

Cuomo investigates Division I athletic departments

By Amit Agarwal

New York Attorney General Andrew Cuomo has launched investigations to find out whether Division I athletic departments have led athletes and other students to education loan providers in exchange for questionable benefits.

Cuomo sent subpoenas to 39 universities and requested documentation on deals made between their athletic departments and Student Financial Services, Inc., a part of University Financial Services (UFS). The 39 colleges include names such as Auburn University, Ohio University, and Texas Christian University. The attorney general is also investigating team names, mascots, and colors that would make it obvious that the company was the colleges' preferred lender.

In a written statement, the company contended that their relationships with various colleges and universities was "part of our generalized marketing efforts, the same as advertising at any sporting event, and do not involve the financial aid departments of the schools." It further stated that it supported the code of conduct and would fully cooperate with the attorney general's investigation.

Several schools have defended their relationships with the lender. They said that the attorney general's office should have questioned them before making the issue public and serving subpoenas.

Texas Christian University said that it was suspending any association with a UFS program arranged through International Sports Properties (ISP), a sports-marketing company. It said that ISP had a contract with UFS and marketed that program to students. According to the university, the athletics department did not receive any revenue from the company.

A spokeswoman for Ohio University contended that the athletics department does not endorse the company's products or steer students toward the company.

During his initial investigations, Cuomo found that the athletic director of Dowling College on New York's Long Island has a revenue-sharing arrangement with University Financial Services. The lender paid \$75 to the college for every new loan application. UFS had exclusive marketing benefits on its campus and used the department's interns to distribute its brochures. As part of its settlement agreement with Cuomo's office, the school had to end its relationship with the company.

The attorney general's investigations have led to settlements with 12 lenders and several colleges. He has been instrumental to the collection of \$13.7 million in payments to a national education fund to assist high school students and their families with student loans.