

PHEAA Spends More Than \$400,000 in Legal Fees to Cover Lavish Expenses

By Brooke Heath

The Pennsylvania Higher Education Assistance Agency (PHEAA) spent more than \$400,000 in legal fees in an effort to keep its travel expenses out of the public eye. Nevertheless, last week, the Pennsylvania Supreme Court ordered PHEAA to disclose the same information that it spent more than \$409,000 to keep hidden.

According to *The Express-Times*, the legal fees were paid to two law firms to defend PHEAA in a court battle against The Patriot-News of Harrisburg, The Associated Press, and Pittsburgh's WTAE-TV. The battle began when the media organizations requested PHEAA's travel-expense records in 2005.

The travel expenses included receipts dated as far back as 2000, totaling more than \$860,000 in expenses. The expenses were accrued by the agency's employees and board members, the majority of whom were state lawmakers, while they attended several retreats and resorts.

According to *The Morning Call*, the expenses included costs associated with banquets, state-owned airplanes, bar tabs, golf outings, and spa treatments, including \$156,000 for a November 2001 event at the Meadowood Napa Valley Resort in California's wine country. The lavish trip included \$100 facials, a \$95-per-person buffet, \$175 for falconry lessons, and a \$491 limo ride for a shopping expedition.

Founded in 1964, the Pennsylvania Higher Education Assistance Agency has claimed to serve millions of students across the nation through its financial aid programs, but its most recent bill of \$409,000 in legal fees has critics thinking otherwise.

"How many scholarships does that represent?" asked Pennsylvania Education Secretary Gerald Zahorchak, who, according to *The Morning Call*, was upset by the amount the PHEAA had accrued in legal fees.

In an article in *The Express-Times*, PHEAA officials claimed that they took their case to the Pennsylvania Supreme Court because they wanted to receive a definitive ruling. PHEAA officials also added that since the release of the expense records, the board has tightened its travel policies.

In addition to releasing documentation of its travel expenses, the PHEAA must also pay a portion of the \$65,000 in legal fees incurred by the media organizations in this case.