



APR 29 2013

Ms. Wendy Yang  
President  
American Beauty School  
1380 Metropolitan Ave.  
Bronx, NY 10462

*Certified Mail*  
*Return Receipt Requested*  
*Domestic Return Receipt*  
7006 2760 0002 1694 1212

RE: **Final Program Review Determination**  
OPE ID: 039034  
PRCN: 201140227662

Dear Ms. Yang,

The U.S. Department of Education's (Department's) School Participation Team – NY/Boston issued a program review report on September 28, 2012 covering American Beauty School's (ABS) 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 2009/2010 and 2010/2011 award years. ABS's final response was received on December 28, 2012. A copy of the program review report (and related attachments) and ABS's response are attached. Any supporting documentation submitted with the response is being retained by the Department and is available for inspection by ABS 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: (1) identify liabilities resulting from the findings of this program review report, (2) provide instructions for payment of liabilities to the Department, (3) notify the institution of its right to appeal.

The total liabilities due from the institution from this program review are **\$3,993.07**.

This final program review determination contains detailed information about the liability determination for all findings.

**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 does not contain any student PII. Instead, each finding references students only by a student number created by Federal Student Aid.

**Federal Student Aid**  
An OFFICE of the U.S. DEPARTMENT of EDUCATION  
School Participation Division – NY/Boston  
32 Old Slip, NY, NY 10005  
StudentAid.gov

The student numbers were assigned in Appendix A, Student Sample.

**Appeal Procedures:**

This constitutes the Department's FPRD with respect to the liabilities identified from the March 23, 2012 program review report. If ABS wishes to appeal to the Secretary for a review of monetary liabilities established by the FPRD, the institution must file a written request for an administrative hearing. The Department must receive the request no later than 45 days from the date ABS receives this FPRD. An original and four copies of the information ABS submits must be attached to the request. The request for an appeal must be sent to:

Ms. Mary E. Gust, Director  
Administrative Actions and Appeals Service Group  
U.S. Department of Education  
Federal Student Aid/PC  
830 First Street, NE - UCP3, Room 84F2  
Washington, DC 20002-8019

ABS's appeal request must:

- (1) indicate the findings, issues and facts being disputed;
- (2) state the institution's position, together with pertinent facts and reasons supporting its position;
- (3) include all documentation it believes the Department should consider in support of the appeal. An institution may provide detailed liability information from a complete file review to appeal a projected liability amount. Any documents relative to the appeal that include PII data must be redacted except the student's name and last four digits of his / her social security number (please see the attached document, "Protection of Personally Identifiable Information," for instructions on how to mail "hard copy" records containing PII); and
- (4) include a copy of the FPRD. The program review control number (PRCN) must also accompany the request for review.

If the appeal request is complete and timely, the Department will schedule an administrative hearing in accordance with § 487(b)(2) of the HEA, 20 U.S.C. § 1094(b)(2). The procedures followed with respect to ABS's appeal will be those provided in 34 C.F.R. Part 668, Subpart H. **Interest on the appealed liabilities shall continue to accrue at the applicable value of funds rate, as established by the United States Department of Treasury, or if the liabilities are for refunds, at the interest rate set forth in the loan promissory note(s).**

**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 Teresa Martinez at 646-428-3748. Questions relating to any appeal of the FPRD should be directed to the address noted in the Appeal Procedures section of this letter.

Sincerely,

(b)(6)

Betty Coughlin  
Division Director

Enclosure: *Protection of Personally Identifiable Information*

cc: Carmen Caban, Financial Aid Administrator  
National Accrediting Commission of Cosmetology Arts and Sciences (NACCAS)  
NY Education Department-Bureau of Proprietary School Supervision

bcc: Reading file, Correspondence file, Teresa Martinez, Jackie Watford,  
Chris Curry, OCFO Accounts Receivable, Bob James, Kathleen Wicks  
FSA PC SEC (ICD-All Title IV Programs Liabilities), ERM

Prepared for

**American Beauty School**

**Federal Student Aid**  
AN OFFICE of the U.S. DEPARTMENT of EDUCATION

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the AMERICAN MIND™

OPE ID: 039034

PRCN : 201140227662

Prepared by

**U.S. Department of Education**

**Federal Student Aid**

**School Participation Division – NY/Boston**

## **Final Program Review Determination**

**APR 29 2013**

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**A. Institutional Information**

American Beauty School  
1380 Metropolitan Ave.  
Bronx, NY 10462

Type: Proprietary

Highest Level of Offering: Non-Degree 1 Year (900-1799 hours)

Accrediting Agency: National Accrediting Commission of Cosmetology Arts and Sciences (NACCAS)

Current Student Enrollment: 219 (2010-2011)

% of Students Receiving Title IV, HEA funds: 78% (2010-2011)

Title IV Participation – source: Common Origination and Disbursement (COD)

	<u>2012-2013</u>
Federal Pell Grant (Pell Grant)	\$604,974
Federal Direct Loan (DL)	\$565,520

	<u>2011-2012</u>
Federal Pell Grant (Pell Grant)	\$878,351
Federal Direct Loan (DL)	\$806,230

	<u>2010-2011</u>
Federal Pell Grant (Pell Grant)	\$901,706
Federal Direct Loan (DL)	\$595,903

Default Rate FFEL/DL:	2010 7.2%
	2009 4.0%
	2008 15.4%

## **B. Scope of Review**

The U.S. Department of Education (the Department) conducted a program review at American Beauty School (ABS) from September 12, 2011 to July 8, 2012. The review was conducted by Teresa Martinez and Jackie Watford.

The focus of the review was to determine ABS'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 ABS'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 30 files was identified for review from the 2009/2010 and 2010/2011 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. In addition, 5 files were selected for further review of ABS's verification procedures. Also, further review of the school's Ability to Benefit procedures were reviewed.

Appendix A lists the names and partial social security numbers of the students whose files were examined during the program review. A program review report was issued on September 28, 2012.

### **Disclaimer:**

Although the review was thorough, it cannot be assumed to be all-inclusive. The absence of statements in the report concerning ABS'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 ABS 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, 4, 5, 6, 7 and 8**

ABS has taken the corrective actions necessary to resolve findings 1, 4, 5, 6, 7 and 8 of the program review report. Therefore, these findings may be considered closed. ABS's written response related to these resolved findings are found in Appendix C. Findings requiring further action by ABS 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 ABS's response to the finding, and the

Department's final determination for that finding. A copy of the program review report issued on September 28, 2012 is attached as Appendix G.

Note: Any additional costs to the Department, including interest, special allowances, cost of funds, unearned administrative cost allowance, etc., are not included in individual findings, but instead are included in the summary of liabilities table in Section D of the report.

## 2. Improper Charges to Students

**Citation Summary:** *34 C.F.R §668.14(b) states that by entering into a program participation agreement, an institution agrees that it will comply with all statutory provisions of or applicable to Title IV of the HEA. The institution will establish and maintain such administrative and fiscal procedures and records as may be necessary to ensure proper and efficient administration of funds received from the Department or from students under the Title IV, HEA programs.*

*34 C.F.R §668.14(b)(3) states that a school may not charge any student a fee for processing or handling any application, form or data required to determine a student's eligibility for, and amount of, Title IV, HEA program assistance.*

**Noncompliance Summary:** *ABS charged students, who were enrolling in their institution, a fee for taking an approved ATB examination to determine Title IV, HEA program eligibility in violation of provisions in its Title IV Program Participation Agreement (PPA).*

*During staff interviews, school officials confirmed that students who registered for the ATB examination were charged \$20 for taking the exam. If the student fails the initial test, they are not charged to retake the test. In addition, a student interview also confirmed that students were charged \$20 to take the ATB exam.*

**Required Action Summary:** *In response to this finding, ABS was required to provide this office with a list of ATB students from the 2009/10 and 2010/11 award years. The lists were to include the student's name, address, phone number, date of exam, and the amount charged for taking the exam.*

*ABS will be required to refund the amounts charged to the students in response to this finding.*

**ABS's Response:** *ABS, as part of its December 28, 2012 response, provided a spreadsheet that included all students for the 2009/10 and 2010/11 award years who were charged a fee for taking an approved ATB examination. The file review identified 208 students who paid \$20, in cash payments, to take the examination, totaling **\$4,160**.*

**Final Determination:** *In response to this report, ABS must provide proof (copy of the canceled checks, front and back) that payment was made to the students identified in the file review within 45 days of receipt of this letter, to the following address:*

Teresa Martinez  
US Department of Education  
32 Old Slip, Financial Square  
New York, NY 10005

If ABS has lost contact with a student, it must use all reasonable means to locate the student. ABS must keep the Department apprised of payments made to the students by submitting monthly updates of student payments. The monthly updates can be submitted to Teresa Martinez.

### 3. Incomplete Verification

**Citation Summary:** *An institution is responsible for verifying all required information submitted by applicants for student financial assistance in connection with the calculation of their expected family contributions (EFC) for Title IV assistance. 34 C.F.R. §668.51(a),(b), 34 C.F.R. §668.56 (a) and C.F.R. 34 §668.57 (a),(b),(c),(d). An institution is responsible for updating information and resolving conflicting information under 34 C.F.R. §668.55(a)(1)(i)(ii) and using corrections to data originally reported to determine whether student eligibility would be impacted, 34 C.F.R. 668.59 (a),(b),(c),(d),(e). Title IV aid disbursements without complete or proper verification are institutional liabilities to the Federal aid programs.*

**Noncompliance Summary:** *ABS did not accurately verify information from students who were selected for verification.*

**Student 1's** application for financial aid was selected for verification in the 2009-2010 award year. The student's ISIR and verification worksheet listed three people living in the household; the unmarried student, her son, and her niece. The student's Direct Loan promissory note listed the student's husband as a reference living at the same address as the student, however, he was not listed on the verification worksheet.

**Student 11's** application for financial aid was selected for verification in the 2009-2010 award year. The number in college reported on the student's ISIR was two, however the verification worksheet only showed the student attending college.

**Required Action Summary:** *In response to this report, ABS was required to review the files of all Title IV recipients who were selected for verification in the 2009-2010 award year. The institution was required to collect any missing documentation and perform all required need analyses to confirm students' eligibility if information was revised as a result of verification. ABS was required to provide copies of documentation for **Student #1** verifying the student's marital status at the time of verification. ABS is liable for the amounts of any awards in excess of students' revised need. Additionally, the institution is liable for all Title IV funds awarded in the applicable award year if the required documentation cannot be collected. Please note, in cases where information on verification worksheets is revised, the changes must be initialed and the worksheets must be signed again by the required persons.*

*In response to this finding, ABS was required to report the total amount of ineligible Title IV funds disbursed to students. All liabilities were to be reported by award year, listing students in alphabetical order and spreadsheet format with the following column headings:*

*Award Year  
Student's Name  
Last four digits of the student's Social Security Number  
Original Award (by Title IV Program)  
Revised Award (by Title IV Program)  
Difference (by Title IV Program)*

*The result of ABS's file review was to be attested to by a Certified Public Accountant. We define auditor attestation as a confirmation statement that a corrective action was accurately taken by the Institution in accordance with the Department's instructions (which includes the confirmation of documents, liabilities paid, file reviews, projection sampling, and formulas used to calculate liabilities).*

**ABS's Response:** ABS, as part of its December 28, 2012 response, performed a full file review of all students selected for verification during the 2009-2010 award year. The file review identified **\$3,892** as the total amount of Title IV aid over awarded. School's file review results are attached as Appendix F. This response included auditor attestation.

**Final Determination:** The Pell grant principal and interest due to the Department for this finding is **\$3,993.07**. Details of the liability for this finding can be found in Appendix D.

**D. Summary of Liabilities**

The total amount calculated as liabilities from the findings in the program review determination is as follows.

<b>Initial Liabilities</b>	PELL	
Finding 3	<b>\$3,892</b>	
<b>Subtotal 1</b>	<b>\$3,892</b>	
Interest/SA	<b>\$101.07</b>	
<b>Subtotal 2</b>	<b>\$3,993.07</b>	
<b>TOTAL</b>	<b>\$3,993.07</b>	
<b>Payable To:</b>		<b>Totals</b>
Department	<b>\$3,993.07</b>	<b>\$3,993.07</b>

## E. Payment Instructions

### 1. Liabilities Owed to the Department

#### **Liabilities Owed to the Department \$1,000 or More but Less Than \$100,000**

ABS owes to the Department **\$3,993.07**. Payment must be made by forwarding a check made payable to the "U.S. Department of Education" to the following address within 45 days of the date of this letter:

U.S. Department of Education  
P.O. Box 979026  
St. Louis, MO 63197-9000

Remit checks only. Do not send correspondence to this address.

**Payment must be made via check and sent to the above Post Office Box. Payment and/or adjustments made via G5 will not be accepted as payment of this liability. Instead, the school must first make any required adjustments in COD as required by the applicable finding(s) and Section II – Instructions by Title IV, HEA Program (below), remit payment, and upon receipt of payment the Department will apply the funds to the appropriate G5 award (if necessary).**

The following identification data must be provided with the payment:

Amount: **\$3,993.07**  
DUNS: 078615010  
TIN: 134135190  
Program Review Control Number: 201140227662

### Terms of Payment

As a result of this final determination, the Department has created a receivable for this liability and payment must be received by the Department within **45 days of the date of this letter**. If payment is not received within the 45-day period, interest will accrue in monthly increments from the date of this determination, on the amounts owed to the Department, at the current value of funds rate in effect as established by the Treasury Department, until the date of receipt of the payment. ABS is also responsible for repaying any interest that accrues. If you have any questions regarding interest accruals or payment credits, contact the Department's Accounts Receivable Group at (202) 245-8080 and ask to speak to ABS account representative.

If full payment cannot be made within **45 days** of the date of this letter, contact the Department's Accounts Receivable Group to apply for a payment plan. Interest charges and other conditions apply. Written request may be sent to:

U.S. Department of Education  
 OCFO Financial Management Operations  
 Accounts Receivable Group  
 550 12th Street, S.W., Room 6114  
 Washington, DC 20202-4461

If within 45 days of the date of this letter, ABS has neither made payment in accordance with these instructions nor entered into an arrangement to repay the liability under terms satisfactory to the Department, the Department intends to collect the amount due and payable by administrative offset against payments due ABS from the Federal Government. **ABS may object to the collection by offset only by challenging the existence or amount of the debt.** To challenge the debt, ABS must **timely appeal** this determination under the procedures described in the "Appeal Procedures" section of the cover letter. The Department will use those procedures to consider any objection to offset. **No separate appeal opportunity will be provided.** If a timely appeal is filed, the Department will defer offset until completion of the appeal, unless the Department determines that offset is necessary as provided at 34 C.F.R. § 30.28. This debt may also be referred to the Department of the Treasury for further action as authorized by the Debt Collection Improvement Act of 1996.

**4. Liabilities Owed to the Department in the case of Title IV Grants**

**Pell – Closed Award Year**

Finding: finding 3  
 Appendix: Appendix B

ABS must repay:

<b>Pell Closed Award Year</b>			
Amount (Principal)	Amount (Interest)	Title IV Grant	Award Year
<b>\$3,892</b>	<b>\$101.07</b>	Pell	2009-2010
<b>Total Principal</b>	<b>Total Interest</b>		
<b>\$3,892</b>	<b>\$101.07</b>		

The disbursement record for each student identified in the appendix to the applicable finding must be adjusted in the Common Origination and Disbursement (COD) system based on the recalculated amount identified in the appendix.

**Adjustments in COD must be completed prior to remitting payment to the Department. Payment cannot be accepted via G5. Once the Department receives**

**payment via check, the Department will apply the principal payment to the applicable G5 award. The interest will be applied to the general program account.**

**A copy of the adjustment to each student's COD record must be sent to Teresa Martinez within 45 days of the date of this letter.**

**Appendix A – Student Sample**

**AWARD YEAR 2009-2010**

<b>No.</b>	<b>Last Name</b>	<b>First Name</b>	<b>SSN</b>
(b)(6); (b)(7)(C)			

**AWARD YEAR 2009-2010**

**Expanded Sample for Verification**

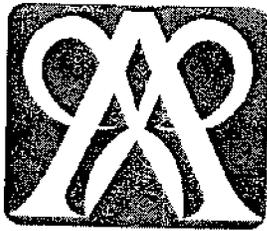
<b>No.</b>	<b>Last Name</b>	<b>First Name</b>	<b>SSN</b>
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(b)(6); (b)(7)(C)
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**Appendix B**

**Student Level Detail – Finding 3**

(b)(6); (b)(7)(C)



# AMERICAN BEAUTY SCHOOL

1380 Metropolitan Avenue, Bronx, N.Y. 10462

Tel: (718) 931-7400 Fax: (718) 828-2836

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December 23, 2012

Re: Program Review Report  
OPE ID: 039034  
PRCN: 201140227662

Teresa Martinez -United States Department of Education

Dear Ms. Teresa Martinez:

The following is our response to the findings and recommendations generated by your team visit the week of Sept 12, 2011. All required recommendations have as of this date been implemented and the additional information requested by your department is enclosed in this letter with attached exhibits where applicable.

We appreciate the ongoing support and oversight provided by your department over the years. We learn a great deal from each visit on ways to improve and more efficiently operate the school. I hope you and your loved ones have a Happy & Healthy New Year.

Sincerely,

Wendy Yang, Director  
American Beauty School

**Item 1) Inadequate/Conflicting Attendance Records –**

Findings indicated 4 students (student #7, 12, 18, 22) with discrepancies in attendance between the computer database and hand written records. Our current process has individual teachers signing and recording attendance on cards, as traditionally required by New York State regulations and then having office staff review and in-put these records into the computer. Previously the two separate departments overseeing the recordkeeping of student files and attendance did a good job of checking each other's work to insure accuracy. However the cases sited identified 4 instances where totals made by teachers were off, in these cases they did not impact the student' Title IV disbursements, however we do not want to take them lightly.

We concur with your findings and have begun the implementation of a 3<sup>rd</sup> layer review to identify and hopefully minimize and prevent our exposure to human error going forward. The 3<sup>rd</sup> layer of inspection will consist of review of consistency between written and computer records by a Senior Instructor or Senior Administrator prior Graduation or Withdrawal.

### Item 2) Improper Charges to Students –

We concur with this citation and apologize; we were operating under the mistaken impression that collecting this charge and then paying the ITA (Independent Test Admin) was the normal procedure.

We are prepared to issue refunds directly to students for the test fee of \$20.00 to all Title 4 students during the periods.

We no longer offer the test for determination of Title 4 eligibility as of 7/1/2011 and so this will no longer be an issue going forward. Attached is the excel data Exhibit #2 that contains a list of the information you requested. **The liability on the 208 cases identified we have determined to be \$4160.00.** ✓

### Item 3) Incomplete Verification

We have reviewed internally and with our 3<sup>rd</sup> party servicers (The Boston Educational Network), the two student files identified as having inaccurate verification documentation.

Student #11 – The finding was based on a discrepancy identified on the student's printed ISIR indicating 2 members of family in college however the actual verification form listed only 1 member in college. There was a corrected/updated ISIR done for the student at the time of verification but physical copy must have been missing or lost at time of your visit. We have re-printed a copy of the ISIR and included it as Exhibit #3 for your review. This updated ISIR is consistent with the student signed verification - indicating only one member in college/post secondary study. We hope this resolves the finding. ✓

Student #1 -- [REDACTED] – The student was selected for verification and although the student indicated on her verification worksheet, federal tax returns and FAFSA application that she was unmarried there was a reference listed on her promissory note identified as "husband".

Although we believe the student was not legally married during her enrollment and may have meant to indicate boyfriend rather than legal husband, we cannot conclusively prove this at this time.

We have reached out to the student to document and clarify the confusion but to date have not received a reply. It is therefore possible that the student may have inaccurately reported on her Federal taxes that she was unmarried. If we assume that the student is married her husband's potential income may warrant a reduction of the Pell awarded. **The total potential financial aid liability in this instance can be up to the awarded/retained total Title IV funds in her case a Pell Grant \$1768.**

We were disappointed that this error in verification occurred and thank you for pointing out an area where we must improve and have now incorporated into our verification procedures. We assure you that the entire team here has been made aware of this potentiality. The student promissory note references will now be more thoroughly vetted to expose any potential conflict with other documentation.

As per your required action we have reviewed all the 2009-2010 award year students selected for verification of the 161 files selected for verification during this period our review found one other instance where student supplied reference information that may call into question information on their verification documents. The issue was identical to student #1. All tax, fafsa and verification information was consistently unmarried but student listed reference as a spouse. **The total**

potential financial aid liability in this instance can be up to the awarded/retained total Title IV funds in her case a Pell Grant \$2124.

An excel sheet Exhibit #3a will be emailed and encrypted to the office of Teresa Martinez , Program Review Director, which will detail the Award Year, Student Name, Last 4 of SSN, Original award by Title IV, The Revised Award by Title IV and the Difference between the two awards.

We have notified the Certified Public Account that as per your instructions an independent confirmation that a corrective action has been accurately completed in relation to this finding. We are currently awaiting a date from the CPA when this can be scheduled and forwarded after the holiday season.

#### **Item 4) Late or Unmade Payments of Credit Balances to Students**

Student #28 – Student was missing a disclosure authorizing the school to hold funds for greater than 14 days in any instance where a student's HEA payments may exceed institutional charges and to hold those funds on the student's account. The student carried a \$42.00 credit balance for more than 14 days. While all credit balances were returned to the student by date of actual graduation we were unable to locate the required disclosure in the students file.

We concur with the finding and believe this was an instance where the disclosure was either overlooked or misplaced. We are aware that Title IV HEA regulations do require this authorization.

In order to improve ourselves and prevent this from happening again, we added an additional step in our document check-off list inside each student's folder. We believe that this will serve as a further reminder to office administrators and admissions personnel of the importance of having students complete this disclosure

#### **Item 5) Required Policy Statements Omitted From Campus Security Reports**

We have updated our Campus Security Policy and Programs to include the required policy statements outlined in this finding. Although we had elements of the required disclosures in different places we failed to tie them together as well as we could have. We believe that this updated Campus Security Policy will now better inform students and teachers on their rights and protections under the Cleary Act. The entire policy will now be held by the Campus Security official and also included in the student catalog given to all upon enrollment or commencement of employment.

Attached Exhibit #5 – is a copy of the Campus Security Policy and Program for your review. We hope this addresses the deficiencies your team indicated in your report.

#### **Item 6) Failure to Comply with Required Drug and Alcohol Abuse Education and Prevention Program Requirements.**

We have now updated our Campus Drug and Alcohol Abuse Education and Prevention programs and policies to bring them up to date and in compliance with the regulations. We will review these programs biennially on even number years to assess their effectiveness. The new policy is now provided to students at the point of enrollment. The new policy is given to staff upon commencement of employment and again at the end of each year. Student will continue to sign off that they received this policy and it will also be given to them as reference in the school's course catalog.

Attached **Exhibit #6** – is a copy of the updated Drug and Alcohol Prevention policy for your review. We hope this addresses the deficiencies your team indicated in your report.

**Item 7) Written Policies and Procedures Missing/ Inadequate**

Citation indicated that we needed to update and bring into full compliance our policies and procedures in the following areas:

- a. Title IV refund policy needs to be disclosed to students.
- b. Establish and make available to students the school's Satisfactory Academic Progress policy (SAP).
- c. Annual notice of student availability of consumer informational disclosures (FERPA, GE, Constitution Day, Drug & Alcohol Prevention).

Although we certainly had elements of the above policies in place we have since updated our enrollment documentation and specifically our course catalog to meet the deficiencies cited in your report. **Attached is Exhibit #7a, #7b, #7c** for your review which we hope meet the required standard. Exhibits 7(a),(b),(c) are the exact newly revised policy/disclosure areas added not the entire catalog – the new catalog will be enclosed in paper copy sent to your office but not the scanned pdf because file is too large.

**Item 8) Exit Counseling Not Documented/Performed**

This finding indicated that we did not provide exit counseling to three students who were receiving Federal Direct Loans (DL). For all three students cited we believe the finding is incorrect and have provided copies of the supporting documentation.

**Student #10** – This student was enrolled and graduated from our Spanish language program and as a result parts of her exit counseling material can be found in Spanish. So although exit counseling was done the coversheet was in Spanish. Enclosed is a copy of both exit and entrance counseling documentation for review **Exhibit #8-10.**

**Student #14** – This student was also enrolled in our Spanish program. Her completed exit and entrance counseling documentation is provided. **Exhibit#8-14.**

**Student #27** – This student's exit counseling material was present in the folder upon our review. Supporting documentation is attached with her entrance and exit documentation. **Exhibit #8-27.**

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Thank you in advance for review of our response. We await your final determination. Please feel free to contact us if you should require any further information.

Wendy Yang, Director  
American Beauty School  
1380 Metropolitan Avenue  
Bronx, NY 10462

**EXHIBIT #2**

Excel Data Sheet of the Student Data to which an ATB exam fee of \$20 will be refunded. The Data sheet has been encrypted and emailed to Teresa Martinez of the Department of Education.

Exhibit #3

ISIR & Verification Form of Student #11 – personal identifying information redacted.





Prepared for  
**American Beauty School**

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START HERE  
GO FURTHER  
FEDERAL STUDENT AID

OPE ID 039034  
PRCN 201140227662

Prepared by  
U.S. Department of Education  
Federal Student Aid  
School Participation Team – NY/Boston

## Program Review Report

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**A. Institutional Information**

American Beauty School  
1380 Metropolitan Ave.  
Bronx, NY 10462

Type: Proprietary

Highest Level of Offering: Non-Degree 1 Year

Accrediting Agency: National Accrediting Commission of Cosmetology Arts and Sciences (NACCAS)

Current Student Enrollment: 140 (2011)

% of Students Receiving Title IV: 92% (2011)

Title IV Participation - source: Postsecondary Education Participants System (PEPS):

	<u>2009-2010</u>
Federal Pell Grant (Pell Grant)	\$845,023
Federal Direct Loan (DL)	\$602,125

Title IV Participation – source: Common Origination and Disbursement (COD)

	<u>2010-2011</u>
Federal Pell Grant (Pell Grant)	\$901,706
Federal Direct Loan (DL)	\$579,642

Default Rate FFEL/DL:	2009	4.0%
	2008	15.4%
	2007	16.6%

## **B. Scope of Review**

The U.S. Department of Education (the Department) conducted a program review at American Beauty School (ABS) from September 12, 2011 to September 16, 2011. A return visit was conducted on July 19, 2012 to review additional documentation. The review was conducted by Teresa Martinez and Jacqueline Watford.

The focus of the review was to determine ABS'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 ABS'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 30 files was identified for review from the 2009/2010 and 2010/2011 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. In addition, 5 files were selected for further review of ABS's verification procedures. Appendix A lists the names and partial 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 ABS'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 ABS 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 ABS to bring operations of the financial aid programs into compliance with the statutes and regulations.

## 1. Inadequate/Conflicting Attendance Records

**Citation:** The records that an institution must maintain in order to comply with the provisions of the regulations include, but are not limited to, documentation of each student's or parent borrower's eligibility for Title IV funds. 34 C.F.R. § 668.24(c)(1)(iii) At a clock hour school, this includes the maintenance of complete and accurate attendance records, including any make-up hours recorded for the students, since they serve as the basis for all Title IV award determinations.

**Noncompliance:** ABS's instructors record attendance daily at the beginning of each class. The attendance records are then transferred, weekly, into a computer database resulting in an attendance report that includes scheduled hours, present hours, absent hours and make up hours. The reviewers found discrepancies when reviewing the following student's attendance records.

**Student 7** enrolled in the Cosmetology program on 10/6/08 and completed the program on 11/14/09. The student's daily attendance records, for the period 9/1/09 through 9/30/09 indicated that the student completed 19 make up hours. However, a recalculation of the hours indicated that the student completed 20 make up hours.

**Student 12** enrolled in the Cosmetology program on 2/5/10 and completed the program on 3/21/11. The student's daily attendance records, for the period 1/1/11 through 1/31/11, indicated that the student completed 63 make up hours. However, a recalculation of the hours indicated that the student completed 65 make up hours. In addition, the computerized attendance report indicated the student completed 65 make up hours.

**Student 18** enrolled in the Cosmetology program on 3/14/11 and completed the program on 12/8/11. The student's daily attendance records, for the period 8/1/11 through 8/30/11, indicated that the student was present for 5 hours on 8/18/11. However, the computerized attendance report indicated the student completed 5.5 hours on that day.

**Student 22** enrolled in the Cosmetology program on 1/15/11 and completed the program on 12/30/11. The student's daily attendance records, for the period 7/1/11 through 7/30/11, indicated that the student completed 5 make up hours. However, a recalculation of the hours indicated that the student completed 10 make up hours.

Although the specific issues cited in this finding did not impact student's Title IV eligibility, failure to properly reconcile discrepancies on a systemic basis could result in students receiving Title IV disbursements they were not eligible for.

**Required Action:** An institution is required to maintain records that document its administration of the Title IV programs in accordance with applicable requirements and its disbursement and delivery of Title IV program funds. At a clock hour school, this includes the maintenance of complete and accurate attendance records, including any make-up hours recorded for the students, since they serve as the basis for all Title IV award determinations.

ABS must review its procedures for maintaining accurate attendance records, and institute procedures to prevent a recurrence of this problem. The institution must provide a description of the procedures that it has implemented.

The institution will be apprised of any additional requirements upon review of the response to this finding.

## **2. Improper Charges to Students**

**Citation:** 34 C.F.R §668.14(b) states that by entering into a program participation agreement, an institution agrees that it will comply with all statutory provisions of or applicable to Title IV of the HEA. The institution will establish and maintain such administrative and fiscal procedures and records as may be necessary to ensure proper and efficient administration of funds received from the Department or from students under the Title IV, HEA programs.

34 C.F.R §668.14(b)(3) states that a school may not charge any student a fee for processing or handling any application, form or data required to determine a student's eligibility for, and amount of, Title IV, HEA program assistance.

**Noncompliance:** ABS charged students, who were enrolling in their institution, a fee for taking an approved ATB examination to determine Title IV, HEA program eligibility in violation of provisions in its Title IV Program Participation Agreement (PPA).

During staff interviews, school officials confirmed that students who registered for the ATB examination were charged \$20 for taking the exam. If the student fails the initial test, they are not charged to retake the test. In addition, a student interview also confirmed that students were charged \$20 to take the ATB exam.

**Required Action:** In response to this finding, ABS must provide this office with a list of ATB students from the 2009/10 and 2010/11 award years. The lists must include the student's name, address, phone number, date of exam, and the amount charged for taking the exam.

ABS will be required to refund the amounts charged to the students in response to this finding. Instructions for the repayment of any liabilities will be provided in the Final Program Review Determination letter (FPRD).

Since ABS should not be administering ATB tests as of 7/1/11, this should not be an issue moving forward. But ABS must ensure it is in compliance with all provisions in its PPA.

### **3. Incomplete Verification**

**Citation:** An institution is responsible for verifying all required information submitted by applicants for student financial assistance in connection with the calculation of their expected family contributions (EFC) for Title IV assistance. 34 C.F.R. §668.51(a),(b), 34 C.F.R. §668.56 (a) and C.F.R. 34 §668.57 (a),(b),(c),(d). An institution is responsible for updating information and resolving conflicting information under 34 C.F.R. §668.55(a)(1)(i)(ii) and using corrections to data originally reported to determine whether student eligibility would be impacted, 34 C.F.R. 668.59 (a),(b),(c),(d),(e). Title IV aid disbursements without complete or proper verification are institutional liabilities to the Federal aid programs.

**Noncompliance:** ABS did not accurately verify information from students who were selected for verification.

**Student 1's** application for financial aid was selected for verification in the 2009-2010 award year. The student's ISIR and verification worksheet listed three people living in the household; the unmarried student, her son, and her niece. The student's Direct Loan promissory note listed the student's husband as a reference living at the same address as the student, however, he was not listed on the verification worksheet.

**Student 11's** application for financial aid was selected for verification in the 2009-2010 award year. The number in college reported on the student's ISIR was two, however the verification worksheet only showed the student attending college.

**Required Action:** In response to this report, ABS must review the files of all Title IV recipients who were selected for verification in the 2009-2010 award year. The institution must attempt to collect any missing documentation and perform all required need analyses to confirm students' eligibility if information was revised as a result of verification. ABS must provide copies of documentation for **Student #1** verifying the student's marital status at the time of verification. ABS is liable for the amounts of any awards in excess of students' revised need. Additionally, the institution is liable for all Title IV funds awarded in the applicable award year if the required documentation cannot be collected. Please note, in cases where information on verification worksheets is revised, the changes must be initialed and the worksheets must be signed again by the required persons.

In response to this finding, ABS must report the total amount of ineligible Title IV funds disbursed to students. All liabilities must be reported by award year, listing students in alphabetical order and spreadsheet format with the following column headings:

Award Year  
Student's Name  
Last four digits of the student's Social Security Number  
Original Award (by Title IV Program)  
Revised Award (by Title IV Program)  
Difference (by Title IV Program)

The result of ABS's file review must be attested to by a Certified Public Accountant. We define auditor attestation as a confirmation statement that a corrective action was accurately taken by the Institution in accordance with the Department's instructions (which includes the confirmation of documents, liabilities paid, file reviews, projection sampling, and formulas used to calculate liabilities).

Instructions for the repayment of any liabilities will be provided in the Final Program Review Determination letter (FPRD).

**The report is due within 90 days of receipt of this report.**

#### **4. Late or Unmade Payments of Credit Balances to Students**

**Citation:** Whenever an institution disburses Title IV, HEA program funds by crediting a student's account and the total amount of all Title IV, HEA funds credited exceeds the amount of institutional charges, the institution must pay the resulting credit balance directly to the student or parent as soon as possible but no later than 14 days after the balance occurred if the credit balance occurred after the first day of class of a payment period, or no later than 14 days after the first day of class of a payment period if the credit balance occurred on or before the first day of class of that payment period. 34 C.F.R. §668.164 (e)(1)(2), 34 C.F.R. §668.164 (d)(2).

**Noncompliance:** ABS failed to make timely payments of credit balances to students when the institution received Title IV funds in excess of their tuition and fee charges. Those students had not given permission to ABS to hold those funds on their accounts.

**Student 28** received an Unsubsidized Direct Loan disbursement on August 19, 2010, which created a credit balance of \$42.00. On January 4, the student received three Federal Pell disbursements causing the credit balance to increase to \$659.00. The credit balance was returned to the student on January 7, 2011.

**Required Action:** There are no liabilities associated with this finding, however, ABS must develop procedures that will ensure the prompt delivery of credit balances to students in the future. Details of those procedures must be provided with the response to this report.

The institution will be apprised of any additional requirements upon review of the response to this finding.

## 5. Required Policy Statements Omitted from Campus Security Reports

**Citation:** The Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act (Clery Act) and the Department's regulations require institutions to include certain policy statements in their Campus Security Reports. These disclosures are intended to more fully inform the campus community about the institution's security policies and programs and the availability of resources and channels of recourse. In general, these policies cover topics such as the law enforcement authority and practices of the institution police or security force, reporting procedures for students and employees, and policies that govern the preparation of the report itself. Policies pertaining to sexual assault education, prevention and adjudication must also be disclosed. A notification to students must also be included in the report that advises the campus community that victims of sexual assaults may change their academic or living arrangements. Policies regarding emergency evacuation procedures must also be included. 34 C.F.R § 668.46 (b)(2)(g).

**Noncompliance:** ABS failed to include certain required policy statements in its Campus Security Reports. The following policy statements were missing:

1. A description of the type and frequency of programs designed to inform students and employees about campus security procedures and practices and to encourage students and employees to be responsible for their own security and the security of others.
2. A description of programs designed to inform students and employees about the prevention of crimes.
3. A description of educational programs to promote the awareness of rape, acquaintance rape, and other forcible and non-forcible sex offenses
4. Notification to students that the institution will change a victim's academic and living situations after an alleged sex offense and of the options for those changes, if those changes are requested by the victim and are reasonably available; Procedures for campus disciplinary action in cases of an alleged sex offense, including a clear statement that: The accuser and the accused are entitled to the same opportunities to have others present during a disciplinary proceeding; and Both the accuser and the accused must be informed of the outcome of any institutional disciplinary proceeding brought alleging a sex offense

5. **Revised Crime Classification: Burglary vs. Larceny:** An incident must meet three conditions to be classified as a Burglary.
  - a. There must be evidence of unlawful entry (trespass). Both forcible entry and unlawful entry – no force are counted.
  - b. The unlawful entry must occur within a structure, which is defined as having four walls, a roof, and a door.

The unlawful entry into a structure must show evidence that the entry was made in order to commit a felony or theft. If the intent was not to commit a felony or theft, or if the intent cannot be determined, the proper classification is Larceny.

In addition, ABS's policies did not include a policy regarding its emergency response and evacuation procedures.

**Required Action:** In response to this finding, ABS must revise its' current campus security policy by including the missing components listed in this finding. In addition, ABS must take steps to ensure that all necessary policy disclosures are included in the next campus security report and a copy of the revised policies must be provided with the response to this report.

Based on an evaluation of all available information including ABS's response, the Department will determine if additional action will be required and will advise ABS accordingly in the Final Program Review Determination.

## **6. Failure to Comply with Required Drug and Alcohol Abuse Education and Prevention Program Requirements**

**Citation:** The Drug-Free Schools and Communities Act 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, each IHE must provide the following information in writing to all current students (enrolled for any type of academic credit except for continuing education units) and all current employees:

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

- 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 drug and alcohol laws, ordinances, and/or institutional policies.

In addition, each IHE must conduct a biennial review to determine the effectiveness of its drug and alcohol abuse education and prevention program and to ensure consistent enforcement of applicable laws, ordinances, and institutional policies against 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:** ABS failed to meet several requirements of the Drug-Free Schools and Communities Act. Specifically, ABS failed to:

- 1) Actively distribute annual written information about its drug prevention program(s) to student and employees.
- 2) Have written descriptions of legal sanctions imposed under local, State, or Federal law for unlawful possession or distribution of illicit drug and alcohol.
- 3) Conduct a biennial reviews.
- 4) Measure the effectiveness of the drug prevention program and any needed implementation changes.
- 5) Ensure consistency in the enforcement of its disciplinary sanctions.

Failure to comply with the drug and alcohol abuse education and prevention program requirements deprives students and employees of important information regarding the detrimental health risks and legal disciplinary consequences of alcohol abuse and illicit drug use. Such a failure may contribute to increased drug and alcohol abuse on-campus as well as an increase in drug and alcohol related violent crime.

**Required Action:** ABS must develop and implement a comprehensive system of policy and procedural improvements to address the specific deficiencies identified. ABS must:

- Develop and implement a substantive drug and alcohol abuse education and prevention program. The program materials must include all of the required elements set forth in the Drug-Free Schools and Communities Act and the Department's Part 86 regulations;
- Develop procedures for ensuring the required materials are distributed to every current student who is enrolled for academic credit as well as every employee of ABS. Once the new program materials are complete, ABS must provide a draft copy to the Department for evaluation. Once the materials are cleared by the Department, ABS will be required to distribute them in accordance with the Part 86

regulations and provide documentation the materials were distributed in accordance with the Drug-Free Schools and Communities Act;

- Conduct a biennial review to measure the effectiveness of its drug and alcohol abuse education and prevention programs. ABS must describe the research methods and data analysis tools that will be used to determine the effectiveness of the program as well as the responsible office or offices that will conduct the review.

Based on an evaluation of all available information including ABS's response, the Department will determine if additional action will be required and will advise ABS accordingly in the Final Program Review Determination.

## **7. Written Policies and Procedures Missing/Inadequate**

**Citation:** An institution shall establish and make readily available written policies and procedures to enrolled and prospective students any refund policy with which the institution is required to comply for the return of unearned tuition and fees and the requirements and procedures for officially withdrawing. 34 C.F.R. § 668.43.

For purposes of determining student eligibility for assistance under a Title IV, HEA program, and institution shall establish and make readily available written policies and procedures for measuring whether an otherwise eligible student is maintaining satisfactory academic progress in his or her educational program. 34 C.F.R. §668.16(e).

In addition, an institution must annually provide a notice directly to all enrolled students describing the availability of consumer information. The notice must contain a brief description of the various disclosures and how to obtain the full disclosures. If a disclosure is posted to a Web site, the notice must provide the exact electronic address and provide a statement that paper copies are available 34 CFR § 668.41(c)(d).

An institution must make available to any enrolled student or prospective student through appropriate publications, mailings or electronic media, information concerning financial assistance, general information about the school, Constitution and Citizenship Day, Student Right-to-Know Act Drug and alcohol abuse prevention information, Family Educational Rights and Privacy Act (FERPA) and Private Education Loans.

A chart listing which persons (enrolled students, employees, etc.) must receive the various forms of consumer information, including how the information must be distributed, can be found in the FSA Handbook, Volume 2, School Eligibility & Operations, Chapter 6, Providing Consumer Information, found at <http://ifap.ed.gov/fsahandbook/attachments/0910FSAHbkVol2Ch6Information.pdf>

**Noncompliance:** ABS does not have the following policies and procedures, disclosure statements, and/ or is missing one or more components per requirement:

- Return of Title IV funds policy and procedure –
  1. Procedures for officially withdrawing
  2. The financial consequences of withdrawing, specifically that an estimate of the amount of aid the student may earn and an estimate of the amount the student may have to return; that Federal funds may not cover all unpaid institutional charges due the institution upon withdrawal
  3. Process for determining the student's withdrawal date
  4. Whether a student who failed to earn a passing grade in any class completed or withdrew
  5. Time frame for return of Title IV, HEA funds
  6. How the institution determines the student's withdrawal date
  
- Satisfactory Academic Progress –
  1. Maximum completion time, for undergrad programs not exceeding 150% of published program, measured in academic years, terms, clock hours or credit hours
  2. Policies defining effects of summer length sessions, course incompletes, withdrawals, repetitions, and noncredit remedial courses
  
- Consumer Information –
  1. A description of all the Federal, State, local, private and institutional student financial assistance programs (need based and non-need based) available to students who enroll at the institution. 34 C.F.R. § 668.42(a)
  2. Student loan entrance and exit counseling information
  3. Information regarding private education loans, including the institution's code of conduct (prominently displayed on the institution's website), the availability of the Self-Certification form and the annual report, and a list of preferred lenders and lender arrangements, if applicable 34 C.F.R. §§601.10, 601.11, 601.20, 601.21, 601.30, 668.14(b)(27)-(29)
  4. Information disclosed to students or parents of students who enter into an agreement regarding a Title IV, HEA loan that the loan will be submitted to NSLDS and accessible by authorized agencies, lenders, and institutions [HEOA 489 amended HEA Sec. 485B]
  5. Institutional policies and sanctions regarding copyright infringement, including a statement that unauthorized distribution of copyrighted materials, such as peer-to-peer file sharing, may subject the students to civil and criminal liabilities; a summary of the penalties for violation of

- Federal copyright laws; and a description of the disciplinary actions taken against students engaging in unauthorized peer-to-peer file sharing using the institution's information technology system 34 C.F.R. § 668.43(a)(10)
6. Information on diversity of the student body, including percentage of enrolled, full-time students who are male, female, self-identified members of a major racial or ethnic group, and Federal Pell Grant recipients HEOA Sec. 488(a)(1)(E) amended HEA Sec. 485(a)(1)
  7. "Constitution and Citizenship Day"— Confirmation that institution held an educational program commemorating the September 17, 1787 signing of the Constitution on September 17<sup>th</sup> of each year (or preceding or following week if the 17<sup>th</sup> falls on a Saturday, Sunday, or holiday).
  8. Institutional policies on vaccinations HEA Sec. 485(a)(1)(V)
  9. Disclosures of the following information under the Student Right-to-Know Act: Institution's retention rate of certificate- or degree- seeking, first-time, full-time undergraduate students (as reported to IPEDS) provided to current and prospective students; if to a prospective student, provided prior to the student's enrolling or entering into a financial obligation to the institution 34 C.F.R. §§ 668.8(b)(1(ii), 668.41(d)(3)
  10. Disclosures related to programs preparing students for **gainful employment** 668.6(b)
  11. Family Educational Rights and Privacy Act (FERPA)
  12. Annual notice to enrolled students of the availability of information required to be disclosed that lists and briefly describes the disclosures and how to obtain the information. If disclosed on the web site, inclusion of the exact electronic address and a statement that the institution will provide a paper copy upon request 34 C.F.R § 668.41(c)
  13. Information about the availability upon reasonable notice throughout normal administrative working hours of employees for information dissemination purposes, to prospective and enrolled students. Waivers for small schools available by application 34 C.F.R. § 668.44
  14. To students selected for verification, a written statement explaining: Documents required for verification, student's responsibilities and notification 34 C.F.R. § 668.53

**Required Action:** There are no liabilities associated with this finding. However, ABS is required to provide students with details of all refund policies applicable to the school as well as information on the Title IV program requirements for the treatment of Title IV funds when a student withdraws. ABS must include the missing components noted above under its' Return to Title IV policies, Satisfactory Academic policies and Consumer Information. Details of those procedures must be provided with the response to this report.

The institution will be apprised of any additional requirements upon review of the response to this finding.

#### **8. Exit Counseling Not Documented/Performed**

**Citation:** Institutions are required to provide initial counseling to each Federal Family Education Loan (FFEL) and Direct Loan (DL) borrower prior to its release of the first disbursement. In addition, institutions are required to provide exit counseling to students who complete or otherwise withdraw from their program of study. An institution must ensure that entrance/exit counseling is conducted with each FFEL or DL borrower either in person, by audiovisual presentation, or by interactive electronic means. 34 C.F.R. §682.604(f),(g).

**Noncompliance:** ABS failed to provide exit counseling for students 10, 14 and 27.

**Required Action:** ABS must perform the required exit loan counseling for students 10, 14 and 27 and submit proof with its response to this report. A certified mail receipt will be considered adequate documentation. Additionally, the institution must provide its assurances that entrance and exit loan counseling will be performed in a timely manner for all FFEL and DL borrowers.

**Appendix A – Student Sample**

**AWARD YEAR 2009-2010**

<b>No.</b>	<b>Last Name</b>	<b>First Name</b>	<b>SSN</b>
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(b)(6); (b)(7)(C)			
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Appendix F

Award Year	Student Name	Last 4 digits	Orig Award	Revised Award	Difference
2009-2010	(b)(6); (b)(7)(C)		\$1768 - Pell	Cannot be Determined	\$1,768
2009-2010			\$2124 - Pell	Cannot be Determined	\$2,124

Total Potential Liability \$3,892

**Accounting Document – Prior Year Monetary Recovery (AD-PYMR)**

Institution: American Beauty School

City, State: West Park, NY

PRCN: 140227662

TIN: 134135190

DUNS: 078615010

Reviewer: Teresa Martinez

Region: 2

Date:

**Section A - Use if no adjustments are being made in COD**

Programs	Type	Amount	Funding Code	Object Class
Federal Pell Grant (Closed AY)	Principal		3220RNOYR	69017
	Interest		1435RNOYR	64020
ACG	Principal		3220RNOYR	69017
	Interest		1435RNOYR	64020
National SMART	Principal		3220RNOYR	69017
	Interest		1435RNOYR	64020
FSEOG (No FISAP Corrections)	Principal		3220RNOYR	69017
	Interest		1435RNOYR	64020
FWS (No FISAP Corrections)	Principal		3220RNOYR	69017
	Interest		1435RNOYR	64020
Direct Loan and Direct Loan EAL	Principal		4253XNOYR	53020 or 53010
	Interest		4253XNOYR	53040
FFEL and FFEL EAL	Interest/ SA/EAL		4251XNOYR	53020
Federal Perkins	Principal		2915RNOYR	53054

**Section B: Use if the Institution is instructed to make adjustments in COD**

Add rows if necessary			Amount			G5 Program Award # *
Pell, ACG, SMART, TEACH	Pell/09/10	Principal	3892.00	3875FNOYR	69020	P063P095785
	Pell/09/10	Imputed Interest	101.07	1435RNOYR	64020	P063P095785
Direct Loan (do not use for estimated loss)	Award Year	Principal		3875FNOYR	69020	
	Award Year	Imputed Interest		4253XNOYR	53040	