



June 30, 2015

Mr. Duncan M. Anderson  
President/Chief Executive Officer  
All-State Career  
2200 Broening highway, Suite 100  
Baltimore, MD 21224-6685

Sent via E-mail and UPS 2<sup>nd</sup> Day Air  
Tracking # 1ZA879640292412348

RE: **Final Program Review Determination**  
OPE ID: 03493300  
PRCN: **201220327813**

Dear Mr. Anderson:

The U.S. Department of Education's (Department's) School Participation Division Philadelphia issued a program review report on August 30, 2012 covering All-State Career's (All-State) administration of programs authorized by Title IV of the Higher Education Act of 1965, as amended, 20 U.S.C. §§ 1070 et seq. (Title IV, HEA programs), for the 2010-2011 and 2011-2012 award years. All-State's final response was received on October 31, 2012. A copy of the program review report (and related attachments) and All-State's response are attached. Any supporting documentation submitted with the response is being retained by the Department and is available for inspection by All-State upon request. Additionally, this Final Program Review Determination (FPRD), related attachments, and any supporting documentation may be subject to release under the Freedom of Information Act (FOIA) and can be provided to other oversight entities after this FPRD is issued.

**Purpose:**

Final determinations have been made concerning all of the outstanding findings of the program review report. The purpose of this letter is to close the review and notify All-State of a possible adverse action. Due to the serious nature of one or more of the enclosed findings, this FPRD is being referred to the Department's Administrative Actions and Appeals Service Group (AAASG) for its consideration of possible adverse action. Such action may include a fine, or the limitation, suspension or termination of the eligibility of the institution. Such action may also include the revocation of the institution's program participation agreement (if provisional), or, if the institution has an application pending for renewal of its certification, denial of that application. If AAASG initiates any action, a separate notification will be provided which will include information on institutional appeal rights and procedures to file an appeal.

This FPRD contains one or more findings regarding All-State's failure to comply with the requirements of the Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act (the Clery Act) in Section 485(f) of the HEA, 20 U.S.C. § 1092(f), and the Department's regulations in 34 C.F.R. §§ 668.41 and 668.46. Since a Clery Act finding does not result in a financial liability, such a finding may not be appealed.

**Federal Student Aid**

An OFFICE of the U.S. DEPARTMENT of EDUCATION  
School Participation Division - Philadelphia

The Wannamaker Building, Suite 511

100 Penn Square East

PHILADELPHIA, PA 19107

**Protection of Personally Identifiable Information (PII):**

PII is any information about an individual which can be used to distinguish or trace an individual's identity (some examples are name, social security number, date and place of birth). The loss of PII can result in substantial harm, embarrassment, and inconvenience to individuals and may lead to identity theft or other fraudulent use of the information. To protect PII, the findings in the attached report do not contain any student PII. Instead, each finding references students only by a student number created by Federal Student Aid.

**Record Retention:**

Program records relating to the period covered by the program review must be retained until the later of: resolution of the loans, claims or expenditures questioned in the program review; or the end of the retention period otherwise applicable to the record under 34 C.F.R. §§ 668.24(e)(1), (e)(2), and (e)(3).

The Department expresses its appreciation for the courtesy and cooperation extended during the review. If the institution has any questions regarding this letter, please contact Kenneth Porter at 202-377-4060. Questions relating to any appeal of the FPRD should be directed to the address noted in the Appeal Procedures section of this letter.

Sincerely,



Nancy Paula Gifford  
Division Director

Enclosure:

Protection of Personally Identifiable Information  
Program Review Report (and appendices)  
Final Program Review Determination Report (and appendices)

cc: Ms. Gerleen Russell Regional Director of Financial Aid  
Ms. Cynthia Anderson, Director of Financial Aid  
Ms. Tanya McMillian, Director of Financial Aid

Prepared for  
All-State Career

**Federal Student Aid**  
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**OPE ID: 03493300**  
**PRCN: 201220327813**

**Prepared by**  
**U.S. Department of Education**  
**Federal Student Aid**  
**School Participation Division - Philadelphia**

# Final Program Review Determination

## June 30, 2015

School Participation Division - Philadelphia  
The Wanamaker Bldg. Suite 511  
100 Penn Square East, Philadelphia, PA 19107  
[www.FederalStudentAid.ed.gov](http://www.FederalStudentAid.ed.gov)

## Table of Contents

|  | Page |
|--|------|
| A. Institutional Information .....   | 3    |
| B. Scope of Review.....  | 4    |
| C. Findings and Final Determinations .....   | 4    |
| Resolved Findings.....   | 4    |
| Findings with Final Determinations.....  | 4    |
| Finding #3: Failure to Properly Distribute the Annual Security Report (ASR) .....                                      | 5    |
| Finding #4: Failure to Compile and Disclose Disciplinary Action Statistics .....                                       | 6    |
| Finding #5: Failure to Meet Certain Requirements under the Drug-Free School<br>Communities Act Amendments of 1989..... | 8    |
| D. Appendices.....   | 12   |
| Appendix A: Program Review Report  |      |
| Appendix B: All-State's Written Response Dated October 31, 2012  |      |

**A. Institutional Information**

All-State Career  
2200 Broening Highway, Suite 160  
Baltimore, MD 21224-6658

Type: Proprietary

Highest Level of Offering: Non Degree- 3 year

Accrediting Agency: Accrediting Commission of Career Schools and Colleges

Current Student Enrollment: 1,346 (2011-2012)

% of Students Receiving Title IV: 93% (2011-2012)

Title IV Participation (2010-2011)

|  |                        |
|--|------------------------|
| Federal Pell Grant (Pell)                                | \$9,983,986.00         |
| Federal Family Education Loan Program (FFELP)            | \$3,631.00             |
| Federal Supplemental Education Opportunity Grant (FSEOG) | \$273,315.00           |
| Federal Work Study (FWS)                                 | \$140,733.00           |
| Federal Direct Loan Program (FDLP)                       | <u>\$16,515,047.00</u> |
| Total:   | <u>\$26,916,712.00</u> |

|                      |      |       |
|----------------------|------|-------|
| Default Rate FFEL/DL | 2009 | 15.3% |
|                      | 2008 | 11.7% |
|                      | 2007 | 23.1% |

## **B. Scope of Review**

The U.S. Department of Education (the Department) conducted a program review at All-State Career (All-State) from February 27, 2012 to March 2, 2012. The review was conducted by Mr. Kenneth Porter and Ms. Laurie Carmean.

The focus of the review was to determine All-State's compliance with the statutes and regulations as they pertain to the institution's administration of the Title IV, HEA programs. The review consisted of, but was not limited to, an examination of All-State's policies and procedures regarding institutional and student eligibility, individual student financial aid and academic files, attendance records, student account ledgers, and fiscal records.

A sample of 32 files was identified for review from the 2010-2011 and 2011-2012 award years. The files were selected randomly from a statistical sample of the total population receiving Title IV, HEA program funds for each award year. A program review report was issued on August 30, 2012.

### **Disclaimer:**

Although the review was thorough, it cannot be assumed to be all-inclusive. The absence of statements in the report concerning All-State's specific practices and procedures must not be construed as acceptance, approval, or endorsement of those specific practices and procedures. Furthermore, it does not relieve All-State of its obligation to comply with all of the statutory or regulatory provisions governing the Title IV, HEA programs.

## **C. Findings and Final Determinations**

### **Resolved Findings**

#### **Findings #1 and 2**

All-State has taken the corrective actions necessary to resolve findings #1 and 2 of the program review report. Therefore, these findings may be considered closed. Findings requiring further action by All-State are discussed below.

### **Findings with Final Determinations**

The program review report findings requiring further action are summarized below. At the conclusion of each finding is a summary of All-State's response to the finding, and the Department's final determination for that finding. A copy of the program review report issued on August 30, 2012 is attached as Appendix A.

### **Finding #3: Failure to Properly Distribute the Annual Security Report (ASR)**

**Citation Summary:** Federal regulations require institutions provide the ASR to all current students and employees through appropriate publications and mailings. If the institution chooses to distribute its report by posting to an internet site the institution must, by October 1 of each year, distribute a notice to all students and employees of the reports availability and exact electronic address, a description of its contents, as well as a statement that a paper copy will be provided upon request. 34C.F.R§.668.41 (e)

**Noncompliance Summary:** All-State failed to distribute its ASR reports in accordance with Federal regulation. All-State did not notify its students and employees regarding the availability of the report and a means of accessing it by the October 1 deadline.

**Required Action Summary:** All-State must develop policy and procedures to ensure that notification or distribution of the ASR takes place before the October 1 deadline and submit a copy of those policy and procedures in its response to this report.

**Response Summary:** In its response, All-State stated that it “disagrees in part with the finding that the School did not distribute the Annual Security Report of October 1, 2011 to its students and employees.” The School also stated that it has “maintained compliance” with the ASR requirements because the ASR is distributed to all new students every year and most eligible programs are less than one year in length. As a result, All-State claimed that 97.5% of all students received the 2011 ASR, as required. In addition, the School stated that it “distributes and makes available electronic and paper copies of its Annual Security Report to its continuing students and current employees each year when the ASR is reissued.” “However, School now recognizes that it needs to more closely document the distribution process followed each year for the continuing students and current employees.” Finally, All-State claimed that it has developed and implemented new ASR distribution and notification policies.

**Final Determination:** Finding # 3 cited All-State for its failure to actively distribute the 2011 ASR to all enrolled students and current employees in accordance with the Department’s regulations. In addition, the School failed to adequately notify prospective students and employees about the availability of the 2011 ASR and to provide instructions on how to obtain a copy. As a result of these violations, All-State was required to develop and implement new policies and procedures to ensure that the ASR is distributed properly. In its response, the School agreed with part of the finding and disagreed in part I. Specifically, All-State conceded that some continuing students did not receive the 2011 ASR because of weaknesses in the distribution process; however, the School asserted that its analysis indicated that 97.5% of all students did receive the 2011 ASR in a timely manner. The School also admitted that the ASR distribution to current employees was not adequately documented for the period covered by the review.

The Department carefully reviewed All-State's response. All-State concedes that it did not distribute the ASR to all of its students as required by the Department's regulations; it merely asserted that the extent of the violation was not as severe as was indicated in the program review report. However, even if the Department were to accept the School's claim that it distributed the ASR to most of its students we note that the schools calculation is that 136 continuing students did not receive the 2011 ASR, in which is a significant violation of the *Clery Act*. Similarly, the School conceded that it could not substantiate its claim that the 2011 ASR was actively distributed to all current employees in the required manner. Accordingly, the finding is sustained. Nevertheless, the School has submitted new and revised policies and procedures that should adequately address this violation going forward.

For these reasons, the Department accepts All-State's response and considers this finding to be closed for purposes of the program review.

Although this matter is now closed, All-State is advised that this finding of non-compliance is sustained and that the exception identified above constitutes a serious violation of the *Clery Act* that by its nature cannot be cured. There is no way to truly "correct" a violation of this type once it occurs. All-State was required to initiate all necessary remedial measures and in doing so, has begun to address the conditions that led to these violations. All-State has stated that it has brought its overall campus security program into compliance with the *Clery Act* as required by its Program Participation Agreement (PPA). Nevertheless, All-State is advised that such actions cannot and do not diminish the seriousness of this violation nor do they eliminate the possibility that the Department will impose an adverse administrative action and/or require additional corrective actions as a result.

Finally, the Department strongly recommends that All-State re-examine its campus security, drug and alcohol, and general Title IV policies and procedures on an annual basis to ensure that they continue to reflect current institutional practices and are compliant with Federal regulations. As part of these periodic reviews, All-State officials are encouraged to consult the Department's "Handbook for Campus Safety and Security Reporting" (2011) as a reference guide for *Clery Act* compliance. The Handbook is available online at: [www2.ed.gov/admins/lead/safety/handbook.pdf](http://www2.ed.gov/admins/lead/safety/handbook.pdf). The regulations governing the *Clery Act* can be found at 34 C.F.R. §§ 668.14, 668.41, 668.46, and 668.49.

#### **Finding #4: Failure to Compile and Disclose Disciplinary Action Statistics**

**Citation Summary:** Federal regulations require institutions report statistics for the three most recent calendar years concerning persons who were referred for campus disciplinary action for liquor law violations, drug law violations, and illegal weapons possession. 34C.F.R. § 668.46(c)(viii)(B)

**Non Compliance Summary:** All-State failed to disclose any disciplinary actions for violations of Federal or state liquor, drug and illegal weapons law.

**Required Action:** All-State must develop procedures to ensure all referred disciplinary actions for liquor law violations, drug law violations, and illegal weapons possession are correctly recorded and reported to the Department. A copy of all changes must be submitted with the institutional response.

**Response Summary:** In its response, All-State substantially concurred with the finding and stated that the School “does track its disciplinary actions. Specifically, in the institution’s programs of study to train Commercial Drivers (CDL), All-State is required by the Department of Transportation to conduct random drug tests of incoming and current students and instructors. All-State also asserted that it uses an outside testing company that provided disaggregated data that is used to address any drug and alcohol violations that are detected during testing. In addition, All-State stated that the 2010 data was reviewed and used to update the disciplinary referrals statistics that were included in the 2012 ASR and in the data submission to the Secretary. Finally, the institution claimed that it has improved its policies, procedures, and tracking systems and will rely primarily on an electronic database that is part of its student data system to track all violations of its Codes of Conduct and will supplement its disciplinary referral statistics with information that is collected in the disciplinary log that is maintained by the School Director.

**Final Determination:** Finding # 4 cited All-State for its failure to compile accurate and complete disciplinary referral statistics and to include them in the 2011 ASR, as required. The Department determined All-State failed to report any disciplinary referral actions for incidents of drug or alcohol violation in its 2011 ASR.

During an interview with the Campus Director on March 1, 2012, it was disclosed that any student suspected of drug or alcohol usage was referred to a third party servicer for testing. The institution was also required by the Department of Transportation to have all of the students enrolled in its Commercial Driver’s Licensing (CDL) program tested for drugs and alcohol usage. All-State claims it kept a log in its “CampusVue” software of any student who failed the testing and were referred for disciplinary action; however, they mistakenly reported “zero” for disciplinary referral actions for drug and alcohol violations in its 2011 ASR. As a result, the institution was required to develop and implement new policies and procedures to ensure accurate reporting in the future. All-State has implemented its new policies and procedures to improve the accuracy and completeness of its campus crime statistics and is disclosing its disciplinary referral statistics in the 2012 ASR.

Based on the review team’s analysis of the response and All-State’s representations that it has addressed these violations and their underlying causes, the Department considers this finding to be closed for purposes of the program review.

Although this matter is now closed for purposes of the program review, All-State is advised that the findings of non-compliance are sustained and that the exceptions identified above constitute serious violations of the *Clery Act* that by their nature cannot be cured. There is no way to truly “correct” a violation of this type once it occurs. The requirement to compile and publish accurate and complete crime statistics in the ASR is fundamental to the goals of the *Clery Act*. Access to this information permits campus community members and their families to make well-informed decisions about where to work and study and empowers them to play a more active role in their own safety and security. All-State was required to initiate all necessary remedial measures and in doing so, has begun to address the conditions that led to these violations. All-State has stated that it has brought its overall campus security program into compliance with the *Clery Act* as required by its PPA. Nevertheless, All-State is advised that such actions cannot and do not diminish the seriousness of these violations nor do they eliminate the possibility that the Department will impose an adverse administrative action and/or require additional corrective actions as a result.

**Finding #5: Failure to Meet Certain Requirements under the Drug-Free School Communities Act Amendments of 1989**

**Citation:** The Drug-Free Schools and Communities Act (DFSCA) and Part 86 of the Department’s General Administrative Regulations requires each participating institutions of higher education (IHE) to certify that it has developed and implemented a drug and alcohol abuse education and prevention program. The program must be designed to prevent the unlawful possession, use, and distribution of drugs and alcohol on campus and at recognized events and activities.

On an annual basis, the IHE must distribute written information about its drug and alcohol abuse prevention program (DAAPP) to all students, faculty, and staff. The distribution plan must make provisions for providing the material to students who enroll at a date after the initial distribution, and for employees who are hired at different times throughout the year. The information must include:

- A written statement about its standards of conduct that prohibits the unlawful possession, use or distribution of illicit drugs and alcohol by students and employees;
- A written description of legal sanctions imposed under Federal, state and local laws for unlawful possession or distribution of illicit drugs and alcohol;
- A description of the health risks associated with the use of illicit drugs and the abuse of alcohol;

- A description of any drug or alcohol counseling, treatment, or rehabilitation or re-entry programs that are available to students and employees; and,
- A statement that the IHE will impose disciplinary sanctions on students and employees for violations of the institution's codes of conduct and a description of such sanctions.

In addition, each IHE must conduct a biennial review in order to measure the effectiveness of its drug prevention program, and to ensure consistent treatment in its enforcement of its disciplinary sanctions. The IHE must prepare a report of findings and maintain its biennial review report and supporting materials and make them available to the Department and interested parties upon request. 34 C.F.R. §§ 86.3 and 86.100.

**Noncompliance Summary:** All-State failed to actively distribute a written copy of its Drug and Alcohol Abuse Prevention program (DAAP) to each employee and student. In addition, All-State's failed to develop and implement complete all of the policies and procedures required by the Drug Free Schools Act. Finally, All-State failed to conduct a biennial review of its Drug and Alcohol Abuse programs to determine effectiveness of the program and to ensure disciplinary sanctions are consistently enforced.

**Required Action Summary:** The Department required All-State to develop and implement a Drug and Alcohol Prevention program (DAAP) that meets all the required elements. In addition, All-State was required to conduct a biennial review of its DAAP. All-State was also required to submit a copy of its Biennial review in its response.

In its response, All-State concurred with part of the finding. The School stated that it "has taken the specific actions as recommended in the Report to strengthen its existing drug and alcohol abuse prevention initiatives to bring its DAAPP into compliance with the requirements of the Act and relevant program requirements." Specifically, All-State claimed that it took the following actions:

- Developed and implemented a substance abuse prevention program
- Developed procedures to ensure DAAP materials are distributed to each enrolled student and school employee
- Conducted its first biennial review

**Final Determination:** Finding # 5 cited All-State for multiple violations of the DFSCA related to the DAAPP and biennial review deficiencies. As a result of these violations, the School was required to develop and implement a DAAPP that includes all of the required content, publish and distribute a DAAPP disclosure that summarizes the program, and conduct a biennial review and prepare a report of findings and recommendations. In its response, All-State stated its concurrence by representing that it had taken all of the remedial actions that were required in the program review report.

The Department carefully reviewed the response and determined that All-State did not comply with the requirement to distribute the required information on its Drug and Alcohol Abuse Prevention program (DAAP). In addition, All-State's drug prevention program did not satisfy the minimum requirements. The Department notes that the DAAPP now addresses the "Health Risks" associated with the use of illicit drugs and alcohol abuse in a manner that meets basic requirements; however, the section on "Legal Sanctions" is not adequate. The review team found that the only information in this section is a link to the general website for the U.S. Department of Justice (DOJ). From the DOJ homepage, a student or employee would have to search the entire site to locate the required content. It is permissible to use content from a reliable source like the DOJ website but the actual content would have to be incorporated into All-State's program materials. Moreover, the School operates locations in multiple states and therefore, it must also include information of legal sanctions that may be imposed in those states and localities. Therefore, All-State must immediately revise its DAAP to include this information.

Also, in its response, All-State addressed its continued failure to conduct biennial reviews. The School submitted a biennial review for the parent corporation: Fortis School. Although that report did address the School's failure to properly distribute DAAPP materials, the review lacked substantive analysis of the effectiveness of All-State's DAAPP. In this regard, All-State is specifically advised to address these continuing weaknesses. In all other respects, the School's response was found to be at least minimally adequate. Based on that determination as well as All-State's assertions that it has addressed the violations and is committed to making further improvements, the Department considers this finding to be closed for purposes of the program review.

Although this matter is now closed for purposes of this review, All-State is advised that the finding of non-compliance is sustained and that the exceptions identified above constitute serious violations of the DFSCA that by their nature cannot be cured. There is no way to truly "correct" a violation of this type once it occurs. All-State officials must understand that compliance with the DFSCA is essential to maintaining a safe and healthy learning environment. Data compiled by the Department shows that the use of illicit drugs and alcohol abuse is highly correlated to increased incidents of violent crimes on campus. Moreover, the compliance failures documented during the program review deprived students and employees of important information regarding the educational, financial, health, and legal consequences of alcohol abuse and illicit drug use. Such failures may contribute to increased drug and alcohol abuse on-campus as well as an increase in drug and alcohol-related violent crime. For these reasons, the School is reminded that corrective measures cannot and do not diminish the seriousness of these violations nor do they eliminate the possibility that the Department will impose an adverse administrative action as authorized by the DFSCA and the Department's regulations and/or require additional corrective measures as a result.

Because of the serious consequences of such compliance failures, the Department strongly recommends that All-State re-examine its campus security, drug and alcohol abuse prevention policies and procedures on an annual basis to ensure that they are effective, continue to reflect current institutional practices and are in full compliance with the DFSCA. Given the need for additional enhancements to the DAAPP and the biennial review, All-State is specifically advised that it must take all other remedial actions that may be necessary to ensure that these violations are fully addressed and do not recur. Please be further advised that the Department may request information on a periodic basis to test the effectiveness of All-State's new DFSCA policies and procedures.

**D. Appendices**  
**Appendix A: Program Review Report**



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August 30, 2012

Mr. Duncan M. Anderson  
President/Chief Executive Officer  
All-State Career  
2200 Broening Highway, Suite 100  
Baltimore, MD 21224-6685

*UPS Overnight Mail, Tracking #  
IZ A54 67Y 01 9171 4338*

RE: **Program Review Report**  
OPEID: 03493300  
PRCN: 201220327813

Dear Mr. Anderson:

From February 27, 2012 through March 1, 2012, Mr. Kenneth Porter and Ms. Laurie Carmean conducted a review of All-State Career's (All-State) administration of the programs authorized pursuant to Title IV of the Higher Education Act of 1965, as amended, 20 U.S.C. §§ 1070 et seq. (Title IV, HEA programs). The findings of that review are presented in the enclosed report.

Findings of noncompliance are referenced to the applicable statutes and regulations and specify the action required to comply with the statute and regulations. Please review the report and respond to each finding, indicating the corrective actions taken by All-State. The response should include a brief, written narrative for each finding that clearly states All-State's position regarding the finding and the corrective action taken to resolve the finding. Separate from the written narrative, All-State must provide supporting documentation as required in each finding.

Please note that pursuant to HEA section 498A (b), the Department is required to:

- (1) provide to the institution an adequate opportunity to review and respond to any preliminary program review report<sup>1</sup> and relevant materials related to the report before any final program review report is issued;
- (2) review and take into consideration an institution's response in any final program review report or audit determination, and include in the report or determination –
  - a. A written statement addressing the institution's response;
  - b. A written statement of the basis for such report or determination; and
  - c. A copy of the institution's response.

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<sup>1</sup> A "preliminary" program review report is the program review report. The Department's final program review report is the Final Program Review Determination (FPRD).

Federal Student Aid, School Participation Division - Philadelphia  
The Wanamaker Bldg. Suite 511  
100 Penn Square East, Philadelphia, PA 19107  
[www.FederalStudentAid.ed.gov](http://www.FederalStudentAid.ed.gov)

The Department considers the institution's response to be the written narrative (to include e-mail communication). Any supporting documentation submitted with the institution's written response will not be attached to the FPRD. However, it will be retained and available for inspection by All-State upon request. Copies of the program review report, the institution's response, and any supporting documentation may be subject to release under the Freedom of Information Act (FOIA) and can be provided to other oversight entities after the FPRD is issued.

The institution's response should be sent directly to Mr. Kenneth Porter of this office within 60 calendar days of receipt of this letter.

**Protection of Personally Identifiable Information (PII):**

PII is any information about an individual that can be used to distinguish or trace an individual's identity (some examples are name, social security number, date and place of birth). The loss of PII can result in substantial harm, embarrassment, and inconvenience to individuals and may lead to identity theft or other fraudulent use of the information. To protect PII, the findings in the attached report do not contain any student PII. Instead, each finding references students only by a student number created by Federal Student Aid. The student numbers were assigned in Appendix A, Student Sample. Please see the enclosure Protection of Personally Identifiable Information for instructions regarding submission to the Department of required data / documents containing PII.

**Record Retention:**

Program records relating to the period covered by the program review must be retained until the later of: resolution of the loans, claims or expenditures questioned in the program review; or the end of the retention period otherwise applicable to the record under 34 C.F.R. § 668.24(e).

We would like to express our appreciation for the courtesy and cooperation extended during the review. Please refer to the above Program Review Control Number (PRCN) in all correspondence relating to this report. If you have any questions concerning this report, please contact Mr. Kenneth Porter at 202-377-0460 or [kenneth.porter@ed.gov](mailto:kenneth.porter@ed.gov).

Sincerely,



John S. Loreng  
Compliance Manager

cc: Ms. Gerleen Russell Regional Director of Federal Student Aid  
Ms Cynthia Anderson, Director of Financial Aid  
Ms Tanya McMillian, Director of Financial Aid

Enclosures: *Protection of Personally Identifiable Information*  
*Program Review Report*

## PROTECTION OF PERSONALLY IDENTIFIABLE INFORMATION

Personally Identifiable Information (PII) being submitted to the Department must be protected. PII is any information about an individual which can be used to distinguish or trace an individual's identity (some examples are name, social security number, date and place of birth).

PII being submitted electronically or on media (e.g., CD-ROM, floppy disk, DVD) must be encrypted. The data must be submitted in a .zip file encrypted with Advanced Encryption Standard (AES) encryption (256-bit is preferred). The Department uses WinZip. However, files created with other encryption software are also acceptable, provided that they are compatible with WinZip (Version 9.0) and are encrypted with AES encryption. Zipped files using WinZip must be saved as Legacy compression (Zip 2.0 compatible).

The Department must receive an access password to view the encrypted information. The password must be e-mailed separately from the encrypted data. The password must be 12 characters in length and use three of the following: upper case letter, lower case letter, number, special character. A manifest must be included with the e-mail that lists the types of files being sent (a copy of the manifest must be retained by the sender).

Hard copy files and media containing PII must be:

- sent via a shipping method that can be tracked with signature required upon delivery
- double packaged in packaging that is approved by the shipping agent (FedEx, DHL, UPS, USPS)
- labeled with both the "To" and "From" addresses on both the inner and outer packages
- identified by a manifest included in the inner package that lists the types of files in the shipment (a copy of the manifest must be retained by the sender).

PII data cannot be sent via fax.



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Prepared for

## All-State Career

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OPE ID 03493300

PRCN 201220327813

Prepared by

U.S. Department of Education

Federal Student Aid

School Participation Division - Philadelphia

# Program Review Report

August 30, 2012

Federal Student Aid, Philadelphia School Participation Division

830 First Street NE

Washington, DC 20202-5402

[www.FederalStudentAid.ed.gov](http://www.FederalStudentAid.ed.gov)

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## Table of Contents

|  | Page |
|--|------|
| A. Institutional Information.....  | 2    |
| B. Scope of Review.....  | 3    |
| C. Findings .....  | 3    |
| Finding #1 Failure to Document the Resolution of a Comment Code<br>(Selective Service) .....                   | 3    |
| Finding #2 Improper Leave of Absence .....   | 5    |
| Finding #3 Failure to Properly Distribute an Annual Security Report .....                                      | 6    |
| Finding #4 Failure to Compile and Disclose Disciplinary<br>Action Statistics ) .....                           | 7    |
| Finding#5 Failure to Meet Requirement under the Drug Free Schools<br>And Communities Act Amendments 1989 ..... | 8    |
| D. Appendices .....  | 11   |
| Appendix A: Student Sample   |      |

**A. Institutional Information**

All-State Career  
2200 Broening Highway, Suite 160  
Baltimore, MD 21224-6658

Type: Propriety

Highest Level of Offering: Non Degree- 3 year

Accrediting Agency: Accrediting Commission of Career Schools and Colleges

Current Student Enrollment: 1,346 (2011-2012)

% of Students Receiving Title IV: 93% (2011-2012)

Title IV Participation (2010-2011, per PCNet)

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|                      | 2008 11.7% |
|                      | 2007 23.1% |

## **B. Scope of Review**

The U.S. Department of Education (the Department) conducted a program review at All-State Career Institute (All-State) from February 27, 2012 to March 2, 2012. The review was conducted by Mr. Kenneth Porter and Ms. Laurie Carmean.

The focus of the review was to determine All-State's compliance with the statutes and federal regulations as they pertain to the institution's administration of Title IV programs. The review consisted of, but was not limited to, an examination of All-State's policies and procedures regarding institutional and student eligibility, individual student financial aid and academic files, attendance records, student account ledgers, and fiscal records.

A sample of 32 files was identified for review from the 2010-2011 and 2011-2012 (year to date) award years. The files were selected randomly from a statistical sample of the total population receiving Title IV, HEA program funds for each award year. Appendix A lists the names and social security numbers of the students whose files were examined during the program review.

### **Disclaimer:**

Although the review was thorough, it cannot be assumed to be all-inclusive. The absence of statements in the report concerning All-State's specific practices and procedures must not be construed as acceptance, approval, or endorsement of those specific practices and procedures. Furthermore, it does not relieve All-State of its obligation to comply with all of the statutory or regulatory provisions governing the Title IV, HEA programs.

This report reflects initial findings. These findings are not final. The Department will issue its final findings in a subsequent Final Program Review Determination letter.

## **C. Findings**

During the review, several areas of noncompliance were noted. Findings of noncompliance are referenced to the applicable statutes and regulations and specify the actions to be taken by All-State to bring operations of the financial aid programs into compliance with the statutes and regulations.

### **Finding #: 1 Failure to Properly Document the Resolution of a Comment Code (Selective Service)**

#### **Citation:**

Almost all male U.S. citizens, and male aliens living in the U.S., who are 18 through 25, are required to register with Selective Service. Federal regulations require a male student, who is subject to registration with the Selective Service, to register with the Selective Service to be eligible to receive Title IV, HEA program funds. A male student does not

have to register with the Selective Service, if the student is under 18 years old or was born before January 1, 1960. 34 C.F.R. § 668.37(a)(1) and (2)(i).

Further, when the Department processes a Free Application for Federal Student Aid (FAFSA) for a male student, a data match is performed with the Selective Service. The result is reported to the Department. In addition, the results of the data match are reported to the student and institution the student is attending. 34 C.F.R. § 668.37(b)(1) and (2)

If the Selective Service does not confirm through the data match, that the student is registered, the student can establish that he;

- (1) Is registered;
- (2) Is not, or was not required to be, registered;
- (3) Has registered since the submission of the FAFSA; or
- (4) Meets the conditions of paragraph (d)

An institution must give a student at least 30 days, or until the end of the award year, whichever is later, to provide evidence to establish the condition described in paragraph (c)(1) of this section 34 C.F.R. §668.37(c)(1) and (2)

An institution may determine that a student, who was required to but did not register with the Selective Service, is not ineligible to receive Title IV, HEA assistance for that reason, if the student can demonstrate by submitting clear and unambiguous evidence to the institution that he is over 26 and when he was between 18 and 26 and required to register, he did not knowingly and willfully fail to register with the Selective Service. 34 C.F.R. §668.37(d)(2)

#### **Noncompliance:**

In order for a student to be eligible to receive Title IV funds, correct information must be provided on the FAFSA. If the FAFSA is returned to the institution with a Comment Code, the information must be evaluated and corrected. All-State failed to document the resolution of a Comment Code (C Code) listed on the Institutional Student Information Record (ISIR) for student number #21. Specifically, the ISIR for student #21 states the student has not registered with Selective Service. The student's file did not contain any documentation to indicate that the student registered with the Selective Service or that the student is not or was not required to be registered. With only a few exceptions, the registration requirement applies to all male U.S. citizens and male aliens residing in the United States who are 18 through 25 years of age.

Subsequently, All-State provided the Department with documentation that the student was not required to register with Selective Service, as: (1) the student was over the age of 26 when he received the Title IV funds; and (2) the student was still living in his native country, Haiti between the ages of 18 to 26.

An institution's failure to properly resolve a C-Code may result in the student receiving Title IV funding to which the student is not otherwise entitled.

**Required Action:**

All-State is required to review its policies and procedures for resolving a C-Code for Selective Service to prevent recurrence of this finding. All-State must include a copy of any revisions to its policies and procedures with its response to this report.

**Finding #2: Improper Leave of Absence**

**Citation:**

A leave of absence (LOA) is a temporary interruption in a student's program of study. An institution may grant a LOA upon request of the student. An institution does not have to treat a LOA as a withdrawal, if it is an approved LOA. A LOA is approved if:

- The institution has a formal policy regarding LOAs;
- The student followed the institution's policy in requesting the LOA;
- The institution determines that there is a reasonable expectation that the student will return to the school;
- The institution approved the student's request in accordance with the institution's policy;
- The LOA does not involve additional charges by the institution;
- The number of days in the approved LOA, when added to the number of days in all other approved LOAs, does not exceed 180 days in any 12-month period; and
- Except for a clock hour or non-term credit hour program, upon the student's return from the LOA, the student is permitted to complete the coursework he or she began prior to the LOA.

Finally, if the student requesting the LOA is a Title IV, HEA program loan recipient, the institution must explain to the student prior to granting the LOA, the effects that the student's failure to return from a LOA may have on the student's loan repayment terms, including the exhaustion of some or all of the student's grace period.

An institution's LOA policy is a "formal policy" if it is in writing, publicized to students, and requires students to provide a written, signed, and dated request. Since an institution must be able to make a determination that there is a reasonable expectation that the student will return from the LOA, the institution's policy must specify that the reason for the LOA must be included within the request. 34 C.F.R. § 668.22(d)

**Noncompliance:**

All-State approved a LOA for student #28 that was not in accordance with the school's published, formal LOA policy. According to All-State's LOA policy, published in the

school's catalog effective June 20, 2011, a student may request a LOA for "a *medical condition or the Family Medical Leave Act (FMLA) circumstance, Active Military Service, Jury Duty obligation or severe or unanticipated personal circumstance.*"

However, a letter in the student's folder dated February 15, 2012 approved a LOA for the student from February 15, 2012 to March 28, 2012. The letter indicates the reason for the approved LOA was All-State's inability to provide an instructor for courses the student needed to take for the term. Therefore, the LOA was not based on a hardship suffered by the student, but rather on All-State's inability to provide an instructor for the courses.

While the Department was on site, All-State processed a withdrawal for student #28 and provided the Department a copy of the R2T4 worksheet and a ledger card for the student showing the return of a Pell Disbursement for \$2,312 on February 29, 2012.

An institution's failure to properly establish a student's enrollment status may result in the receipt of funding to which the student is not otherwise entitled.

**Required Action:**

All-State is required to review its policies and procedures for approving a LOA to ensure sufficiency in preventing a recurrence of this finding. All-State must include a copy of any revisions to its policies and procedures with its response to this report.

**Finding #3 Failure to Properly Distribute an Annual Security Report**

**Citation:**

The Clery Act and the Department's regulations require Title IV participating institutions to provide an Annual Security Report (ASR) to all current students and employees through appropriate publications and mailings. Institutions must also provide the report to any prospective student or prospective employee upon request. Acceptable means of delivery include regular U. S. Mail, hand delivery, or campus distribution to each individual or posting on the institution's internet or intranet site. If an institution chooses to distribute its ASR by posting to an internet or intranet site, the institution must, by October 1 of each year, distribute a notice to all students and employees that includes a statement of the reports availability and its exact electronic address, a description of its contents, as well as a statement that a paper copy will be provided upon request. 34 C.F.R. § 668.41(e)

**Noncompliance:**

All-State failed to distribute its Annual Security Report (ASR) in accordance with Federal regulations. All-State met the requirement to publish its annual security reports by October 1 for all years reviewed. However, it did not notify its students and

employees regarding the availability of the report and the means of accessing it by the October 1, 2011 deadline.

Failure to actively distribute an accurate and complete annual security report to current students and employees within the timeframe established by Federal law deprives the campus community of timely access to important campus crime information.

**Required Action:**

All-State must review and revise its policies and procedures for preparing and distributing its ASR to ensure that it distributes its ASR prior to October 1 of each year. A copy of all policy changes and improvements must be provided with All-State's response to this program review report. In addition, All-State must submit evidence demonstrating when it distributed its calendar year 2009 and 2010 ASR.

Based on the evaluation of all available information including All-State's response, the Department will determine if additional actions are appropriate and advise All-State accordingly in our Final Program Review Determination letter.

**Finding #4: Campus Failure to Compile and Disclose Disciplinary Action Statistics**

**Citation:**

The Clery Act and the Department's regulations require Title IV participating institutions to request, compile, publish, and distribute statistics concerning the occurrence on campus of the following crimes during the three most recent calendar years: criminal homicide, manslaughter, forcible and non-forcible sex offenses, robbery, aggravated assault, burglary, motor vehicle theft, and arson. In addition, institutions are required to disclose arrests and disciplinary referrals involving violations of Federal or State drug, liquor and weapons laws. *34 C.F.R. § 668.46(c)(1)*. For Clery Act reporting purposes, participating institutions must classify incidents of crime based on the definitions in Appendix A to Subpart D of Section 668 of the General Provisions Regulations. *34 C.F.R. § 668.46 (c)(7)*. For the purposes of this finding we have reprinted the definition of aggravated assault: *an unlawful attack by one person upon another for the purpose of inflicting severe or aggravated bodily injury. This type of assault usually is accompanied by the use of a weapon or by means likely to produce death or great bodily harm.* The UCR considers a weapon to be a commonly known weapon (a gun, knife, club, etc.), and a fist is consider a personal weapon.

Each participating institution must also submit its crime statistics to the Department for inclusion in its online campus crime statistics database. *34 C.F.R. § 668.41 (e)(5)*.

**Noncompliance:**

All-State failed to disclose disciplinary actions for violations of Federal or State liquor, drug and illegal weapons law. Any person referred to any official who initiates a disciplinary action of which a record is kept and which may result in the imposition of a sanction should be counted under the referral category. While interviewing staff, it was determined that the school does maintain a judicial process and based on the citation above should report the statistical information to the Department of Education as well as being included in the statistical data in the school's Annual Security Report.

Failure to classify and disclose incidents of crime reported in an accurate and complete manner violates the HEOA and the Department's regulations and deprives the campus community and the public of vitally important information regarding crime and safety concerns.

**Required Action:**

- All-State must review and revise its policies, procedures, internal controls, and training programs to ensure that all incidents of crime reported to non-law enforcement campus security authorities, and other local law enforcement agencies are properly classified and included in the All-State's ASR, which will have to be amended and distributed in accordance with instructions that will be provided in our Final Program Review Determination letter.

**Finding: #5 Failure to Meet Requirements under the Drug-Free Schools and Communities Act Amendments of 1989**

**Citation:**

The Drug-Free Schools and Communities Act and the Department's regulations requires each participating institutions of higher education (IHE) to certify that it has developed and implemented a drug and alcohol abuse education and prevention program. The program must be designed to prevent the unlawful possession, use, and distribution of drugs and alcohol on campus and at recognized events and activities.

On an annual basis, each IHE must provide the following information in writing to each student (enrolled for any type of academic credit except for continuing education units) and each employee:

- 1) the institution's standards of conduct prohibiting the possession, use, and distribution of alcohol and other drugs (AOD);
- 2) possible sanctions for violations of Federal, state, and local drug and alcohol and laws as well as sanctions for violation of institutional policies;

- 3) health risks associated with the use of AOD;
- 4) information on counseling, rehabilitation, and treatment programs; and,
- 5) a clear statement that the IHE will impose sanctions on students and employees who violate alcohol and other drug laws, ordinances, and/or institutional policies.

In addition, each IHE must conduct a biennial review to determine the effectiveness of its AOD program and to ensure consistent enforcement of applicable laws, ordinances, and institutional policies for violators. The biennial review materials must be maintained by the IHE and made available to the Department upon request. *34 C.F.R. § 86.100.*

**Noncompliance:**

All State violated multiple requirements of the Drug-Free Schools Act. Specifically, the institution failed to:

- (1) Actively distribute a written copy of its annual Drug and Alcohol Abuse Prevention program (DAAP) to each employee and student.
- (2) Develop and implement complete policies and procedures required by Drug Free Schools Act. Specifically, the following were not included:
  - (a) A description of the applicable legal sanctions under local, State, or Federal law for the unlawful possession or distribution of illicit drugs and alcohol;
  - (b) A description of the health risks associated with the use of illicit drugs and the abuse of alcohol;
  - (c) A clear statement that the institution will impose disciplinary sanctions on students and employees (consistent with local, State, and Federal law), and a description of those sanctions, up to and including expulsion or termination of employment and referral for prosecution, for violation of the standards of conduct required by paragraph (a)(1) of this section. For the purpose of the section, a disciplinary sanction may include the completion of an appropriate rehabilitation program.
- (3) Complete a biennial review of its Drug and Alcohol Abuse programs to determine effectiveness of the program, and to ensure disciplinary sanctions are consistently enforced.

Failure to comply with the drug and alcohol prevention program requirements deprives students and employees of important information regarding the health risks and legal and disciplinary consequences of alcohol abuse and illicit drug use.

**Required Action:**

All-State must develop and implement a drug and alcohol prevention program that meets all the required elements set forth in the above citation. Furthermore, All-State must

develop procedures ensuring that the required materials are distributed to every enrolled student and employee of the institution.. A copy the DAAP must be submitted with the institutional response.

All- State may wish to use the Checklist for Campus Safety and Security Reporting found in Appendix E of the *Department's Handbook for Campus Safety and Security Reporting* and the checklists for Complying with the Drug-Free Schools and Campuses Regulations found in the Appendices of *A Guide for University and College Administrators EDGAR Part 86*.

To address the deficiencies identified in Finding # 5, All-State must:

- Develop and implement a substantive drug and alcohol abuse prevention program. The program materials must include all of the required elements set forth in the Drug-Free School Act;
- Develop procedures for ensuring that the required materials are distributed to every enrolled student who is matriculating toward a credential and every employee of the College. Once the new program materials are complete and evaluated by the Department, the institution will be required to distribute them in accordance with the Part 86 regulations and provide documentation evidencing the distribution as well as a statement of certification that the required distribution was accomplished; and
- Conduct a biennial review to measure the effectiveness of its AOD education and prevention programs. All-State must describe the methods and data analysis tools that will be used to determine the effectiveness of the program as well as the responsible official or office that will conduct the review. Because the Drug-Free Schools Act went into effect in 1990, longstanding practice dictates that the biennial review is normally conducted in even-numbered years; the new biennial review must be completed by October 1, 2012 and submitted in response to this program review report

All-State may wish to review the Department's new [Handbook for Campus Safety and Security Reporting](http://www2.ed.gov/admins/lead/safety/handbook-2.pdf) available online at: <http://www2.ed.gov/admins/lead/safety/handbook-2.pdf>. Lane also may wish to review [Complying with the Drug-Free Schools and Campuses Regulations, A Guide for University and College Administrators](http://www.higheredcenter.org/files/product/dfscr.pdf) at: [www.higheredcenter.org/files/product/dfscr.pdf](http://www.higheredcenter.org/files/product/dfscr.pdf)