

SETTLEMENT AGREEMENT

This Agreement is made between Liberty University of Lynchburg, Virginia (OPE ID #02053000) (Liberty) and the United States Department of Education (Department), Federal Student Aid (FSA), acting through its Director, Administrative Actions and Appeals Service Group, and is effective when the last party executes this Agreement.

A. On April 3, 2013, the Department sent Liberty a letter stating that the Department intended to fine Liberty \$165,000 (hereafter “the proposed fine action”) based on FSA’s findings that Liberty had failed to comply with the requirements of the Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act (the Clery Act) included in § 485(f) of the Higher Education Act of 1965, as amended.

B. The proposed fine action was based on a Final Program Review Determination (FPRD) issued by FSA on March 23, 2010. In the FPRD, FSA concluded that Liberty failed to: properly classify and disclose crime statistics; issue timely warnings to its campus community; properly maintain the daily crime log; include required policy statements in the Annual Security Report (ASR) and distribute the ASR in accordance with the Department’s regulations. Liberty contests the findings of the FPRD.

C. The Department has determined that the records and evidence in this case do not indicate that Liberty received a report of a sexual assault in May 2005. Therefore, the Department acknowledges that the statements in the intent to fine letter and the FPRD referring to the report of an incident in May 2005, and references to Liberty’s reporting obligations, were incorrect.

D. The parties acknowledge that they disagree on whether Liberty correctly characterized and reported, for Clery Act purposes, a report of a crime that the Liberty Police Department received in April 2005 as discussed in the FPRD. In the FPRD, FSA concluded that Liberty had violated the Clery Act by failing to include this reported crime in its crime statistics and crime log and by not issuing a timely warning. Liberty contends that it did not receive a report of a crime that required an addition to the crime statistics, a timely warning, or a listing in the crime log. Liberty also contends that it did not receive proper notice of an alleged violation for which a fine was assessed, and therefore was not afforded an adequate opportunity to respond. FSA does not agree with Liberty’s contentions.

E. FSA acknowledges that the record indicates that Liberty appropriately responded to the student who provided the April 2005 complaint referenced in paragraph D., actively investigated the incident and acted diligently to assist the student following the incident, including offering appropriate support services. FSA further acknowledges that nothing in the record indicates that Liberty sought to cover-up the alleged incident or intentionally withhold information pertaining to it from students, faculty, staff, or the public.

F. As part of the proposed fine action, FSA included a proposed fine for Liberty’s failure to include in its ASR a statement about the institution’s procedures for voluntary confidential reporting of crimes by professional and pastoral counselors. This statement is required if the institution has such procedures. Liberty affirms to FSA that it does not have procedures for

voluntary confidential reporting of crimes by professional and pastoral counselors. FSA acknowledges that, under these circumstances, Liberty was not required to include a statement about these procedures in the ASR.

G. On April 22, 2013, Liberty appealed the proposed fine action and requested a hearing. The appeal was assigned to the Department's Office of Hearings and Appeals and docketed as In the Matter of Liberty University, Docket No. 13-07-SF.

H. By entering into this Agreement, Liberty and the Department agree to resolve the proposed fine action without any further administrative procedures.

I. Nothing in this Agreement constitutes an admission of liability or wrongdoing by Liberty.

In consideration of the mutual covenants and conditions contained in this Agreement, and intending to be legally bound, the parties agree as follows:


1. Liberty agrees to pay a total of \$120,000 to the Department to resolve the proposed fine action. Liberty will make the payment of \$120,000 at the time it provides the Department with a signed copy of this Agreement in accordance with payment instructions provided by the Department.
2. Liberty withdraws its appeal of the proposed fine action. The Department and Liberty agree that the administration fine action is fully resolved. Upon full execution of this Agreement and FSA's receipt of Liberty's payment of the fine amount, FSA will file a motion to dismiss the pending action.
3. The Department agrees not to initiate further administrative action against Liberty based on the FPRD dated April 3, 2012.
4. Liberty acknowledges that it will continue to take steps to comply with the Clery Act and ensure that all future Clery Act reports are accurate and complete.
5. This Agreement does not waive, compromise, restrict, or settle:
 - a. Any past, present, or future violation of the criminal or civil fraud laws of the United States.
 - b. Any presently pending or future action taken by the United States under the criminal laws or civil fraud laws of the United States.

The Department is not aware of any such actions pending against Liberty based on the Clery Act issues addressed in this Agreement.

6. This Agreement does not address or resolve any complaints filed with or any investigations undertaken by the Department's Office of Civil Rights under any applicable law or regulation.

Liberty and the Department each warrant that the undersigned representative is authorized to sign this Agreement on its behalf.

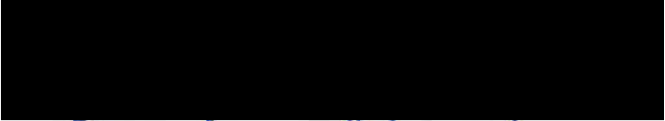
FOR LIBERTY UNIVERSITY



Jerry L. Falwell, Jr.
President
Liberty University

Dated: 12/17/2013

FOR THE UNITED STATES DEPARTMENT OF EDUCATION



Mary E. Gust
Director
Administrative Actions and Appeals Service Group
Federal Student Aid
U.S. Department of Education

Dated: 12/18/2013