

United States Senate
WASHINGTON, DC 20510-4704

COMMITTEES:
APPROPRIATIONS
BUDGET
HEALTH, EDUCATION, LABOR
AND PENSIONS
RULES AND ADMINISTRATION
VETERANS' AFFAIRS

July 9, 2007

Ms. Linda James

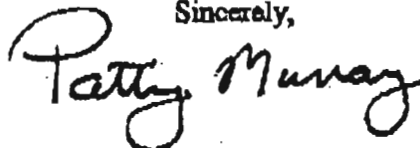
Dear Mrs. James:

Enclosed is correspondence from the Department of Education regarding an inquiry I made on your behalf. I hope this information will be helpful to you in your next course of action.

Should you have any questions or need further assistance, please feel free to contact my Seattle office at (206) 553-5545. Thank you for giving me this opportunity to be of assistance.

I hope all is well in Mill Creek.

Sincerely,



Patty Murray
United States Senator

PM/co

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 RECEIVED JUL 3 2 2007
 M. J. O'NEIL
 DOE

JUN 26 2007

Honorable Patty Murray
 United States Senator
 Attn: Mr. Ed O'Neil
 2988 Jackson Federal Building
 915 2nd Avenue, Suite #3206
 Seattle, WA 98174

Certified Mail
 Return Receipt Requested
 7006 0810 0000 8564 7871

Re: Constituent ~~_____~~
 Court Reporting Institute
 OPE ID#: 03052200

Dear Senator Murray:

Thank you for your letter of May 23, 2007, on behalf of your constituent, ~~_____~~. In a letter to your office, dated April 16, 2007, Mrs. James makes allegations that Court Reporting Institute (CRI) fraudulently obtained federal financial 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.

~~_____~~ also alleges that the Workforce Training and Education Coordinating Board (WTECB) failed to consider CRI's graduation and placement rates in their decision, and only acted to censure the school for lying to students about the number of hours it would take to graduate. In their investigation conducted in 2001, WTECB found that students were not being properly counseled for failure to maintain satisfactory academic progress, which caused students to continue in the Court Reporting program well beyond 3000 clock hours. Because CRI failed to counsel students or caution them about taking out loans to finance a program that they were unlikely to complete, WTECB concluded that CRI failed to comply with the terms of the contract which states that a student must progress "at a pace leading to completion in a specified timeframe", therefore, WTECB found in favor of the students. WTECB concluded that relatively few students enrolled in the Court Reporting program graduated or obtained jobs as court reporters. Hundreds of students have paid thousands of dollars for a program they were never able complete.

On September 30, 2003, the Department of Education (the Department) began a program review of Court Reporting Institute located in Seattle, Washington. The purpose of the review was to determine CRI's compliance with the statutes and 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

U.S. Department of Education, Federal Student Aid, School Participation Team - San Francisco/Seattle
 50 Beale Street, Suite 9800, San Francisco, CA 94105-1863
www.FederalStudentAid.ed.gov

FEDERAL STUDENT AID ~~THE~~ START HERE. GO FURTHER.

Honorable Patty Murray

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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 applying its 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 the students enrolled in the Court Reporting program identifying those that had received aid in excess of 3000 clock hours. The institution was required to submit the results of the file review to the Department. This program review has not yet been resolved.

Because your constituent states that she and others have evidence to support their allegations of fraud, we strongly recommend that she contact the Office of Inspector General.

Anyone suspecting fraud, waste or abuse involving Department of Education funds or programs should contact the Inspector General's Hotline by one of the following methods:

- 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 L. Hill of my staff at (216) 615-3638.

Sincerely,



Linda Henderson
Area Case Director