

PAUL A. GOSAR, D.D.S.
NINTH DISTRICT, ARIZONA

2057 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, D.C. 20515
(202) 225-2315

1300 SOUTH LITCHFIELD ROAD, SUITE 115-H
GOODYEAR, ARIZONA 85338
(623) 707-0530

WWW.GOSAR.HOUSE.GOV



Congress of the United States
House of Representatives

Washington, DC 20515

November 17, 2023

COMMITTEE ON NATURAL RESOURCES
SUBCOMMITTEES

CHAIRMAN, OVERSIGHT AND INVESTIGATIONS
ENERGY AND MINERAL RESOURCES

COMMITTEE ON
OVERSIGHT AND ACCOUNTABILITY
SUBCOMMITTEES

HEALTH CARE AND FINANCIAL SERVICES
NATIONAL SECURITY, THE BORDER AND
FOREIGN AFFAIRS

Richard A. Cordray
Department of Education
Office of Federal Student Aid
Chief Operating Officer
830 First Street, N.E.
Washington, D.C. 20002

RE: *The United States Department of Education's \$37,735,000 Fine Against Grand Canyon University*

Dear Mr. Cordray:

I am writing to you regarding the United States Department of Education's letter to the President of Grand Canyon University (GCU) with the subject "Grand Canyon University ("GCU"): OPE-ID 00107400."

This letter states the Education Department's intention to slam Grand Canyon University (GCU) with a \$37,735,000 fine for its purported failure to meet the fiduciary standard of conduct under Title IV of the Higher Education Act of 1965. Specifically, the Education Department purports that GCU misrepresented the total costs of certain doctoral programs to former, current, and prospective students.

GCU categorically denies every Education Department accusation.¹ It claims to provide more cost transparency than what is legally required.² GCU also claims that its disclosures are more robust than those of other universities.³ Indeed, a November 2022 Government Accountability Office (GAO) report estimates that 41 percent of colleges do not even include a net price in their offers.⁴ Where are the fines for this 41 percent of colleges?

This development comes as the Biden administration has waged an assault against for-profit universities. In October 2021, remarks from then-Federal Trade Commission (FTC)

¹ Grand Canyon University. (2023). GCU categorically refutes Department of Education's lies and deceptive statements. <https://news.gcu.edu/press-releases/gcu-categorically-refutes-department-of-educations-lies-and-deceptive-statements/>.

² Grand Canyon University. (2023). Government agencies unjustly targeting GCU. <https://news.gcu.edu/press-releases/government-agencies-unjustly-targeting-gcu/>.

³ Id.

⁴ Government Accountability Office. (2022). FINANCIAL AID OFFERS Action Needed to Improve Information on College Costs and Student Aid. <https://www.gao.gov/assets/gao-23-104708.pdf>.

Commissioner Rohit Chopra reveal that the FTC “authorized a procedure to activate penalties against for-profit colleges for certain types of misconduct.”⁵

Additionally, a memorandum from the American Accountability Foundation indicates that since October 2021, the Student Financial Aid Enforcement Office has opened six new investigations that all appear to be against for-profit schools.⁶

Because of my concern regarding the hostility of left-wing Democrats towards for-profit schools, I called on the Federal Student Aid Office of Enforcement to be defunded in the Fiscal Year 2024 Labor, Health and Human Services, Education, and Related Agencies Appropriations bill.

Regardless of the merits behind the Education Department’s assault on for-profit universities, it is imperative to recognize that GCU should not even be considered a for-profit institution. In fact, the Internal Revenue Service (IRS) affirms that GCU is on the Publication 78 Data List which means the university is eligible to receive tax-deductible charitable contributions.⁷ Why then is the Biden administration fining GCU?

Not only is your attack on for profit, but tax-exempt universities suspect, attacking GCU in this manner raises First Amendment concerns. The government cannot take actions that establish or inhibit the practice of religion. GCU is a Christian university and operates on Christian values and ideals. The fine proposed by your office is chilling in its operation and intended to inhibit and persecute a Christian based university.

It is further notable that out of the tens of thousands of students, there are virtually no complaints from alumnae. In short, this attack on Christianity and a university grounded in Christian principles is wrong, intentional, and unsupported.

To put it plainly, the Biden administration’s assault on GCU is both perturbing and preposterous. GCU is clearly more transparent about its costs than 41 percent of other colleges, yet despite this, it is seemingly being mischaracterized as a for-profit university for it to fall under the scope of the administration’s war on for-profit schools. This is unacceptable.

Please provide me with all documents supporting the Office of Federal Student Aid’s finding that GCU failed to meet its fiduciary standard of conduct under Title IV of the Higher Education Act of 1965. Additionally, please answer these questions:

1. Why has the Education Department not imposed fines against the 41 percent of colleges described by the GAO to not include a net price in their offers?

⁵ Chopra, R. (2021). PREPARED REMARKS OF COMMISSIONER ROHIT CHOPRA Regarding the Resurrection of the FTC’s Penalty Offense Authority to Deter False Claims by For-Profit Colleges. Federal Trade Commission.

https://www.ftc.gov/system/files/documents/public_statements/1597178/prepared_remarks_of_commissioner_chopra_re_penalty_offense.pdf.

⁶ American Accountability Foundation. (2023). Working Class Students Under Attack by Department of Education. <https://doedwitchhunt.com/wp-content/uploads/2023/04/Office-of-Enforcement-Department-of-Education-Report-Final-for-pub.pdf>.

⁷ Internal Revenue Service. Grand Canyon University. <https://apps.irs.gov/app/eos/details/>.

2. Why is the Education Department seemingly targeting for-profit universities with investigations?
 - a. What is the Education Department doing to investigate any misrepresentations by non-profit colleges?
3. Why does the Education Department not recognize GCU's nonprofit status, despite the university being included on the IRS Publication 78 Data List?
4. Is the Education Department specifically targeting GCU because it is a Christian institution?

Please respond to this letter with copies of the requested documents and a written response to my questions by December 17, 2023. Abide by all rules and regulations when fulfilling this request.

Sincerely,

A handwritten signature in blue ink that reads "Paul A. Gosar, D.D.S." The signature is stylized and includes a large, looped initial "P" and "G".

Paul A. Gosar, D.D.S.
Member of Congress
9th Congressional District, Arizona