



November 21, 2011

Dr. Robert J. Imhoff
President
Mid-Continent University
99 Powell Road East
Mayfield, KY 42066-9007

UPS Tracking # 1ZA5467Y0194987986

RE: **Ineligible Additional Locations**
Main Location OPE ID: 02576200

Dear President Imhoff:

From November 15, 2010 through November 18, 2010, Mr. Roy Chaney, Ms. Lisa Hoskins, and Ms. Kathy Feith as representatives of the U.S. Department of Education (Department) conducted a review of Mid-Continent University's (MCU) administration of the Federal student financial aid programs authorized pursuant to Title IV of the Higher Education Act of 1965, as amended, 20 U.S.C. §§ 1070 *et seq.* (Title IV, HEA programs). As part of the program review, the reviewers discovered that MCU improperly received Title IV, HEA funds in the name of students attending locations (See Attachment) that offers 50% or more of an eligible program, and that the institution failed to report the additional location to the Department. *See* 34 C.F.R. § 600.21(d).

These locations have received neither approval from MCU's accrediting agency nor approval from the applicable state authorizing agency. *See id.* In reviewing accreditation approvals from Southern Association of Colleges and Schools (SACS), MCU was approved to only offer less than 50% of a program at the additional sites. As a result, MCU must immediately cease disbursing Title IV, HEA funds to students at these unreported, unlicensed, and unaccredited locations. *See id.* *See also* 34 C.F.R. § 600.21(a)(3).

The Department considers MCU's failure to report the additional unlicensed and unaccredited locations, prior to receiving Title IV, HEA funds, to be a serious violation. *See* 34 C.F.R. § 600.21(e). The Department is seriously considering changing the method in which MCU will receive Title IV, HEA funds. The Department will notify MCU of its decision in writing under separate cover.

Federal Student Aid, School Participation Team – Kansas City
8930 Ward Parkway, Suite 2028, Kansas City, MO 64114
www.FederalStudentAid.ed.gov

FEDERAL STUDENT AID  START HERE. GO FURTHER.

Page 2 of 3

As a result of this violation, to secure Title IV, HEA eligibility for these additional locations, MCU must: 1) obtain approval of the location from MCU's accrediting agency and applicable state authorizing agency; 2) submit to the Department an application, including all documentation required by that application, using the Department's "Application for Approval to Participate in the Federal Student Financial Aid Programs", then wait for the Department's approval for the additional locations. MCU must apply and wait for the Department's approval for any future additional locations that MCU wishes to make Title IV, HEA eligible. 34 C.F.R. § 600.20(c)(1)(v).

Further, when MCU applies to the Department for recertification of its Title IV, HEA eligibility, the Department has the authority under 34 C.F.R. § 668.13 to certify MCU's eligibility to participate on a provisional basis as a result of its failure to meet the requirements under 34 C.F.R. § 600.21(a) (3).

All Title IV, HEA funds that MCU received at the unreported unlicensed, and unaccredited locations are liabilities that must be repaid to the Department. 34 C.F.R. § 600.21(e). The Department will provide payment instructions and any additional instructions to MCU in a subsequent Final Program Review Determination (FPRD) letter.

The institution must provide a spreadsheet by award year for all Title IV, HEA funds disbursed at the ineligible locations. The following information for each student must be provided:

- First and last name;
- Last four digits of the student's social security number;
- Date and amount of each Title IV disbursement, by Title IV program;
- Date and amount of any Return of Title IV Funds calculation performed, by Title IV program;
- Amount of Title IV funds returned, if applicable (organized by Title IV program, then by date of return, then by amount)

Please see the enclosure Protection of Personally Identifiable Information (PII) for instructions regarding submission of required data / documents containing PII.

If you have any questions regarding this letter, please contact Mr. Roy Chaney at (816) 268-0426.

Sincerely,



Ralph A. LoBosco
Area Case Director

Mid-Continent University
OPE ID 02576200

Page 3 of 3

cc: Mr. Marvin Youngblood, Financial Aid Administrator
Kentucky Council on Higher Education
Southern Association of Colleges and Schools (SACS)

Enclosure:
Protection of Personally Identifiable Information

PROTECTION OF PERSONALLY IDENTIFIABLE INFORMATION

Personally Identifiable Information (PII) being submitted to the Department must be protected. PII is any information about an individual which can be used to distinguish or trace an individual's identity (some examples are name, social security number, date and place of birth).

PII being submitted electronically or on media (e.g., CD-ROM, floppy disk, DVD) must be encrypted. The data must be submitted in a .zip file encrypted with Advanced Encryption Standard (AES) encryption (256-bit is preferred). The Department uses WinZip. However, files created with other encryption software are also acceptable, provided that they are compatible with WinZip (Version 9.0) and are encrypted with AES encryption. Zipped files using WinZip must be saved as Legacy compression (Zip 2.0 compatible).

The Department must receive an access password to view the encrypted information. The password must be e-mailed separately from the encrypted data. The password must be 12 characters in length and use three of the following: upper case letter, lower case letter, number, special character. A manifest must be included with the e-mail that lists the types of files being sent (a copy of the manifest must be retained by the sender).

Hard copy files and media containing PII must be:

- sent via a shipping method that can be tracked with signature required upon delivery
- double packaged in packaging that is approved by the shipping agent (FedEx, DHL, UPS, USPS)
- labeled with both the "To" and "From" addresses on both the inner and outer packages
- identified by a manifest included in the inner package that lists the types of files in the shipment (a copy of the manifest must be retained by the sender).

PII data cannot be sent via fax.

Name of Location of Instruction	Address	Program Offered
National Guard Armory (no longer offer coursework effective 10/20/2010)	20 State Police Road London, KY 40741	Bachelor of Science in Business Management
Grace Fellowship Church	845 A. South Main Street London, KY 40741	Bachelor of Science in Business Management
Marion County Adult Learning Center	214 North Harrison Street Lebanon, KY 40033	Bachelor of Science in Business Management
SHPS	11505 Bluegrass Parkway Louisville, KY 40299	Bachelor of Science in Business Management
Jameson Inn Louisville East	1301 Kentucky Mills Drive Louisville, KY 40299	Bachelor of Science in Business Management
Marion County Area Technology Center	721 East Main Street Lebanon, KY 40033	Bachelor of Science in Business Management
Second Baptist Church	401 East 2 nd and Spring Street Russellville, KY 42276	Bachelor of Science in Business Management
Lexington YMCA	239 East High Street Lexington, KY	
Crossroads Community Hospital	#8 Doctors Park Road Mt. Vernon, IL	
Rocky Hollow Recreation Center	142 South Central Avenue Somerset, KY	Bachelor of Science in Business Management
Montgomery County Fire—EMS Station 6	250 Oak Grove Drive Mount Sterling, KY 40353	Bachelor of Science in Business Management
Boone National Guary Armory	110 Minuteman Parkway Frankfort, KY 40601	Bachelor of Science in Business Management
Frankfort Regional Medical Center	299 Kings Daughter Road Frankfort, KY 40601	Bachelor of Science in Business Management
Leitchfield United Methodist Church	213 West Main Street Leitchfield, KY 42754	Bachelor of Science in Business Management, Associate of Science Degree
Danville Hampton Inn	100 Montgomery Way Danville, KY 40422	Bachelor of Science in Business Management, Associate of Science Degree

Monticello National Guard Armory	1380 North Main Street Monticello, KY 42633	Bachelor of Science in Business Management, Associate of Science Degree
Crosspointe Baptist Church	350 Worthington Road Owensboro, KY 42301	Bachelor of Science in Business Management
Memorial Baptist Church	906 Main Street Murray, KY 42071	Bachelor of Science in Business Management
Richmond National Guard Armory	1812 Irvine Road Richmond, KY 40475	Bachelor of Science in Business Management
Immanuel Baptist Church	1280 Faulkner Road Danville, KY 40422	Bachelor of Science in Business Management
Mitsuba Bardstown	901 Withrow Court Bardstown, KY 40004	
Hampton Inn—Cincinnati Airport South	7393 Turfway Road Florence, KY	