



September 22, 2020

Dr. Gregory Washington  
President  
George Mason University  
4400 University Drive  
MS3A1  
Fairfax, VA 22030-4444

Sent via email

RE: **Final Program Review Determination Letter**  
OPE ID: 00374900  
PRCN: 201940330194

Dear Dr. Washington:

From September 9, 2019, through February 18, 2020, Mr. Kenneth Porter and Mr. Robert Scott conducted a review of George Mason University's (GMU) administration of the programs authorized pursuant to Title IV of the Higher Education Act of 1965, as amended, 20 U.S.C. §§ 1070 et seq. (Title IV, HEA programs). The purpose of this Final Program Review Determination Letter is to close the program review.

The focus of the review was ineligible additional locations. The review consisted of an examination of GMU's compliance with policies and procedures regarding institutional and student eligibility, individual student financial aid and academic files, student ledgers, and fiscal records. The review also focused on an examination of GMU's compliance with 34 C.F.R. § 600.20(c) and (d) and 34 C.F.R. § 600.21(a)(3).

A sample of 15 files was identified for review from 2014-2015, 2015-2016, 2016-2017, 2017-2018, and 2018-2019 award years. The files were selected randomly from a statistical sample of the total population receiving Title IV, HEA program funds for each award year.

Appendix A lists the names and social security numbers of the students whose files were examined during the program review. In the course of reviewing and discussing this finding with GMU, the potential liabilities for the finding were identified in a letter from the Department dated March 3, 2020 (Enclosure 1). GMU agreed to pay that liability, and that prior exchange represents the Program Review Report for this finding (Enclosure 2). This letter represents the Final Program Review Determination to resolve this finding.

**Federal Student Aid**

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School Participation Division- Philadelphia

The Wanamaker Bldg. Suite 511

100 Penn Square East, Philadelphia, PA 19107

[www.FederalStudentAid.ed.gov](http://www.FederalStudentAid.ed.gov)

**Purpose:**

A final determination has been made concerning a finding disclosed during the program review. The purpose of this letter is to: (1) identify liabilities resulting from the finding disclosed during the program review, and (2) provide instructions for payment of liabilities to the Department.

**Protection of Personally Identifiable Information (PII):**

PII is any information about an individual which can be used to distinguish or trace an individual's identity (some examples are name, social security number, date, and place of birth). The loss of PII can result in substantial harm, embarrassment, and inconvenience to individuals and may lead to identity theft or other fraudulent use of the information. Appendix A was encrypted and sent separately to the institution via e-mail.

Although the review was thorough, it cannot be assumed to be all-inclusive. The absence of statements in the report concerning GMU's specific practices and procedures must not be construed as acceptance, approval, or endorsement of those specific practices and procedures. Furthermore, it does not relieve GMU of its obligation to comply with all the statutory or regulatory provisions governing the Title IV, HEA programs.

**Program Findings and Final Program Review Determinations:**

**Finding #1 Ineligible Additional Locations**

**Noncompliance:** A currently designated eligible institution that wishes to expand the scope of its eligibility and certification and disburse Title IV, HEA program funds to students enrolled in that expanded scope must apply to the Department and wait for approval for locations at which the institution offers or will offer 50 percent or more of an educational program: if one of the following conditions applies; the institution participates in the Title IV, HEA programs under a provisional certification, the institution receives Title IV, HEA program funds under the reimbursement or cash monitoring payment method, the institution acquires the assets of another institution that provided educational programs at that location during the preceding year and participated in the Title IV, HEA programs during that year. 34 C.F.R. § 600.20(c)(1)

Furthermore, an institution must notify the Department of its intent to expand its eligibility, in a format prescribed by the Department. The institution must provide all the information and documentation requested by the Department so that the Department can decide on its eligibility and certification of the additional locations. 34 C.F.R. § 600.20(d)(1)

An eligible institution must report to the Department in a manner prescribed by the Department no later than 10 days after the change occurs any change in its establishment of an accredited and licensed additional locations at which it offers or will offer 50 percent or more of an educational program if the institution wants to disburse Title IV, HEA program funds to students enrolled at that those locations. 34 C.F.R. § 600.21(a)(3).



An institution may not disburse Title IV, HEA funds to students at that location before it reports to the Department about that location. Unless it is an institution that must apply to the Department under § 600.20(c)(1), once it reports to the Secretary about that location, the institution may disburse those funds to those students if that location is licensed and accredited. 34 C.F.R. § 600.21(d)(1).

GMU self-reported in May 2018 that the institution had failed to timely report and obtain the Department's approval for 20 or more additional locations, where GMU provided 50% or more of one or more educational programs. Specifically, GMU explained that its College of Education and Development offers education program courses "at several off-campus locations in northern Virginia for traditional students, professional development courses for public-school divisions, and degree-seeking cohorts composed of public-school division employees."

According to GMU, there are numerous courses offered for traditional students at off-campus sites, where no approval by the Department is needed because less than 25% of the coursework of any program is offered by the College of Education and Human Development at these locations. "These courses consist of internships, practicums, and recreational activities courses."

GMU also states that professional development courses are offered to provide continuing education credits that are required for education professionals. These classes are provided at the request of a public-school division. Some of these professional development courses cannot be applied to any degree or certificate program. However, other courses, such as History, Science, or Government courses that would be accepted as part of some degree or certificate program may be offered at the request of the public-school division. GMU stated that it reviews these courses and sites "to ensure that combined coursework at the site is less than 25% of any program." If the site and course combination results in a percentage of program greater than 25%, the appropriate steps are taken to comply with all its accreditor requirements.

Lastly, GMU also offers local educators, in conjunction with local public-school divisions, the opportunity to enroll in degree-seeking cohorts that are offered at off-campus locations. Like the professional development courses, a cohort is established at the request of a public-school division. A student enrolled in a cohort may have a portion or all the tuition paid for by the school division. As a result, "the school division may have a hand in determining who may enroll in the cohort." "Some school divisions may also prioritize who is allowed to join the cohort-based upon the district's needs; other districts may only require that the employee work in the school district that is forming the cohort, and still others may invite employees from other, smaller school districts to join their cohort."

According to GMU, the admission, curriculum, and graduation requirements for the cohort are the same as for on-campus students. The cohorts are also evaluated "through processes and schedules established by the University's Office of Intuition Research and Effectiveness." Students enrolled in the cohorts can receive a "combination of face to face, online and hybrid instruction." GMU also stated that "there is no meaningful distinction between cohort faculty at the off-campus site and faculty assigned to Mason's main campuses."

Students enrolled in the cohort can enroll in the following Master of Education (ME) programs; ME in Curriculum and Instruction 30 to 39 credit hours, ME in Education Leadership 30 credit

hours, and ME in Special Education 30 credit hours. Students can also enroll in the following Graduate Certificate (GC) program; GC in Applied Behavior Analysis, GC in Education Leadership, GC in International ESOL/ESL Teacher Education, GC in Literacy/Reading Instruction, GC in Special Education, and GC in Special Education Leadership. The certificate programs could require a student to complete 12 to 24 credit hours, depending on the certificate program. It appears that GMU did not track whether students enrolled in these educational programs could complete more than half of their programs from those locations.

The Department had GMU compile an excel spreadsheet that detailed all the Title IV funds disbursed by GMU to students who completed 50% or more of their educational program at locations that were not reported to the Department during 2014-2015, 2015-2016, 2016-2017, 2017-2018 and 2018-2019 award years. The spreadsheet shows that GMU disbursed \$1.7 million of Title IV loan funds to 63 students during the award years listed above.

The Department selected a random sample of 15 students from the 63 students identified by GMU for the five award years requested by the Department. Additionally, the Department requested copies of each students' academic transcript, account ledger, and admission application. GMU was not able to provide copies of the actual admission application for the students. Still, they did provide the department with an excel spreadsheet, which detailed the admission application questions and answers provided by each student in the sample. The chart (see Appendix B-1) details some of the data gathered from the students' transcript and account ledgers for the 15 students in the sample. For example, student #3 enrolled in the Master of Education-Education Leadership program on May 18, 2016. The student received \$5,248.00 in Federal Direct Unsubsidized Loan (FDUL) funds for 12 credit hours taken during the 2015-2016 award year and \$5,276.00 in FDUL funds for nine credit hours taken during the 2016-2017 award year. The student graduated after completing 30 credit hours; however, 27 of the credits were completed at a location which had not been reported to, and approved by, the Department. The student's admission application data indicated that the student wanted to be admitted as part of a cohort for a school division.

Another example is student #5, a student whose application for admission does not indicate it was to be admitted as part of a cohort for a school division. Student #5 enrolled in the Master of Education- Special Education program on May 19, 2014. The student received over \$50,000 in student loans \$20,282.00 in FDUL funds and \$6,023.00 in Federal Direct Graduate PLUS Loan (FDGPL) funds for 12 credit hours taken during the 2014-2015 award year and \$20,282.00 in FDUL funds and \$5,694.00 in FDGPL funds for 12 credit hours taken during the 2015-2016 award year. The student graduated after completing 30 credit hours; however, all the credits were completed at a location that was not reported to, or approved by, the Department.

Six of the 15 students in the sample applied to be admitted as part of a cohort. Eight of the 15 students were enrolled in the ME in the Special Education program. Six of the 15 students were enrolled in the ME in Educational Leadership and one student was enrolled in the ME in Curriculum and Instruction program. In the sample, 13 of the 15 students completed their programs of study. Finally, students #2, #6, and #7 completed 50% or more of their programs at multiple locations that were not reported nor approved by, the Department.



An institution's failure to report and to receive approval for additional locations results in students receiving Title IV funds for which they are not eligible, creating potential losses for taxpayers and Title IV repayment liabilities for the institution.

**Institutional Action Taken to Resolve Noncompliance:** The Department approved 16 of the 22 previously unreported locations that were identified during the program review. GMU advised that six of the previously unreported locations are no longer active locations and those are not approved. On March 3, 2020, the Department sent GMU a letter detailing potential liabilities that could be assessed for Title IV funds disbursed to students for this finding, and GMU responded on March 5, 2020, agreeing to pay those liabilities to resolve this program review finding. The calculation for this liability is set out below.

Final Program Review Determination: GMU disbursed \$1,732,608.00 of Title IV funds to 63 students at 22 ineligible additional locations during 2014-2015, 2015-2016, 2016-2017, 2017-2018 and 2018-2019 award years. GMU has cooperated with the Department throughout the program review and taken corrective actions to resolve this finding. The Department has established an Estimated Loss (EL) of \$28,821.15 for the ineligible Federal Direct loan disbursements based on GMU's most recent cohort default rate available. A copy of the results for this calculation is included in Appendix C.

Repayment instructions are included at the end of this report.

**Estimated Loss (EL):**

In lieu of requiring the institution to purchase the ineligible loans from the holder, the Department has established a liability not for the loan amount, but rather for the estimated loss from loan defaults that the government may incur with respect to the ineligible loans. The estimated loss to the Department that has resulted or will result from those ineligible loans is calculated based on GMU's most recent available cohort default rate.

The total amount of Direct Loan funds that GMU improperly disbursed during 2014-2015, 2015-2016, 2016-2017, 2017-2018, and 2018-2019 award years for this finding is \$1,732,608.00. The estimated loss that GMU must pay to the Department for the ineligible loans is \$28,821.15. A copy of the results of that calculation is included in Appendix E.

**Payment Instructions**

**Liabilities Owed to the Department**

GMU owes the Department \$28,821.15. Payment must be made by forwarding a check made payable to the "U.S. Department of Education" to the following address within 45 days of the date of this letter:

U.S. Department of Education  
P.O. Box 979026  
St. Louis, MO 63197-9000

Remit checks only. Do not send correspondence to this address.

If the check is sent special delivery (signature/receipt required), the check must be sent to the following address:

U.S. Bank  
1005 Convention Plaza  
St. Louis, MO 63101  
Attn: Govt. Lockbox Tram MO-SL-C2GL  
Re: For Dept. of Ed. 979026

**Payment must be made via check**

The following identification data must be provided with the payment:

Amount: \$28,821.15.  
DUNS: 077817450  
TIN: 540836354  
Program Review Control Number: 201940330194

**Terms of Payment**

As a result of this final determination, the Department has created a receivable for this liability and payment must be received by the Department within **45 days of the date of this letter**. If payment is not received within the 45-day period, interest will accrue in monthly increments from the date of this determination, on the amounts owed to the Department, at the current value of funds rate in effect as established by the Treasury Department, until the date of receipt of the payment. GMU is also responsible for repaying any interest that accrues. If you have any questions regarding interest accruals or payment credits, contact the Department's Debt and Payment Management Group at (202) 245-8080 and ask to speak to GMU's account representative.

If full payment cannot be made within **45 days** of the date of this letter, contact the Department's Debt and Payment Management Group to apply for a payment plan. Interest charges and other conditions apply. Written request may be sent to:

If within 45 days of the date of this letter, GMU has neither made payment in accordance with these instructions nor entered into an arrangement to repay the liability under terms satisfactory to the Department, the Department intends to collect the amount due and payable by administrative offset against payments due GMU from the Federal Government. **GMU may object to the collection by offset only by challenging the existence or amount of the debt.**

**Instructions by Title IV, HEA Program**

**William D. Ford Federal Direct Loan (Direct Loan) Liabilities:**



**Direct Loan Estimated Actual Loss**

Finding #1

Appendix: B

DL Estimated Actual Loss	
Amount	Award Year
\$0.00	2014-2015
\$0.00	2015-2016
\$12,245.37	2016-2017
\$11,828.38	2017-2018
\$4,747.40	2018-2019
Total	
\$28,821.15	

GMU must pay the amount reflected above in Direct Loan estimated loss liabilities for the award years reflected above. The liabilities will be applied to the general Direct Loan fund. This amount is also reflected in the total amount owed to the Department above.

**Record Retention:**

Program records relating to the period covered by the program review must be retained until the later of: resolution of the loans, claims or expenditures questioned in the program review; or the end of the retention period otherwise applicable to the record under 34 C.F.R. § 668.24(e).

We would like to express our appreciation for the courtesy and cooperation extended during the review. If you have any questions concerning this report, please call Kenneth Porter at (202) 297-3809.

Sincerely,

[REDACTED]  
Sherrie Bell  
Division Chief (Acting)

**Enclosures**

- (1) March 3, 2020 letter from the Department to GMU
- (2) GMU's response to the Department dated March 5, 2020

cc: [REDACTED] Director of Student Financial Aid  
Southern Association of Colleges and Schools Commission on College  
State Council of Higher Education for Virginia  
Department of Defense  
Department of Veterans Affairs  
Consumer Financial Protection Bureau

### **Appendices**

The appendices contain personally identifiable information and will be emailed to GMU as an encrypted WinZip file using Advanced Encryption Standard, 256-bit. The Department will send the password needed to open the encrypted WinZip file in a separate email.





March 3, 2020

Ms. Anne Holton, Esq.  
President  
George Mason University  
4400 University Drive  
Fairfax, VA 22030

Sent via UPS

**RE: Ineligible Additional Locations**  
OPE ID 00374900

Dear Ms. Holton:

The School Participation Division – Philadelphia (SPD) of the U.S. Department of Education (Department) has reviewed George Mason University's (GMU) electronic application and the accompanying documentation submitted May 18, 2018, regarding the recertification of GMU.

As part of the recertification process, GMU self-reported that it failed to obtain the Department's approval for 20 or more additional locations, where they provided 50% or more of educational programs. Specifically, GMU's College of Education and Development offers education program courses "at several off-campus locations in northern Virginia for traditional students, professional development courses for public-school divisions, and degree-seeking cohorts composed of public-school division employees."

An eligible institution must report to the Department in a manner prescribed by the Department no later than 10 days after the change occurs, of any change in the its establishment of an accredited and licensed additional locations at which it offers or will offer 50 percent or more of an educational program, if the institution wants to disburse Title IV, HEA program funds to students enrolled at that those locations. 34 C.F.R. § 668.21(a)(3). The locations must have state and accrediting agency approval.

With its submission, GMU sought approval to add 40 additional locations. Upon review of the documentation that was submitted, the eligibility analyst, Ms. Alekia Campbell, determined that GMU has state and accrediting agency approval of all of the locations GMU is seeking to add to its ECAR (24 previously ineligible locations and 16 newly added locations). Simultaneously, Mr. Kenneth Porter, Senior Institutional Review Specialist, reviewed individual student data provided by GMU for students who completed 50% or more of their program at the previously unreported, ineligible additional locations.

The Department had GMU compile an excel spreadsheet that detailed all the Title IV funds disbursed by GMU to students who completed 50% or more of their educational program at these ineligible locations during 2014-2015, 2015-2016 2016-2017, 2017-2018 and 2018-2019 award years. Analysis of the data indicates that GMU disbursed \$1.7 million of Title IV loan

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School Participation Division – Philadelphia

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Washington, DC 20202

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funds to 63 students during these award years. Using the Department's estimated loss formula, the liability will be reduced to approximately \$28,000. In discussions with FSA staff, GMU has indicated that it is eager to resolve this matter and is willing to repay, in one lump sum, the total liability amount once the Department issues a final determination with repayment instructions.

Upon receiving written acknowledgement of the above, the Department agrees to move forward with GMU's recertification application while finalizing the final determination.

If you have any questions concerning this letter, you may contact Ms. Alekia Campbell at 202-377-4216.

Sincerely,

A solid black rectangular box used to redact the signature of Sherrie Bell.

Sherrie Bell  
Acting Division Director

cc: Southern Association of Colleges and Schools Commission on Colleges  
State Council of Higher Education for Virginia