

AMENDMENT TO RULES COMMITTEE PRINT 118-

36

OFFERED BY MRS. RAMIREZ OF ILLINOIS

At the end of subtitle C of title XVII, insert the following:

1 **SEC. 17___ . TREATMENT BY DEPARTMENT OF VETERANS**
2 **AFFAIRS OF EDUCATIONAL INSTITUTIONS**
3 **THAT VIOLATE CERTAIN PROHIBITIONS ON**
4 **ADVERTISING, SALES, AND ENROLLMENT**
5 **PRACTICES.**

6 (a) RESTORATION OF ENTITLEMENT.—Section 3696
7 of title 38, United States Code, is amended—

8 (1) by redesignating subsections (i) through (l)
9 as subsections (j) through (m), respectively; and

10 (2) by inserting after subsection (h) the following new subsection (i):

11 “(i) RESTORATION OF ENTITLEMENT.—Upon a final
12 determination by the Under Secretary for Benefits under
13 subsection (g), including the results of any appeal under
14 subsection (i), that an educational institution or the owner
15 of an educational institution violated subsection (a), (c),
16 or (d), the Secretary may determine that any payment of
17 educational assistance to an individual who used, or was
18

1 enticed to use, entitlement to educational assistance under
2 chapter 30, 31, 32, 33, or 35 of this title, or chapter 1606
3 or 1607 of title 10, to pursue a course or program of edu-
4 cation at such educational institution during the time pe-
5 riod when the violation occurred, and who, by reason of
6 such violation, was unable to continue such course or pro-
7 gram at such educational institution or was deprived (in
8 the determination of the Secretary) of the expected value
9 of such used entitlement, is not—

10 “(1) charged against any entitlement to edu-
11 cational assistance of the individual; or

12 “(2) counted against the aggregate period for
13 which section 3695 of this title limits the receipt of
14 educational assistance by such individual.”.

15 (b) REPAYMENT OF FUNDS.—

16 (1) IN GENERAL.—Subsection (h) of such sec-
17 tion is amended—

18 (A) in paragraph (4), by striking “sub-
19 section (i)” and inserting “subsection (j)”; and

20 (B) by adding at the end the following new
21 paragraph:

22 “(5)(A) In addition to any other enforcement action
23 taken under this subsection, upon a final determination
24 by the Under Secretary for Benefits under subsection (g)
25 that an educational institution or the owner of an edu-

1 cational institution violated subsection (a) or (c), the Sec-
2 retary shall require the educational institution to repay to
3 the Secretary all amounts of educational assistance under
4 chapter 30, 31, 32, 33, or 35 of this title, or chapter 1606
5 or 1607 of title 10, paid to the educational institution by
6 or on behalf of an individual who pursued a course or pro-
7 gram of education at the educational institution during
8 the time period when the violation occurred.

9 “(B) As a condition of the approval of a course or
10 program of education under this chapter, the educational
11 institution offering the course or program shall agree that
12 if Under Secretary of Benefits makes a final determina-
13 tion under subsection (g) that the educational institution
14 or the owner of the educational institution violated sub-
15 section (a) or (c), the educational institution shall make
16 the repayment required under subparagraph (A).

17 “(C) The Under Secretary shall establish a process
18 for making a determination regarding the amount an edu-
19 cational institution or an owner of an educational institu-
20 tion is required to repay under subparagraph (A) in the
21 case of a violation of subsection (a) or (c). Such process
22 shall include—

23 “(i) clearly defined factors to be used to deter-
24 mine the amount attributable to the violation, in-
25 cluding the degree to which individuals enrolled in a

1 program of education offered by the educational in-
2 stitution using entitlement to educational assistance
3 under chapter 30, 31, 32, 33, or 35 of this title or
4 chapter 1606 or 1607 of title 10 suffered a loss due
5 to the violation;

6 “(ii) a requirement that the Under Secretary
7 provide notice to the educational institution or the
8 owner of the educational institution that the Under
9 Secretary is in the process of making such a deter-
10 mination with respect to the educational institution
11 or owner; and

12 “(iii) a procedure under which the educational
13 institution or owner may provide such information to
14 the Under Secretary as the educational institution or
15 owner determines appropriate within a specified pe-
16 riod of time outlined by the Secretary for purposes
17 of informing such determination.

18 “(D) A determination made pursuant to subpara-
19 graph (C) shall be—

20 “(i) made by the Under Secretary and may not
21 be delegated; and

22 “(ii) subject to review under section 7104(a) of
23 this title.”.

1 (2) DISAPPROVAL.—Section 3679 of title 38,
2 United States Code, is amended by adding at the
3 end the following new subsection:

4 “(g) Notwithstanding any other provision of this
5 chapter, in the case of an educational institution that the
6 Secretary determines is required to repay to the Secretary
7 an amount under section 3696(h)(5) of this title and does
8 not repay such amount, the Secretary shall disapprove a
9 course or program of education offered by the educational
10 institution until the educational institution repays to the
11 Secretary such amount.”.

12 (3) REINSTATEMENT.—Paragraph (2) of sub-
13 section (k) of section 3696, as redesignated by sub-
14 section (a)(1), is amended—

15 (A) in subparagraph (E)—

16 (i) by striking “that”; and

17 (ii) by striking “and” at the end;

18 (B) by redesignating subparagraph (F) as
19 subparagraph (G); and

20 (C) by inserting after subparagraph (E)
21 the following new subparagraph (F):

22 “(F) the educational institution repays any
23 amount required to be repaid under subsection
24 (h)(5); and”.

