

Wright State settled for nearly \$2 million with feds over student aid issues

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Signs and buildings around Wright State University

By

Max Filby, Staff Writer

An audit released by the state on Thursday revealed a nearly \$2 million settlement between Wright State University and the U.S. Department of Education and sheds more light on the school's financial troubles and ongoing investigations.

On Nov. 1, Wright State agreed to pay more than \$1.98 million for issues stemming from a routine 2015 federal review of the school's handling of federal student aid, according to the audit.

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The federal review looked at how WSU handled student aid administered under Title IV of the Higher Education Act, which includes Pell Grants, federal work study, federal Perkins loans and a number of other programs,

according to the U.S. Department of Education. The issues questioned in the review occurred during the 2013-14 and 2014-15 school years, according to the audit.

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Wright State was unable to provide documentation showing that all the students it administered federal aid to actually attended classes prior to withdrawing from the university, according to WSU.

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"We paid \$2 million back because of funds we could not prove were appropriately disbursed," said spokesman Seth Bauguess.

Since then, the university has "taken action to secure data for all students who begin classes at WSU" to ensure financial aid programs comply with federal law, officials said in a prepared statement. The settlement has already been paid and Bauguess said the university is remedying the problem by trying to get professors and instructors to regularly take attendance in classes.



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Wright State's certification for administering Title IV federal aid expired in March and the school has had to get month-to-month approval since then, according to the audit. The month-to-month approval is "just a formality until the program review process is closed," WSU officials said in a prepared statement.



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Although the administration believes Wright State is now complying with aid requirements, delays in re-certification could be detrimental, the audit points out.

"Difficulties or delays in maintaining eligibility to administer Title IV funds could negatively impact the university's ability to attract students and maintain operations," the audit states.

The university expects it will receive full certification to administer federal student aid by the end of February, according to the audit.

The federal aid issues are the latest troubles to come to light at Wright State in the last few years.

Wright State is under federal criminal investigation for possible H-1B visa fraud and the school is facing probes from multiple government agencies including the U.S. Air Force Office of Special Investigations and NASA Glenn Office of Investigations, among others. Wright State officials would not comment on the investigations.

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Completion of the investigations and their impact remains unknown, according to the audit.

The school also slashed more than \$30.8 million from its 2018 fiscal year budget in June in an attempt to begin correcting years of overspending.

Wright State officials were questioned by the firm conducting the audit about “the university’s ability to continue” to meet its obligations. But, no further details of that discussion were included in the audit.

“There is no chance that Wright State is going to close. While Wright State has experienced financial challenges, a remediation plan was developed and implemented to ensure its continued viability,” the university said in a prepared statement.

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