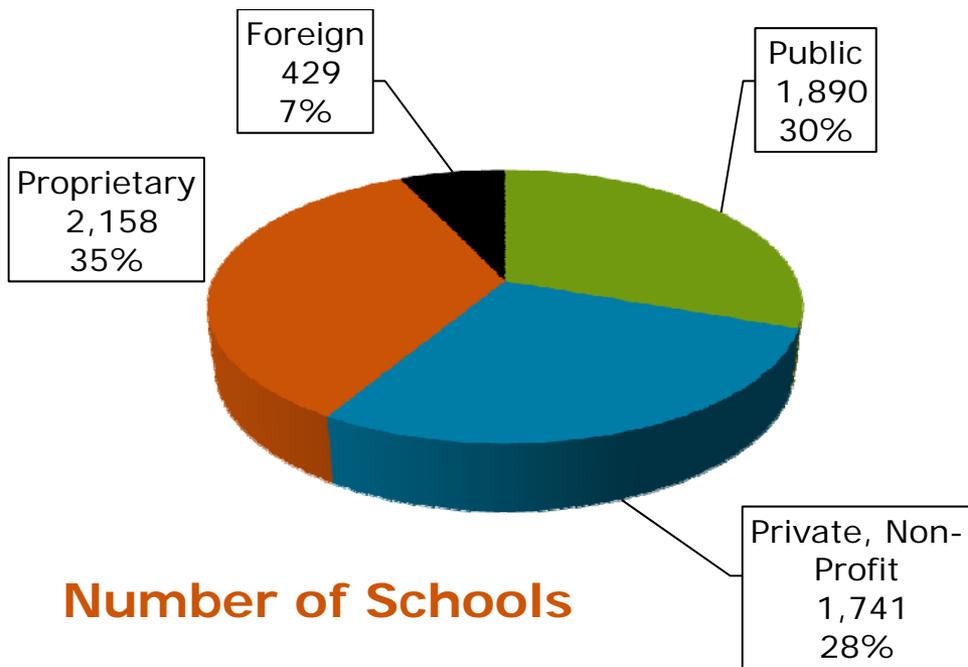
- Title IV funding:
  - 2008-2009: \$105.8 billion
  - 2009-2010: \$129.9 billion\*
- Total schools receiving Title IV funds:
  - 2008-2009: 6138
  - 2009-2010: 6218

*\*Preliminary Data—without FSEOG or FWS*

# Schools by Type 2008-2009 AY

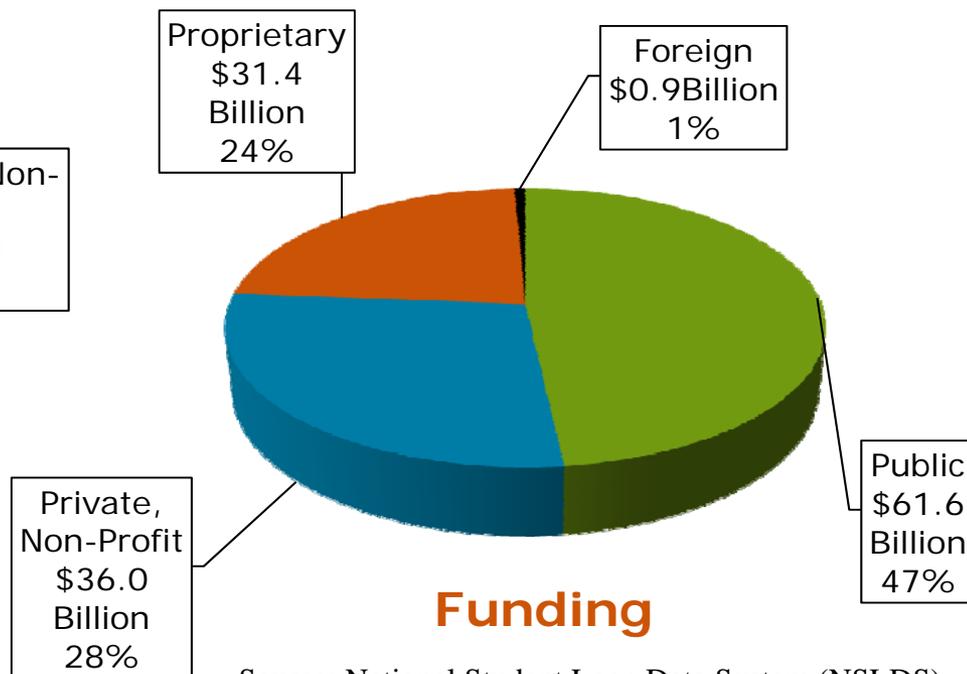


# Schools by Type 2009-2010 AY\*



**Number of Schools**

**\*Funding data does not include FWS or FSEOG**



**Funding**

Source: National Student Loan Data System (NSLDS)

# Consumer Information

## 34 C.F.R. 668, Subpart D

- §668.41 Reporting and disclosure of information
- §668.42 Financial assistance information
- §668.43 Institutional information
- §668.44 Availability of employees for information dissemination purposes
- §668.45 Information on completion or graduation rates

# Consumer Information

## 34 C.F.R. 668, Subpart D

- §668.46 Institutional security policies and crime statistics
- §668.47 Report on athletic program participation rates and financial support data
- §668.48 Report on completion or graduation rates for student athletes
- §668.49 Institutional fire safety policies and fire statistics

# Consumer Information

## 34 C.F.R. Part 86 and Part 99

- Part 86 – Drug and Alcohol Abuse Prevention
  - §86.100 What must the IHE's drug prevention program include?

- Part 99 – Family Educational Rights and Privacy
  - §99.7 What must an educational agency or institution include in its annual notification?

# Consumer Information

## 34 C.F.R. 685.304

- Loan Counseling
  - Entrance and exit counseling
  - [www.dl.ed.gov](http://www.dl.ed.gov)



# Consumer Information

## 34 C.F.R. Subpart F

- Misrepresentation
  - Educational programs
  - Financial charges
  - Employability of graduates

# Consumer Information Program Review Findings

- Crime Awareness Requirements Not Met
  - Policies did not contain all required elements
  - Distribution of statistics and policies not adequate
  - Failure to report statistics on website or crimes reported in wrong category



# Consumer Information Program Review Findings

- Consumer Information Requirements Not Met
  - Policies not developed
  - Policies not provided to students (SAP, R2T4)
  - New consumer information requirements pursuant to HEOA not implemented



# Consumer Information Program Review Findings

- Misrepresentation:
  - Publication of false information and claims it could not substantiate
  - Incorrect information about educational programs
  - Transferability of credits

School Catalog

2009 - 2010

**SCHOOL NAME**

Address

City, State

State License Number

Date Printed/Revised



# Consumer Information New Regulations

- Incentive compensation
- Gainful employment
- State authorization as a component of institutional eligibility

# Consumer Information New Regulations

- Definition of credit hour to determine program eligibility
- Verification of information included on student aid application
- High school diploma definition

# External Partnerships

- Federal Trade Commission
- Department of Labor
- Federal Bureau of Investigation
- Security and Exchange Commission
- States
- Accrediting Agencies
- Guaranty Agencies



# External Partnerships

- **Federal Trade Commission**
  - Consumer Sentinel Network
    - <http://www.ftc.gov/sentinel/>
    - Secure online database of millions of consumer complaints available only to law enforcement
    - ED provides information on complaints to FTC

# External Partnerships

- **Federal Trade Commission**
  - FSA Consumer Information references  
FTC resources
    - ✓ *Scholarship Scams* [www.studentaid.ed.gov/lsa](http://www.studentaid.ed.gov/lsa)
    - ✓ *Fact Sheets* [www.studentaid.ed.gov/pubs](http://www.studentaid.ed.gov/pubs)
  - Other Partnering Initiatives
    - *Student Loans: Avoiding Deceptive Offers*—a joint publication of the FTC and ED
    - Guides and other publications

# External Partnerships

- **Department of Labor**

Dictionary of Occupational Titles

– Defines a Recognized Occupation

[www.careeronestop.org](http://www.careeronestop.org)

- ✓ Careers

- ✓ Salaries and Benefits

- ✓ Education and Training

- ✓ Regional Economic Development

# External Partnerships

- **Federal Bureau of Investigation**

What is the Partnership?

- Campus Security Reviews
- Data Analysis

Why Partner with the FBI?

- To provide additional oversight
- To make our campuses safe for students and employees today and tomorrow

# Focused Campus Security Reviews

- FBI selects certain states for a Quality Assessment Review (12+ per year)
- FBI then selects a school that has a sworn police department
- FSA schedules a focused campus security review at that same school or another school in that state

# Focused Campus Security Reviews

- FBI reviews most recent reporting of Part I crimes
- FSA reviews policies and most recent reported statistics to ED
  - Includes Part I and Part II crimes and disciplinary actions

## Part I

- Aggravated Assault
- Forcible Rape
- Murder
- Robbery
- Burglary
- Arson
- Motor Vehicle Theft
- Larceny-Theft\*

\*Larceny-Theft: Not Clery reportable

## Part II

- For Clery reporting:
- Non-forcible sex offenses
  - Weapons violations
  - Drug Law violations
  - Alcohol Law violations



# Focused Campus Security Reviews

- FBI and FSA share information
- FBI QAR report is attached to FSA's program review report
- FSA's program review report references findings from the FBI review

# External Partnerships

- **Security and Exchange Commission**  
(Publicly Traded Schools)
  - Share data and information with SEC
  - Make complaint referrals to and from the SEC Enforcement Division
  - Review SEC actions taken and reported to Lexis Nexis
  - Review SEC Quarterly Statements

# External Partnerships

- **State Governmental Offices**
  - Attorney General
  - Assistant US Attorneys
  - Licensing
  - Higher Education



# External Partnerships

- **Accrediting Agencies** (Regional or National)
  - Share final outcomes
  - Communicate and coordinate school closures
  - Receive regular accrediting updates

# External Partnerships

- **Guaranty Agencies**
  - Program Reviews of Schools
  - Referrals to OIG and Program Compliance

# Internal Partnerships

- **Business Operations Reporting Concerns**
  - COD, CPS, NSLDS Systems
  - 100% Direct Loan Transition
  
- **Office of Postsecondary Education Reporting Concerns**
  - IPEDS
  - Campus Security System

# Internal Partnerships

- **Office of Inspector General**
  - Referrals to and from (Investigations and Auditor QCR)
  - Resolution of OIG Audits
  - Data Analysis
- **Office of the General Counsel**
  - Qui Tams
  - Advice and Agreements

# Consumer Information Resources

## The Handbook for Campus Crime Reporting



School Catalog

2009 - 2010

SCHOOL NAME

Address

City, State

State License Number

Date Printed/Revised



Federal Register

Tuesday,  
December

Part II

Department of  
Education

34 CFR Part 99  
Family Educational Rights and Privacy;  
Final Rule



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# Consumer Information

## Federal Student Aid Handbook

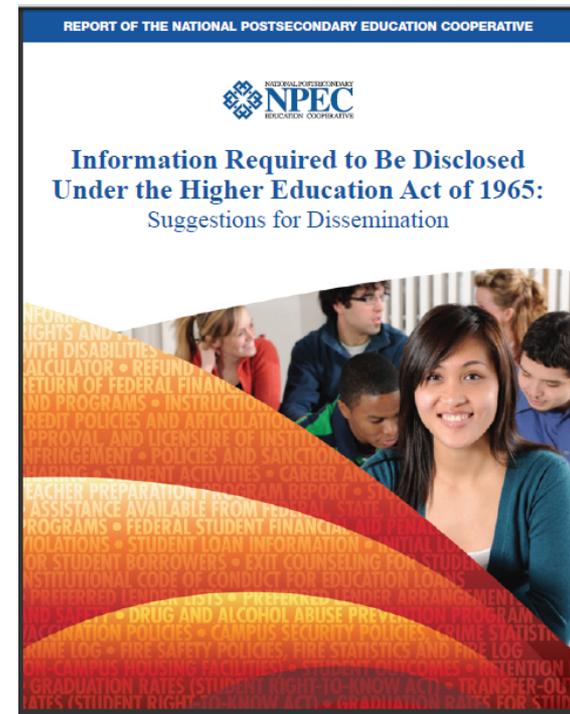
- Volume 2: School Eligibility and Operation
  - Chapter 6: Providing Consumer Information
    - Describes requirements for consumer information a school must provide to students, the Department, and others
    - Contains a summary of the effects of misrepresentation of school information on the school's participation in Federal Student Aid

# Consumer Information Resource

## *Information Required to be Disclosed Under the Higher Education Act of 1965*

<http://nces.ed.gov>

<http://nces.ed.gov/pubsearch/pubsinfo.asp?pubid=2010831rev>



# Consumer Information Resource (Example)

Subject Area	Requirement Applies To	Requirement	How Disclosed
Refund Policy, Requirements for Withdrawal and Return of Title IV Financial Aid	All Institutions Participating in Title IV, HEA Student Financial Aid Programs	HEA Sec. 485(a)(1)-(2), (20 U.S.C. 1092(a)(1)-(2)). Not changed by HEOA. 34 CFR 668.41(a)-(d), 34 CFR 668.43	Made available through appropriate publications, mailings, or electronic media

Each institution must make available to prospective and enrolled students information about the institution's refund policy; requirements and procedures for official withdrawal; and requirements for return of Title IV, HEA grant or loan aid.



# Consumer Information FSA Assessments

- Self-assessment tool designed to assist schools in evaluating financial aid policies, processes and procedures
- Includes assessment modules on students, schools, managing funds, and policies and procedures

<http://ifap.ed.gov/qahome/fsaassessment.html>

- Home
- How to Join the QA Program
- What's New
- Training
- Tools for Schools
- FSA Assessments**
- ISIR Analysis Tool
- Management Enhancement
- Archive
- Contact Us
- Links

# FSA Assessments

In collaboration with financial aid professionals, Federal Student Aid has designed management assessment modules to help schools enhance their services. The modules contain links to applicable laws and regulations. If you have questions regarding how to use this useful tool please visit our [FAQ page](#).

[This chart](#) features examples of specific compliance issues and provides recommendations for related assessments that your school may want to complete.

(ALL assessments have been updated with the new 2009-10 FSA Handbook Links!)

## Students

[Student Eligibility](#)

[Satisfactory Academic Progress](#)

[Verification](#)

## Schools

[Institutional Eligibility](#)

[Default Prevention & Management](#)

[Consumer Information](#) ←

[Automation](#)

## Managing Funds

[Fiscal Management](#)

[Return of Title IV Funds](#)

[FWS](#)

[FSEOG](#)

[Perkins Awarding & Disbursement](#)

[Perkins Due Diligence](#)

[Perkins Repayment](#)

[Perkins Forbearance & Deferment](#)

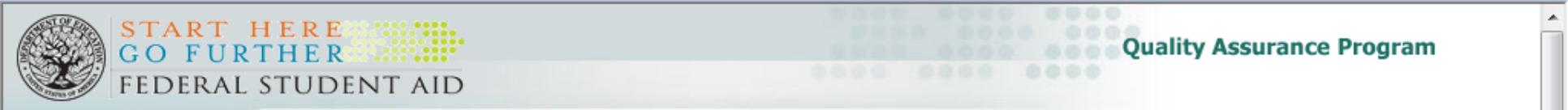
[Perkins Cancellation](#)

## Innovations

[Policies and Procedures](#)

[A Guide to Creating a Policies and Procedures Manual](#)





- Home
- FSA Assessments
- Students
- Schools
- Institutional Eligibility
- Default Prevention & Management
- Consumer Information
- Automation
- Managing Funds
- Innovation

## Consumer Information

Download all activities related to this assessment

This assessment provides you with an opportunity to review procedures regarding consumer information. It will assist in the review of information provided to students.



[Consumer Information Activity 1: General Information](#)

### Why start with this activity?

The activity will give you the opportunity to review the general consumer information you should be providing to students and staff. It is also a great place to start your review of consumer information requirements. Additional activities related to this assessment are found in the chart below. You are also encouraged to review the [Consumer Information Disclosures At A Glance](#) document that provides a summary of school disclosure requirements.

If you identify areas requiring a corrective action, we recommend that you complete the [Management Enhancement Worksheet](#).

### Activity Bar:

- [Consumer Information Activity 1: General Information](#)
- [Consumer Information Activity 2: Drug & Alcohol Prevention](#)
- [Consumer Information Activity 3: Consumer Information for Student Athletes](#)
- [Consumer Information Activity 4: Student Right-to-Know Act](#)
- [Consumer Information Activity 5: Clergy/Campus Security Act](#)
- [Consumer Information Activity 6: FERPA](#)
- [Consumer Information Activity 7: Safeguarding Customer Information](#)
- [Consumer Information Activity 8: Fire Safety Reports and Student Housing](#)
- [Consumer Information Activity 9: Misrepresentation](#)

**Additional Links:** [2009-10 FSA Handbook](#), [School Eligibility & Operations, Chapter 6](#) and [Chapter 9](#);

# Consumer Information Additional Sessions

Session #27: Consumer Information  
Disclosure

Session #32: Student Loan Consumerism

Session #38: Top Ten Audit and Program  
Review Findings

# Contact Info – School Teams

## Program Compliance

Robin Minor, Chief Compliance Officer  
(202) 377-4358

Call the appropriate School Participation Team for information and guidance on audit resolution, financial analysis, program reviews, school and program eligibility/recertification and school closure information.

### School Participation Teams – Northeast

**Geneva Leon, Director – Wash DC**  
(202) 377-3173 geneva.leon@ed.gov

**New York/Boston** (Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont, New Jersey, New York, Puerto Rico, Virgin Islands)

**Betty Coughlin–New York (646) 428-3737**  
**Rosemary Torpey - Boston (617) 289-0133**  
**Christopher Curry—New York (646) 428-3738**  
**Patrice Fleming - Wash DC (202) 377-4209**

**Philadelphia** (DC, Delaware, Maryland, Pennsylvania, Virginia, West Virginia)

**Nancy Gifford - Philadelphia (215) 656-6442**  
**John Loreng – Philadelphia (215) 656-6437**  
**Michael Frola - Wash DC (202) 377-3364**

### Foreign Schools

**Barbara Hemelt - Wash DC (202) 377-3168**

### Campus Security

**Clifton Knight – Wash DC (202) 377-4244**

### School Participation Teams-South Central

**Carolyn White, Director – Wash DC**  
(202) 377-3173 carolyn.white@ed.gov

**Atlanta** (Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina)

**Charles Engstrom - Atlanta (404) 974-9290**  
**Christopher Miller – Atlanta (404) 974-9297**  
**Barbara Murray—DC (202) 377-4203**

**Dallas** (Arkansas, Louisiana, New Mexico, Oklahoma, Texas)

**Charles Engstrom - Atlanta (404) 974-9290**  
**Janet Dragoo - Dallas (214) 661-9481**

**Kansas City** (Iowa, Kansas, Kentucky, Missouri, Nebraska, Tennessee)

**Ralph LoBosco-Kansas City (816) 268-0410**  
**Dvak Corwin – Kansas City (816) 268-0420**  
**Phillip Brumback-Wash DC (202) 377-3464**

### School Participation Teams - Northwest

**Pat Dickerson, Director – Wash DC**  
(202) 377-3173 patricia.dickerson@ed.gov

**Chicago** (Illinois, Indiana, Minnesota, Ohio, Wisconsin)

**Douglas Parrott - Chicago (312) 730-1532**  
**David Heath – Chicago (312) 730-1522**  
**Earl Flurkey – Chicago (312) 730-1521**

**Denver** (Colorado, Michigan, Montana, North Dakota, South Dakota, Utah, Wyoming)

**Harry Shriver - Denver (303) 844-4128**

**San Francisco/Seattle** (American Samoa, Arizona, California, Guam, Hawaii, Nevada, Palau, Marshall Islands, N. Marianas, Federated States of Micronesia, Alaska, Idaho, Oregon, Washington)

**Martina Fernandez-Rosario (415) 486-5605**  
**Gayle Palumbo (415) 486-5614**  
**Dyon Toney - Wash DC (202) 377-3639**

# Contact Information

We appreciate your feedback and comments.  
We can be reached at:

## Julie Arthur

- Phone: (206) 615-2232
- E-mail: [julie.arthur@ed.gov](mailto:julie.arthur@ed.gov)
- Fax: (206) 615-2508

## Fran Susman

- Phone: (303) 844-3682
- E-mail: [fran.susman@ed.gov](mailto:fran.susman@ed.gov)
- Fax: (303) 844-4695