

# *Suit Accuses Georgetown, Penn and M.I.T. of Admissions Based on Wealth*

The schools were accused of giving special treatment to wealthy students who might not otherwise have been admitted.



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For years, Georgetown University’s longtime president, John J. DeGioia, flagged 80 students to be added to a special admissions list — but not, apparently, for their academic or athletic prowess, documents in a lawsuit claim.

Those on Dr. DeGioia’s president’s list were virtually assured of admissions simply because of their family’s wealth and donation potential, according to a motion filed on Monday in a long-running lawsuit against a set of 17 selective universities, including the University of Pennsylvania, Massachusetts Institute of Technology, Notre Dame, Cornell, Johns Hopkins and Caltech.

The new motion argues that the universities were supposed to be “need blind” and not take into account a family’s income when they decided who to admit and how much financial aid to offer. The plaintiffs argue that the schools gave preference to wealthy students in a way that violated provisions of a now-expired law permitting them to agree on financial aid formulas.

Defendants argued that considering student wealth in admissions was not a violation of the law, which required instead that universities would not discriminate against poorer students because they needed financial aid, and that the plaintiffs are attempting to redefine it.

At M.I.T., two children recommended by a wealthy banker with ties to a university board member got special treatment, according to the documents. In a deposition, the school's director of admissions said the two children, who appeared on a "cases of interest" list, were among those who "we would really have not otherwise admitted."

At the University of Pennsylvania, some students designated "B.S.I.," or bona fide special interest, had a dramatically higher rate of admission than other applicants, according to expert testimony filed in the lawsuit.

Penn's former associate dean of admissions, Sara Harberson, testified last year in a deposition in the case that a B.S.I. tag meant the student's family was a big donor or had connections to the board. Those students "were untouchable," Ms. Harberson said, and "would get in almost 100 percent of the time."

Ms. Harberson said the admissions office was powerless to deny the student "even if the student was incredibly weak, even if the student had a major issue in the application."

In an emailed statement, Penn said it saw "no merit in this lawsuit," arguing that the case was intended to "embarrass the university about its purported admission practices on issues totally unrelated to this case."

"The actual evidence in the case makes clear that Penn does not favor in admissions students whose families have made or pledged donations to Penn, whatever the amount," the statement added. "In fact, the University takes great precaution to ensure that no such preference is given. As a result, only qualified candidates are admitted."

M.I.T. also issued a statement on Tuesday denying any history of “wealth favoritism in its admissions,” adding that after years of discovery and millions of documents released in the case, the plaintiffs could cite “only a single instance in which the recommendation of a board member helped sway the decisions for two undergraduate applicants.”

“Contrary to what the plaintiffs claim,” Kimberly Allen, an M.I.T. representative, said, “the potential for philanthropic gifts had no bearing on these isolated cases, and in fact our records reflect that the children of wealthy individuals routinely receive disappointing news from M.I.T.”

In an emailed statement, a spokeswoman for Georgetown, Meghan Dubyak, said the documents in the lawsuit “provide a limited and inaccurate view of Georgetown admissions.”

She said the school admitted only “students who will thrive in, contribute to and further strengthen our community,” adding that the university “does not knowingly solicit or accept gifts from individuals who have or may soon have a relative or person of close personal interest applying for admission to the university.”

Georgetown officials also pointed to court documents in which they have disputed the claims, including the lawsuit’s contention that the universities ever shared a financial aid formula.

The motion on Monday is part of an ongoing case that accuses schools of cheating students out of millions in financial aid money over more than two decades.

The plaintiffs contend that the schools violated an antitrust exemption that allowed them to share financial aid formulas and methodology as long as they admitted students without factoring in their individual financial needs. The group of 17 schools formed a group to share formulas under this exemption.

The plaintiffs dubbed the schools a “cartel” and accused them of driving up students’ costs by banning universities in the group from reducing a family’s expected financial contribution below an agreed-to financial aid formula.

The universities have disputed the claims.

Ten of the original 17 universities have already settled and paid \$284 million to the plaintiffs, a group of students who formerly attended the universities and received financial aid. Some 200,000 students are estimated to have been affected over a period of more than 20 years.

As a result of the settlements by several of the universities named in the case, some students who attended the schools already are eligible to apply for up to \$2,000 to reimburse them for financial aid they otherwise would have received.

Robert Gilbert, a lawyer for the plaintiffs, issued a statement saying that the newly filed documents revealed how the schools displayed a “pattern of favoring students from wealthy backgrounds.”

The case has been pending in federal court in Chicago since 2022, but the documents filed on Monday provided more details about the behavior of the schools.

At Georgetown, according to the documents, Dr. DeGioia, who stepped down as president this year after a stroke, met with a student at the annual Allen & Company conference in Sun Valley, Idaho. Few college applicants would have access to the event, known as “mogulfest,” where billionaires arrive by private jets, according to the suit. But this was a special case.

The student’s early action application had been deferred, the lawsuit says, but after the Sun Valley meeting and a subsequent exchange of emails between Dr. DeGioia and the girl’s father, she was admitted from Georgetown’s president’s list. In a deposition, Dr. DeGioia explained that the applicant had been admitted because of “obstacles overcome” — her parents had been divorced.

In 2020, Penn withdrew from the group of universities, which had agreed on standardized financial aid formulas under a 1996 statute exempting them from antitrust regulations. Penn said it needed more flexibility in offering financial assistance to students, according to the lawsuit.

Since then, the group has been disbanded because the provision permitting the universities to exchange information has expired.

**Stephanie Saul** reports on colleges and universities, with a recent focus on the dramatic changes in college admissions and the debate around diversity, equity and inclusion in higher education. More about Stephanie Saul

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