

United States Senate

WASHINGTON, DC 20510-4705

July 16, 2007

Ms. Judy McKinney

Dear Ms. McKinney,

In response to my inquiry on your behalf, I have received the enclosed correspondence from the U.S. Department of Education. I hope you find the agency's response to be helpful.

I appreciate you bringing this matter to my attention and giving me the opportunity to assist you in resolving this issue. Please feel free to contact my office in the future, should you need assistance with another matter involving the federal government.

Sincerely,

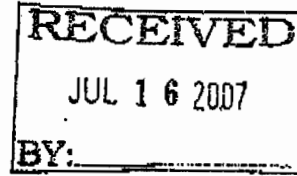


Maria Cantwell
United States Senator

MC: cjc

PLEASE REPLY TO:

- EVERETT**
2539 Wetmore Avenue
Suite 98
Everett, WA 98201
(425) 363-0114
FAX: (425) 303-6351
- RICHLAND**
825 JADWIN AVENUE
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FAX: (509) 946-8827
- SEATTLE**
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TACOMA, WA 98402
(253) 972-2281
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- VANCOUVER**
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JUL 12 2007

Honorable Maria Cantwell
United States Senator
Jackson Federal Building
915 2nd Avenue, Suite 3206
Seattle, WA 98174

Certified Mail 7005 1160 0005 1629 8702
Return Receipt Requested

Attn: Christian Chiles

Re: **Constituent Ms. Judy McKinney**

Dear Senator Cantwell:

This letter is in response to a referral dated June 13, 2007 from the U.S. Department of Justice on behalf of your constituent. In a letter dated April 9, 2007, Ms. McKinney alleges that Court Reporting Institute (CRI) fraudulently obtained federal student aid funding by compelling students to remain in its Court Reporting program with the knowledge that the students had little or no chance of successfully completing the program.

On September 30, 2003, the Department of Education (Department) began a program review of CRI located in Seattle, Washington. The purpose of the review was to determine CRI's compliance with the statutes and federal regulations as they pertain to the institution's administration of the federal student aid programs. The review consisted of, but was not limited to an examination of the school's policies and procedures regarding institutional and student eligibility, individual financial aid and academic files, attendance records, student account ledgers and fiscal records.

During this review, the Department found that CRI was improperly administering the Satisfactory Academic Progress (SAP) Policy and as a result, students were enrolled and receiving federal student aid beyond their eligibility.

In a Program Review Report dated June 1, 2005, CRI was advised of their improper application of the SAP policy and was directed to revise its policy to comply with the regulatory requirements governing federal student aid. Additionally, CRI was instructed to review all of the files of those students enrolled in the Court Reporting program identifying those that had received federal student assistance in excess of 3000-clock hours of enrollment. The institution was required to submit the results of that file review to the Department. CRI subsequently

U.S. Department of Education, Federal Student Aid, School Participation Team - San Francisco/Seattle
701 Fifth Avenue, Suite 2550, Seattle, WA 98104
www.FederalStudentAid.ed.gov

FEDERAL STUDENT AID SERVICE CENTER

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closed. The program review has not yet been resolved, and the information provided by your constituent will be considered and retained in Department files.

Your constituent states that she and others have evidence to support allegations of fraud related to the closing of CRI on August 31, 2006. Your constituent alleges that when CRI closed, student financial assistance funds were fraudulently kept by the CRI and not paid to students or returned to the Department. We strongly recommend that she contact the Office of Inspector General with information and/or documentation related to fraud.

Specifically, anyone suspecting fraud, waste or abuse involving the Department of Education's funds or programs should call or write the Inspector General's Hotline. Contact information is follows.

- Send an email message to oig.hotline@ed.gov
- Call the OIG Hotline's toll free number 1-800-MIS-USED. The Hotline's operating hours are Monday, Wednesday and Friday 9:00 AM until 11:00 AM, Eastern Time; Tuesday and Thursday, 1:00 PM until 3:00 PM, Eastern Time except for holidays.
- Complete and submit a Complaint Form ([English](#) | [Español](#))
- To ensure complete anonymity, download a hardcopy of the special complaint form, complete, and mail to:

**Inspector General's Hotline
Office of Inspector General
U.S. Department of Education
400 Maryland Avenue, S.W.
Washington, D.C. 20202-1510**

Your report may be made anonymously or in confidence.

We trust that the information provided in this letter adequately addresses your concerns. If any further information is needed, please contact DeNise Hill of my staff at 206-615-3638.

Sincerely,



Linda Henderson
Area Case Director