UNITED STATES DEPARTMENT OF EDUCATION

THE SECRETARY

In the Matter of Platt Junior College, Respondent	)))	Audit Control No: 07-40105

FINAL DECISION OF THE SECRETARY

This case arises out of an audit proceeding brought by the Department to recoup $143,617 in Pell Grant payments received by Platt Junior College (the "College") that it allegedly overpaid to students enrolled in its prison extension courses during the audit period of July 1, 1982 through June 30, 1984. In a decision dated March 24, 1988, Administrative Law Judge Walter J. Alprin held that the college improperly calculated the attendance costs of the students at issue, by failing to pro-rate the tuition and fees for courses whose length was longer than an academic year. Judge Alprin ordered that the College refund to the Department the sum of $143,617, as initially set forth in the Department's final audit determination dated March 26, 1987.

Under 34 C.F.R. 668.119, the College now appeals the decision by the Administrative Law Judge. The College seeks the reversal of the decision, or, in the alternative, a lesser penalty in lieu of the refund.

On the basis of the official record, including the briefs and exhibits submitted to the Administrative Law Judge, and the briefs submitted to the Secretary, the Secretary issues this Order of Final Decision, and affirms the Initial Decision of the Administrative Law Judge. The Secretary finds that the Administrative Law Judge's findings of fact are supported by the record, and that the conclusions of law correctly interpret the applicable regulations. The Secretary further finds that requiring full refund of the overpaid grant funds, as provided for by 34 C.F.R. 690.79(a)(2), was not arbitrary, capricious or an abuse of discretion.

The Secretary therefore adopts and AFFIRMS the Initial Decision of the Administrative Law Judge.

This Order of Final Decision dated the 17th day of November, 1988.

Lauro F. Cavazos
Secretary of Education