

UNITED STATES DEPARTMENT OF EDUCATION
WASHINGTON, D.C. 20202

In the Matter of

Docket No. 01-30-SP

**INTERNATIONAL INSTITUTE
OF CHINESE MEDICINE,**

Student Financial
Assistance Proceeding

PRCN: 20020617344

Respondent.

Appearances: Glenn Bogart, Higher Education Compliance Consulting, Birmingham, AL, for Respondent.

Russell B. Wolff, Esq., Office of the General Counsel, United States Department of Education,
Washington, D.C., for Student Financial Assistance Programs.

Before: Richard I. Slippen, Administrative Judge

DECISION

International Institute of Chinese Medicine (IICM) operates as a graduate institution of higher education, offering the Master of Oriental Medicine Degree. IICM participates in the federal student financial assistance programs authorized under Title IV of the Higher Education Act of 1965, as amended (Title IV), 20 U.S.C. § 1070 *et seq.* and 42 U.S.C. § 2752 *et seq.* IICM appealed the U.S. Department of Education (Department), Office of Student Financial Assistance Program's (SFAP) Final Program Review Determination (FPRD) dated July 26, 2001. [\[1\]](#)

The FPRD contained 11 findings of which only four assessed liability, in the amount of \$51,473.00. IICM appealed one finding as it relates to two students. This finding charges that two students (#22 and #35) received Federal Family Education Loan (FFEL) funds in excess of the maximum loan amounts allowed because IICM incorrectly categorized these students as graduate students. The potential liability for these two students totaled \$9,558. IICM did not appeal the remaining \$41,915 in liability assessed in the FPRD. [\[2\]](#) Upon review of the evidence submitted with IICM's appeal brief, SFAP determined that Student #35 had attained graduate student status for FFEL loan eligibility purposes and reduced the remaining disputed FPRD liability to \$7,558. SFAP renews its assertion that Student #22 was not a graduate student for purposes of determining loan eligibility and questions the reliability of IICM's evidence as it pertains to this student.

A student may be considered a graduate student if he or she is enrolled in a program of instruction above the baccalaureate level at an institution of higher education, has completed at least three years of full-time academic study at an institution of higher education, and is not receiving Title IV assistance as an undergraduate student. 34 C.F.R. § 682.200. For the time period at issue, graduate students were eligible to receive \$8,500 in subsidized Federal Stafford Loans and \$10,000 in unsubsidized Federal Stafford loans. Undergraduate students were eligible for the lesser amounts

of \$5,500 in subsidized and \$5,000 in unsubsidized Federal Stafford Loans.

IICM's academic year consists of 24 semester hours, and the school offers three terms per academic year: Fall, Spring, and Summer. A student may enroll in IICM at the beginning of any of the three terms. Given the number of semester hours in IICM's academic year, a student would have to complete 72 semester hours before he or she could be considered a graduate student. IICM states that Student #22 enrolled in the Summer 1998 session and completed 17 credit hours that term. With those additional credit hours earned, IICM asserts that Student #22 met the graduate student Federal loan eligibility standards. In its brief, SFAP questions the veracity of the subsequent transcripts submitted by IICM for Student #22.

Student #22 received \$18,058 in Federal Stafford loan funds for the 1998-1999 award year. The parties do not dispute that this student received 60 credit hours prior to entering IICM at the start of the Summer 1998 term. Therefore, in order to be eligible for the maximum loan amounts available to graduate students, the parties agree that Student #22 would have needed an additional 12 credit hours before the start of the 1998-1999 award year to be properly classified as a graduate student.

There were three complete transcripts submitted for Student # 22.^[3] The first transcript (Transcript #1) was obtained by FSA program reviewers during an on-site program review at IICM.^[4] Transcript #1 indicates that the student at issue took only two classes, Surface Anatomy and Basic Chinese Language I, for a total of 4.5 credits. IICM submitted a second transcript (Transcript #2) that identifies Student # 22 as having completed 17.5 credits in the Summer 1998 term. According to Transcript #2, the student took the following classes and received the following grades:

Traditional Chinese Medicine	A
Five Element Theory and Application	B
Theory of Meridians	A
T.C.M. Etiology & Pathology	B
Meridian and Acupoint Energetics I	A+
Acupuncture Practicum I	A
Human Anatomy and Physiology A	B+
Surface Anatomy	A+
Basic Chinese Language I	A

The third transcript (Transcript #3) submitted identifies the same courses as Transcript #2, but different grades for these courses:

Traditional Chinese Medicine	B+
Five Element Theory and Application	A-
Theory of Meridians	B+
T.C.M. Etiology & Pathology	C-
Meridian and Acupoint Energetics I	B+
Acupuncture Practicum I	B+
Human Anatomy and Physiology A	C
Surface Anatomy	A
Basic Chinese Language I	B+

IICM states that Transcript # 1 was incorrect and that Transcript #2 listed the correct number of credits taken, but reflected incorrect grades. IICM then submitted Transcript #3 that it identifies as the correct and complete transcript. To bolster its claim that Student # 22 completed 17.5 credit hours during the Summer 1998 term, IICM also submitted copies of purported original grade sheets for each of the classes taken. According to IICM, these grade sheets reflect the courses and grades identified in Transcript # 3.^[5]

My review of the three transcripts reveals numerous inconsistencies that significantly impact the credibility of the school's evidence. In addition to the obvious inconsistency between Transcript #1 and Transcripts #2 and #3, there are different courses and grades added for the Fall 1998 term on the second and third transcripts. These added courses and changed grades now give the student a passing GPA for that semester. Specifically, on Transcript # 1, there is no mention of the courses Meridian and Acupoint Energetics II (Course No. 106) and Acupuncture Practicum II (Course No. 108) as having been taken during the Fall 1998 semester. These courses, however, were added to the second and third transcripts.

IICM points to its grade reports as leaving no serious question as to whether Student #22 completed 17.5 credit hours for the Summer 1998 term. However, this additional evidence does not convince me. My review of these grade sheets not only fails to support IICM's claim but it raises additional concerns about the veracity of the evidence submitted by the school. The grade reports are dated no later than July 30, 1998. In fact, grade reports for Five Element Theory and Application, Theory of Meridians, and Human Anatomy are dated July 10, 1998, June 8, 1998, and July 10, 1998, respectively. Given the student's alleged enrollment on May 10, 1998, it seems implausible that all nine courses, especially the three identified above, could be completed in time for grade reports to be issued at such early dates. IICM's allegedly correct Transcript #3 states that Student #22 would have attended 19 hours of class each week, for a total of 285 hours for the summer term. If 19 hours of course work were taken each week, the coursework for the Summer 1998 term would be complete in 15 weeks. Yet, the three courses above were completed well shy of the 15 weeks required to complete these courses at the pace identified by IICM in its transcript. Even the courses where the grade sheets were dated July 30, 1998, only a 12-week period elapsed from the date of the student's enrollment. It is also suspect that in the semester where the credits were needed to justify the receipt of federal loan funds, this student took nearly twice the number of credits he did any other semester.

IICM's sole explanation is that it was human error that led to the admitted inconsistencies in the three transcripts. The school, however, fails to identify or explain any of the additional inconsistencies noted by this tribunal. Some inconsistencies may be explained away by human error, but here, there have been too many inconsistencies made in a manner that is highly suspect.^[6] Given the additional implausibility of the student having been able to complete 17.5 credits during what can only be described as an abbreviated summer term, I find the school's explanation unconvincing. Therefore, I find that IICM has failed to meet its burden of proof that Student #22 completed the requisite hours needed to attain graduate-level status for loan eligibility purposes. Consequently, IICM remains liable for the loan funds Student #22 received in excess of the undergraduate loan amounts.

ORDER

On the basis of the foregoing, it is hereby ORDERED that International Institute of Chinese Medicine pay to the U.S. Department of Education the sum of \$7,558.

Judge Richard I. Slippen

Dated: September 12, 2002

SERVICE

A copy of the attached document was sent to the following:

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[1] Since the submission of this appeal, SFAP has changed its name to the Office of Federal Student Aid (FSA). For purposes of this decision, it will be referred to by its former name as the FPRD, and all subsequent submissions name SFAP as the Department's authorized office for initiating this action.

[2] As SFAP indicates in its brief, this liability was not appealed and stands as a final debt owed to the Department. Consequently, these findings and their corresponding liability are not before me.

[3] A fourth partial transcript was also submitted. See ED Ex. 9.

[4] See ED Ex. 8.

[5] See Resp. Ex. 7.

[6] There are smaller inconsistencies present in the transcripts such as changes made in course names, the absence of the student's birth date from Transcripts #2 and #3 although it appears on Transcript #1, and the student's enrollment date of May 10, 1998, which is a Sunday. Additionally, the fourth partial one-page transcript identified in Footnote #3 throws further doubt on the reliability of IICM's evidentiary submissions given its incomplete nature and the out-of-sequence listing of the semesters identified on this page.