



DEPARTMENT OF VETERANS AFFAIRS
Veterans Benefits Administration
Education Service
Washington, D.C. 20420

Richard M. Englert
President, Temple University
Second Floor, Sullivan Hall
1330 Polett Walk
Philadelphia, PA 19122

March 9, 2020

Dear Mr. Englert;

I have concluded there is sufficient evidence to support a finding that Temple University (Temple) has utilized advertising, sales, or enrollment practices which are erroneous, deceptive, or misleading either by actual statement, omission, or intimation in violation of 38 U.S.C. § 3696. Additionally, I have concluded that there is sufficient evidence to support a finding that Temple, through various actions, inflate the ranking of the Fox School of Business arising from the misreporting of certain data to US News & World Report for its rankings. Accordingly, this letter serves as notification that I intend to disapprove the enrollment of all individuals not already enrolled at Temple. Pursuant to 38 C.F.R. § 21.4210(e)(1), I am providing Temple 60 days to take corrective action. I am taking this action in accordance with 38 U.S.C. §§ 3690(b) and 3696(a) and 38 C.F.R. §§ 21.4210(d)(4)(iii) and 21.4211(a)(6).

I have reached my conclusion based on the following reasoning:

Pursuant to 38 U.S.C. § 3696(a), VA shall not approve the enrollment of an eligible person in "any course offered by an institution which utilizes advertising, sales, or enrollment practices which are erroneous, deceptive, or misleading either by actual statement, omission, or intimation." See also 38 C.F.R. § 21.4252(h)(1). Information contained in a complaint filed by United States District Court for the Eastern District of Pennsylvania under the caption *Smith, et al. v. Temple University*, No. 18-cv-00590 (E.D. Pa.) (the "Action"), demonstrates that Temple has failed to meet the section 3696(a) requirements. The complaint alleges that from approximately 2014 to through 2017, Temple made false, deceptive, and misleading statements to US News and World Report (USNWR) regarding the ranking of its Online Masters of Business Administration (OMBA) program directly and adversely affecting students. The complaint specifically alleges that the In Jan 2018, about a week after the program was ranked #1 for the fourth consecutive year, Temple revealed that they had submitted incorrect data to USNWR since 2014. The program went from #1 to "Unranked." Temple's President and Vice-President/Provost announced on 25 July 2018 that misreporting similar to that involving the OMBA also occurred with respect to the Executive MBA, Global MBA, Part-Time MBA, Master of Science in Human Resource Management and Master of Science in Digital Innovation in Marketing. These programs all had issues related to the

reporting of one or more metrics, including the number of new entrants providing GRE/GMAT scores, student indebtedness and applicants' undergraduate GPAs. For the Online Bachelor of Business Administration, misreporting related to student indebtedness was found

Additionally, in January 2018 Temple brought in Jones Day, a global law firm with substantial experience in such reviews in higher education, to conduct a review of Fox's rankings data. It was discovered that the Dean of the Fox School of Business had chosen to disband a longstanding committee charged with ensuring the accuracy of rankings data. This absence of checks and balances, together with an undue focus on rankings, enabled such misreporting and misleading information. The Jones Day review found that the Fox School reported inaccurate data to U.S. News for multiple years. In some instances, the misreporting was intentional; in other instances, the Fox School misreported information based on incorrect interpretations of survey questions.

Specific deceptive practices determined by Jones Day were that: the University reported that all admitted applicants for ranking years 2015 through 2018 had taken the Graduate Management Admission Test were wrong. The actual number was "significantly lower" than the 100 percent figure given; Temple University reported undergraduate grade point averages were "inflated through use of various methods" for ranking years 2015 through 2018; Temple University underreported the number of admissions offers, implying that the program was more selective than was the case for ranking years 2017 and 2018; Temple University provided false information about debt. USNWRT asked business schools for the average debt among graduates who borrowed for ranking years 2016 through 2018. Temple reported instead the average for all graduates, thus lowering the average debt level. Temple University counted both faculty members and "academic coaches" in a formula to determine student-faculty ratio for ranking years 2016 through 2018.

Please note that if Temple fails to remedy its deficiency through corrective action within 60 days, I will disapprove the enrollment of all individuals not already enrolled in Temple programs. I will then refer the matter to the Committee on Educational Allowances (Committee) in accordance with 38 C.F.R. §§ 21.4210(g), 21.4211 and 21.4212, to assist me in making a determination as to whether educational assistance should be discontinued for all individuals enrolled in your institution, and, if appropriate, whether approval of all further enrollments or reenrollments in your institution should be denied to veterans, servicemembers, reservists, or other eligible persons pursuing those courses under educational assistance programs administered by VA. Temple will be provided with the opportunity for a hearing before the Committee in accordance with 38 C.F.R. §§ 21.4212-14. The Committee will make a recommendation to me, and I will render a decision pursuant to 38 C.F.R. § 21.4215 regarding discontinuance. Temple will then be afforded an opportunity to request a review of such decision by the Director, Education Service, Veterans Benefits Administration, pursuant to 38 C.F.R. § 21.4216.

Please submit any additional information relevant to this matter referenced above to vavbabuf/ro/dir@va.gov. or vavbabuf/ro/edu@va.gov

I look forward to working with you to ensure that our nation's Servicemembers and Veterans receive their earned education benefits.

Sincerely,

Donna P. Mallia
Director, Buffalo Regional Office