



UNITED STATES DEPARTMENT OF EDUCATION

THE SECRETARY

In the Matter of
Clark Atlanta University,
Respondent

Docket No. 93-106-SP
Student Financial
Assistance Proceeding

Order of Remand

Following my order of remand dated March 15, 1996, the Administrative Judge issued a decision dated July 30, 1996, in which he determined that an independent certified public accountant attestation submitted by Clark Atlanta University (CAU) did not provide a basis for altering the liability of CAU which the Administrative Judge had found in his initial decision. For the reasons given by the Administrative Judge, I agree that the attestation does not provide a basis for altering the liability of CAU as found by the Administrative Judge. I also agree with a finding implicit in the Administrative Judge's decision that, for those students who had already defaulted on repayment of a Title IV loan when CAU disbursed Title IV funds to them, CAU is liable for all subsequent Title IV disbursements it made to those students, not merely disbursements made during the time period of the program reviews.

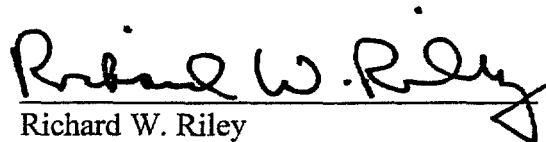
However, in addition to the attestation, in the proceedings below CAU also submitted for each of the 40 students in question all the documentation on which the attestation was based. Understandably, the focus of the Administrative Judge's decision is the attestation, since the attestation was the focus of my order of remand. The Administrative Judge's decision does find that CAU cannot avoid liability for students for whom no documents exist. However, CAU now concedes liability for those students, as well as for three other students who defaulted on loans after they enrolled and received aid at CAU and for another student who defaulted while he was within the statutory grace period and would have been entitled to a deferment if he had sought one. In total, CAU concedes liability for 21 of the 40 students at issue, and now contests liability for the 19 remaining students.

The Administrative Judge's decision does not review the underlying documentation for these 19 students and therefore does not make a determination whether, through that documentation, CAU carries the burden it bears in this proceeding with respect to any one or more of those students. There are general statements in the Administrative Judge's decision that the documentation is unreliable, but those statements appear to be based on the files of the students for whom CAU now concedes liability. I therefore remand this matter to the tribunal below for a consideration of the underlying documentation for each of the 19 students now in question, for a determination whether, with respect

to each student, CAU has carried its burden or is liable for Title IV aid disbursed to the student.

In sum, I agree with the Administrative Judge's finding that the CPA attestation submitted by CAU does not provide a basis for reducing CAU's liability; I find, as conceded by CAU, that CAU is liable for disbursements made by CAU to 21 students; I find that the liability for the 21 students is to be calculated by the method used by the Administrative Judge in his prior rulings; and I remand the matter to the Administrative Judge for a review of the documentation submitted by CAU for each of the remaining 19 students.

So ordered this 1st day of August, 1997.


Richard W. Riley

Washington, DC

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