



May 19, 2015

Mr. Amir Baniassad
President
American College of Healthcare
11801 Pierce Street, Suite 100
Riverside, CA 92505-3038

Certified Mail
Return Receipt Requested
#: 70070710000106747177

RE: **Final Program Review Determination**
OPE ID: 03144400
PRCN: 201230927972

Dear Mr. Baniassad:

The U.S. Department of Education's (Department's) San Francisco/Seattle School Participation Division issued a program review report on August 16, 2013 covering American College of Healthcare's (ACH's) 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. The Department received ACH's response on October 17, 2013. A copy of the program review report and the institution's response are attached. Any supporting documentation submitted with the response is being retained by the Department and is available for inspection by ACH 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) notify the institution of additional follow-up needed on one or more findings in the report, (2) close the review, and (3) notify ACH 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 ACH'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

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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.

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. The student numbers were assigned in Appendix A, Student Sample. This appendix was encrypted and sent separately to the institution via e-mail.

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 Rick Allen at (415) 486-5601.

Sincerely,


Martina Fernandez-Rosario
Division Director
San Francisco/Seattle School Participation Division

Enclosures:

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

cc: Melinda Serban, Director, Financial Aid
CA Bureau of Private Postsecondary Education
Accrediting Bureau of Health Education Schools
Department of Defense (via e-mail at osd.pentagon.ousd-p-r.mbx.vol-edu.compliance@mail.mil)
Department of Veterans Affairs (via e-mail at INCOMING.VBAVACO@va.gov)
Consumer Financial Protection Board (via e-mail at CFPB_ENF_Students@cfpb.gov)

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.

Prepared for

American College of Healthcare

OPE ID: 03144400

PRCN: 201230927972

Prepared by

U.S. Department of Education

Federal Student Aid

San Francisco/Seattle School Participation Division

Final Program Review Determination

May 19, 2015

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A. Institutional Information

American College of Healthcare
11801 Pierce Street, Suite 100
Riverside, CA 92505-3038

Type: Proprietary

Highest Level of Offering: Non-Degree 2 Year Program (1800-2699 hours)

Accrediting Agency: Accrediting Bureau of Health Education Schools

Current Student Enrollment: 292

% of Students Receiving Title IV: 97%

Title IV Participation-Postsecondary Education Participants System:

	<u>2011-2012</u>	<u>2010-2011</u>
Federal Pell Grant Program	\$1,902,959	\$2,493,118
Federal Supplemental Educational Opportunity Grant Program	\$ 23,200	\$ 0
Federal Work-Study Program	\$ 14,366	\$ 0
Federal Direct Loan Program (FDL)		
Subsidized	\$1,282,975	\$1,810,266
Unsubsidized	\$1,721,171	\$2,476,054
PLUS	\$ 189,321	\$ 311,767
Totals	\$5,133,992	\$7,091,205

Default Rate FFEL/DL:	2010:	19.1%
	2009	22.6%
	2008	21.6%

B. Scope of Review

The U.S. Department of Education (the Department) conducted a program review at American College of Healthcare (ACH) from June 25, 2012 to June 29, 2012. The review was conducted by Tracy Simmonds and Rick Allen.

The focus of the review was to determine ACH'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 ACH's policies and procedures regarding institutional and student eligibility, individual student financial aid and academic files, attendance records, student account ledgers, and consumer information requirements.

A sample of 30 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. Appendix A lists the names and Social Security Numbers of the students whose files were examined during the program review. A Program Review Report (PRR) was issued on August 16, 2013.

Disclaimer

Although the review was thorough, it cannot be assumed to be all-inclusive. The absence of statements in the report concerning ACH'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 ACH 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, and 5

ACH has taken the corrective actions necessary to resolve findings 1, 4, and 5 of the PRR. Therefore, these findings may be considered closed. Appendix B contains the institution's written response related to the resolved findings. Findings with additional comments or requiring further action by ACH 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 ACH's response to the finding and the Department's final determination for that finding. A copy of the program review report issued on August 16, 2013 is attached as Appendix C.

Finding 2. Crime Awareness Requirements Not Met – Omission/Inadequacy of Required Statistical Disclosures and Policy Statements

Citation Summary: *The Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act (Clery Act) and the Department's regulations require that all institutions that receive Title IV, HEA funds must, by October 1 of each year, publish and distribute to its current students and employees, a comprehensive Annual Security Report (ASR) that contains, at a minimum, all of the statistical and policy elements described in 34 C.F.R. § 668.46(b).*

The ASR must be prepared and actively distributed as a single document. Acceptable means of delivery include regular U.S. Mail, hand delivery, or campus mail distribution to the individual or posting on the institution's website. If an institution chooses to distribute its report 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 report's availability and its exact electronic address, a description of its contents, as well as an advisement that a paper copy will be provided upon request. 34 C.F.R. § 668.41(e)(1). The Department's regulations also require participating institutions to provide a notice to all prospective students and employees that includes a statement about the ASR's availability, its contents, and its exact electronic address if posted to a website. This notice must also advise interested parties of their right to request a paper copy of the ASR and to have it furnished upon request. 34 C.F.R. § 668.41(e)(4).

The ASR must include statistics for incidents of crimes reported during the three most recent calendar years. The covered categories include criminal homicide (murder and non-negligent manslaughter), forcible and non-forcible sex offenses, robbery, aggravated assaults, burglary, motor vehicle theft, and arson. Statistics for certain hates crimes as well as arrest and disciplinary referral statistics for violations of certain laws pertaining to illegal drugs, illegal usage of controlled substances, liquor, and weapons also must be disclosed in the ASR. These crime statistics must be published for the following geographical categories: 1) on campus; 2) on-campus student residential facilities; 3) certain non-campus buildings and property; and, 4) certain adjacent and accessible public property. 34 C.F.R. § 668.46(c)(1).

Additionally, the ASR must include several policy statements. These disclosures are intended to inform the campus community about the institution's security policies, procedures, and the availability of programs and resources as well as channels for victims of crime to seek recourse. In general, these policies include topics such as the law enforcement authority and practices of campus police and security forces, incident reporting procedures for students and employees, and policies that govern the preparation of the report itself. Institutions are also required to disclose alcohol and drug policies and educational programs. Policies pertaining to sexual assault education, prevention, and adjudication must also be disclosed. Institutions also must provide detailed policies of the issuance of timely warnings, emergency notifications, and evacuation procedures. All required statistics and policies must be included in a single comprehensive document, known as an ASR. With the exception of certain drug and alcohol

program information, cross referencing to other publications is not sufficient to meet the publication and distribution requirements of the Act. § 485(f) of the HEA; 34 C.F.R. § 668.46(b).

Finally, each institution must also submit its crime statistics to the Department for inclusion in the Office of Postsecondary Education's (OPE) "Campus Safety and Security Data Analysis Cutting Tool." 34 C.F.R. § 668.41 (e)(5).

Noncompliance Summary: *ACH failed to publish and distribute an accurate and complete ASR. Specifically, ACH's ASR did not include the following required statistical disclosures and policy statements:*

- a. *Crime statistics by geographic category for the following classifications:*
 - (1) *Murder and non-negligent manslaughter and negligent manslaughter*
 - (2) *Forcible sex offenses and non-forcible sex offenses*
 - (3) *Hate crimes, broken down by category of prejudice, including actual or perceived race, gender, religion, sexual orientation, ethnicity, or disability and, by type of crime;*
- b. *A statement of current campus policies regarding procedures for students and others to report criminal actions or other emergencies occurring on campus. This statement must include the institution's policies concerning its response to these reports including*
 - (1) *Policies for making timely warning reports to members of the campus community regarding the occurrence of crimes;*
 - (2) *Policies for preparing the annual disclosure of crime statistics;*
 - (3) *A list of the titles of each person or organization to whom students and employees should report the criminal offenses for the purpose of making timely warning reports and the annual statistical disclosure. This statement must also disclose whether the institution has any policies or procedures that allow victims or witnesses to report crimes on a voluntary confidential basis for inclusion in the annual disclosure of crime statistics, and, if so, a description of those policies and procedures;*
 - (4) *A statement of current policies concerning security of and access to campus facilities, and security considerations used in the maintenance of campus facilities;*
- c. *A statement that encourages pastoral counselors and professional counselors, if and when they deem it appropriate, to inform the persons they are counseling of any procedures to report crimes on a voluntary, confidential basis for inclusion in the annual disclosure of crime statistics;*
- d. *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;*
- e. *A statement of policy concerning the monitoring and recording through local police agencies of criminal activity in which students engaged at off-campus locations of student*

- organizations officially recognized by the institution, including student organizations with off-campus housing facilities;*
- f. A description of any drug or alcohol-abuse education programs, as required under Section 120(a) through (d) of the HEA;*
 - g. A notification to students of existing on-and off-campus counseling, mental health, or other student services for victims of sex offenses;*
 - h. A list of sanctions the institution may impose following a final determination of an institutional disciplinary proceeding regarding rape, acquaintance rape, or other forcible or non-forcible sex offenses;*
 - i. A statement advising the campus community where law enforcement agency information provided by a State under section 170101(j) of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. § 14071(j)), concerning registered sex offenders, may be obtained, such as the law enforcement office of the institution, a local law enforcement agency with jurisdiction for the campus, or a computer network address.*

Failure to prepare an accurate and complete ASR and to actively distribute it to current students and employees in accordance with federal regulations deprives the campus community of important campus crime information.

Required Action Summary: *As a result of this violation, ACH was required to prepare a revised ASR containing all of the required material. During the site visit, ACH's Director of Compliance provided the review team with an updated "Campus Security Act Disclosure Statement." This document appears to include two parts, an "Annual Disclosure of Crime Statistics Report" and a statement of "Campus Security Policy and Procedures." Initially, the review team construed these documents to be minimally adequate; however, upon closer inspection, additional omissions were identified. For example, Department officials could not identify any policy statements regarding the issuance of timely warnings, emergency notifications, or evacuation procedures.*

Due to these additional deficiencies, ACH was required to review its ASR and make all necessary additions and modifications to ensure that it meets all of the requirements of 34 C.F.R. § 668.46. The ASR must be published as a single document.

ACH was required to prepare its report in draft form and submit it with its response to the PRR. ACH was advised that once the draft materials are reviewed and are cleared by the Department, ACH will be required to distribute the report to all current students and employees and provide documentation evidencing the distribution as well as a statement of certification attesting to the fact that the materials were distributed in accordance with the Clery Act.

While essential, ACH is reminded that the corrective actions taken by the institution to produce a compliant ASR do not and cannot diminish the seriousness of its prior failures to comply.

ACH officials may wish to review the Department's "Handbook for Campus Safety and Security Reporting" (2011) for guidance on complying with the Clery Act. The handbook is available

online at: www2.ed.gov/admins/lead/safety/handbook.pdf. The regulations governing the Clery Act can be found at 34 C.F.R. §§ 668.41, 668.46, and 668.49.

ACH's Response: In its official response, ACH concurred with the finding and stated that College officials reviewed the 2013 ASR and the requirements of 34 C.F.R. § 668.46 and revised existing policies and added new content regarding timely warnings, emergency notifications, and evacuation procedures. The College also submitted a copy of its revised 2012 Campus Security Act Disclosure Statement.

Final Determination: Finding 2 of the PRR cited ACH for its failure to properly publish, compile and distribute an accurate and materially- complete ASR, that included all of the statistical disclosures and policy, procedure and programmatic information required under 34 C.F.R. §668.46(b) and 34 C.F.R. § 668.41(e)(1).

The Department has concluded that ACH's 2013 ASR failed to include:

- A. Crime statistics by geographic category for the following classifications:
- (1) Murder and non-negligent manslaughter and negligent manslaughter
 - (2) Forcible sex offenses and non-forcible sex offenses
 - (3) Hate crimes, broken down by category of prejudice, including actual or perceived race, gender, religion, sexual orientation, ethnicity, or disability, and by type of crime.

In addition, ACH's 2013 ASR failed to include the following policies as mandated by federal regulations:

- B. A statement of current campus policies regarding procedures for students and others to report criminal actions or other emergencies occurring on campus. This statement must include the institution's policies concerning its response to these reports, including:
- (1) Policies for making timely warning reports to members of the campus community regarding the occurrence of crimes;
 - (2) Policies for preparing the annual disclosure of crime statistics;
 - (3) A list of the titles of each person or organization to whom students and employees should report the criminal offenses for the purpose of making timely warning reports and the annual statistical disclosure. This statement must also disclose whether the institution has any policies or procedures that allow victims or witnesses to report crimes on a voluntary confidential basis for inclusion in the annual disclosure of crime statistics, and, if so, a description of those policies and procedures;
 - (4) A statement of current policies concerning security of and access to campus facilities, and security considerations used in the maintenance of campus facilities;
- C. A statement that encourages pastoral counselors and professional counselors, if and when they deem it appropriate, to inform the persons they are counseling of any procedures to

- report crimes on a voluntary, confidential basis for inclusion in the annual disclosure of crime statistics;
- D. 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;
 - E. A statement of policy concerning the monitoring and recording through local police agencies of criminal activity in which students engaged at off-campus locations of student organizations officially recognized by the institution, including student organizations with off-campus housing facilities;
 - F. A description of the institution's drug or alcohol-abuse education programs;
 - G. A notification to students of existing on-and off-campus counseling, mental health, or other student services for victims of sex offenses;
 - H. A list of sanctions the institution may impose following a final determination of an institutional disciplinary proceeding regarding rape, acquaintance rape, or other forcible or non-forcible sex offenses; and,
 - I. A statement advising the campus community where law enforcement agency information provided by a State under section 170101G) of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. § 14071G)), concerning registered sex offenders, may be obtained, such as the law enforcement office of the institution, a local law enforcement agency with jurisdiction for the campus, or a computer network address.

As a result of these violations, ACH was required to review and revise, publish and disseminate an ASR that includes all required information concerning crime statistics and mandated policy inclusions in accordance with federal regulations. In its response, ACH stated its concurrence with the finding and submitted a revised document that included required campus safety and crime prevention policies and procedures. The College also represented that the ASR was distributed to all current students and staff.

The Department carefully examined ACH's narrative response and supporting documentation including the College's revised 2013 ASR. The review team's examination showed that the identified violations were, for the most part, satisfactorily addressed by the College's revised ASR and its new internal policies and procedures. Based on that review and ACH's admission of noncompliance, the Department has determined that the finding is sustained. The Department also determined that the College's remedial action plan meets minimum requirements. For these reasons, the Department has accepted ACH's response and considers this finding to be closed for the purposes of this program review; however, the officers and directors of ACH are put on notice that the College must take all additional actions that may be necessary to address the violations identified above as well as any other deficiencies and weaknesses that were detected

during the preparation of the College's response and as may otherwise be needed to ensure that these violations do not recur.

Although the finding is now closed, ACH is reminded 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" violations of this type once they occur. The requirement to produce and distribute an accurate and complete ASR is the most basic requirement of the Clery Act and is fundamental to its goals. ACH was required to initiate remedial measures and as a result of its efforts, has begun to address the conditions that led to these violations. ACH 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, ACH is advised that its remedial actions, whether already completed or planned for the future, 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.

Because of the serious consequences of Clery Act violations, the Department strongly recommends that ACH officials re-examine its campus safety 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 requirements. To that end, College officials are encouraged to consult the Department's "Handbook for Campus Safety and Security Reporting" (2011) as a reference guide on Clery Act compliance. The Handbook is online at: www2.ed.gov/admins/lead/safety/handbook.pdf. The Department also provides a number of other Clery Act training resources. ACH officials can access these materials at: www2.ed.gov/admins/lead/safety/campus.html. The regulations governing the Clery Act can be found at 34 C.F.R. §§ 668.14, 668.41, 668.46, and 668.49.

Lastly, ACH management is also reminded that Section 304 of the Violence Against Women Reauthorization Act of 2013 (VAWA) amended the Clery Act to require institutions to compile and disclose statistics for incidents of domestic violence, dating violence, sexual assault, and stalking. VAWA also requires institutions to include new policy, procedural, and programmatic disclosures regarding sexual assault prevention and response in their ASRs. All institutions are currently obligated to make a documented good-faith effort to comply with the statutory requirements of VAWA and were required to include all new required content in the 2014 ASR. The Department issued Final Rules on the VAWA amendments on October 20, 2014 and therefore, these regulations will go into effect on July 1, 2015, per the Department's Master Calendar. ACH officials may access the text of the Final Rule at: <http://ifap.ed.gov/fregisters/attachments/FR102014FinalRuleViolenceAgainstWomenAct.pdf>.

Finding 3. Failure to Comply with Drug and Alcohol Abuse Education and Prevention Program

Citation Summary: *The Drug-Free Schools and Communities Act and Part 86 of the Department's General Administrative Regulations requires each participating institution 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:

- 1) 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;*
- 2) A written description of legal sanctions imposed under Federal, state and local laws for unlawful possession or distribution of illicit drugs and alcohol;*
- 3) A description of the health risks associated with the use of illicit drugs and the abuse of alcohol;*
- 4) A description of any drug or alcohol counseling, treatment, or rehabilitation or re-entry programs that are available to students and employees; and,*
- 5) 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: *ACH violated multiple requirements of the Drug-Free Schools and Communities Act. Specifically, at the time of the site visit, ACH was unable to produce documentation that it had developed and implemented a comprehensive drug and alcohol abuse prevention program (DAAPP). For example, the existing materials did not include any information about the health effects and risks associated with the use of illicit drugs and alcohol abuse. By definition, then, the institution also failed to distribute an accurate and complete DAAPP disclosure, as required. The review team determined that the only DAAPP documentation maintained by ACH was a "Drug & Alcohol Policy Statement" that students were required to sign and date upon enrollment. ACH was similarly unable to produce documentation evidencing an annual distribution of the DAAPP disclosure to current employees. The DFSCA requires an annual distribution of a compliant DAAPP disclosure to all employees and all students enrolled for academic credit.*

Furthermore, ACH failed to conduct a Biennial Review (BR) and also failed to prepare a BR report of findings. The BR is intended to periodically assess the effectiveness of the institution's DAAPP and, in so doing, identify any necessary modifications or improvements and to evaluate

the consistency of disciplinary sanctions imposed for any violations of the institution's drug and alcohol-related policies or codes of conduct.

Failure to comply with the DFSCA requirements deprives students and employees of important information regarding the educational, health, legal, disciplinary, and financial consequences of illicit drug use and alcohol abuse. Such failures may contribute to increased drug and alcohol abuse on-campus as well as an increase in drug and alcohol-related violent crime.

Required Action Summary: *As a result of this noncompliance, ACH was required to take all necessary corrective action to address the violations outlined above. During the site visit, ACH's Director of Compliance presented two documents to the review team. The first was a revised "Drug and Alcohol Prevention Program" and the second was a September 26, 2012 statement signed by ACH's President attesting to the fact that the Director of Compliance "is the person responsible for conducting the biennial review" and that he had "reviewed and here[by] approve[s]" the policy.*

Initially, the review team construed these documents to be minimally adequate and was inclined to close this finding without further action required by ACH; however, upon closer inspection, additional areas of concern were identified. For example, the documents presented to the review team identify a person responsible for the conduct of the BR but no evidence that an actual BR was ever conducted.

Therefore, ACH was required to conduct an actual biennial review to measure the effectiveness of its drug and alcohol abuse education and prevention programs. ACH was required to describe the research methods and data analysis tools that were used to determine the effectiveness of the program as well as identify the responsible official(s) who conducted the review. The BR report must also address how the institution will ensure consistent enforcement of its disciplinary standards and codes of conduct regarding illegal drug use and alcohol abuse. Finally, the BR report must be approved by the institution's chief executive. The new biennial review and report must be completed by September 30, 2013 and submitted to the Department by October 15, 2013.

As noted above, violations of the DFSCA are very serious and by their nature, cannot be cured. ACH will be given an opportunity to bring its drug and alcohol program into compliance with the DFSCA as required by its PPA. However, the institution is advised that these remedial measures cannot and do not diminish the seriousness of these violations nor do they eliminate the possibility that the Department will impose additional corrective or administrative actions.

ACH's Response: In its official response, ACH concurred with the finding and stated that remedial action was taken as directed in the program review report. Specifically, College officials asserted that the DAAPP was enhanced to include required information about health risks associated with illicit drug use and alcohol abuse. In addition, ACH management claimed that the College conducted a Biennial Review and produced a report of findings. The report was submitted to the Department. The Summary section of the report stated that ACH's biennial

review committee “concluded that the current program is effective. There have been no violations of conduct, no sanctions and no referrals. The institution will continue its efforts in drug and alcohol prevention and consistency of policy enforcement.”

Final Determination: Finding 2 of the PRR cited ACH for multiple violations of the DFSCA and Part 86 of the Department’s General Administrative Regulations. Specifically, the institution failed to develop and implement a comprehensive DAAPP that included all required components. For example, program materials did not include required information on the health effects and risks associated with illicit drug use and alcohol abuse. In addition, the Department found that ACH did not produce a DAAPP disclosure that summarized its program and, as a result, has persistently failed to distribute program materials to required recipients. As a consequence of these failures, ACH was not able to conduct a Biennial Review of the DAAPP’s effectiveness. These separate and distinct violations necessarily follow from each other because the Biennial Review is primarily a study of the DAAPP’s effectiveness. Therefore, an institution cannot conduct a meaningful Biennial Review until it has a fully-functional DAAPP in place and program requirements are communicated to members of the campus community. As a result of these violations, ACH was required to enhance its DAAPP, produce and distribute an annual disclosure, and conduct a substantive review of the new program’s effectiveness as soon as initial program data was available. In its response, ACH concurred with the finding, described the remedial actions taken in an attempt to address the violations, and submitted documents including its first Biennial Review report in support of its claims.

The Department carefully examined ACH’s narrative response and supporting documentation. The review team’s examination showed that the identified violations were, for the most part, satisfactorily addressed by the institution’s response including its inaugural Biennial Review report; however, the review team notes that the response did not address the failure to produce and distribute the required annual disclosure. **ACH must take immediate action to address this ongoing failure and, within 30 days of receipt of this FPRD, submit a copy of the disclosure and credible proof of distribution to the Department.** These documents must be submitted via electronic mail to the Department’s Clery Act Compliance Team at clery@ed.gov. Based on the Department’s review and ACH’s admission of noncompliance, the violations identified in the initial finding are sustained. Notwithstanding the DAAPP disclosure issue noted above, the Department also determined that the College’s remedial action plan meets minimum requirements. For these reasons, the Department has accepted the response and considers this finding to be closed for purposes of this PR, subject to satisfactory submission of the requested documentation. Notwithstanding this conditional closure, the officials and directors of ACH are put on notice that the institution must take all other action that may be necessary to address the deficiencies and weaknesses identified by the Department as well as those that were detected during the preparation of the response to the Department’s report and as may otherwise be needed to ensure that these violations do not recur.

In this regard, ACH officials are reminded that the institution must continue to develop its DAAPP and that its next Biennial Review must be completed on the required schedule and that the corresponding report must include substantially more information about the actual conduct of

the review including details about the research methods used during the evaluation. The report also must identify the official(s) who conducted the review and address how ACH analyzed whether its disciplinary standards and codes of conduct regarding drug use and alcohol abuse were enforced consistently. Special care also must be taken to ensure that all findings and recommendations are supported by valid evidentiary data. Finally, the report must indicate that it was approved by the College's President and/or its board.

Although this finding is now closed, ACH is reminded that the exceptions identified above constitute serious and persistent violations of the DFSCA that by their nature cannot be cured. There is no way to truly "correct" violations of this type once they occur. ACH asserted that it has taken adequate remedial actions and by doing so, has taken the initial steps to finally comply with the DFSCA as required by its PPA. Notwithstanding these actions, ACH officials must understand that compliance with the DFSCA is essential to maintaining a safe and healthy learning environment. Data compiled by the Department indicates that the use of illicit drugs and alcohol abuse is highly correlated to increased incidents of violent crime on campus. DFSCA violations deprive students and employees of important information regarding the educational, financial, health, and legal consequences of alcohol abuse and illicit drug use and deprive institutions of important information about the effectiveness of their own drug and alcohol programs. For these reasons, ACH is advised that its remedial 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 and/or require additional remedial measures as a result.

In light of the serious consequences associated with compliance failures of this type, the Department strongly recommends that ACH re-examine its DAAPP policies and procedures on at least an annual basis and revise them as needed to ensure that they continue to reflect current institutional policy and are in full compliance with the DFSCA. Please be advised that the Department may request information on a periodic basis to test the effectiveness of the College's new policies and procedures.

D. Appendices

Appendix A, Students Referenced in the Program Review Report, contains personally identifiable information and will be emailed to ACH as an encrypted WinZip file using Advanced Encryption Standard, 256-bit. The password needed to open the encrypted WinZip file will be sent in a separate email.

Appendices B and C are attached to this report.

Appendix C
Program Review Report



August 16, 2012

Mr. Amir Baniassad, President
American College of Healthcare
11801 Pierce Street, Suite 100
Riverside, CA 92505-3038

Certified Mail
Return Receipt Requested
#7007 0710 0001 0675 0122

Re: Program Review Report
OPE ID: 03144400
PRCN: 201230927972

Dear Mr. Baniassad:

From June 25, 2012 through June 29, 2012, Tracy Simmonds and Rick Allen conducted a review of American College of Healthcare's (ACH) 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 ACH. The response should include a brief, written narrative for each finding that clearly states ACH's position regarding the finding and the corrective action taken to resolve the finding. Separate from the written narrative, ACH 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 report¹ 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.

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

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

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OPE ID: 03144400
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response will not be attached to the FPRD. However, it will be retained and available for inspection by ACH 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 Tracy Simmonds 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 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. The student numbers were assigned in Appendix A, Student Sample. The appendix was encrypted and sent separately to the institution via e-mail. 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 Tracy Simmonds at (415) 486-5688 or by email at tracy.simmonds@ed.gov.

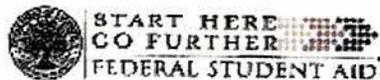
Sincerely,


Erik Fosker
Compliance Manager

cc: Melinda Serban, Director, Financial Aid

Enclosures:

Program Review Report
Protection of Personally Identifiable Information



Prepared for

American College of Healthcare

OPE ID: 03144400
PRCN: 201230927972

Prepared by
U.S. Department of Education
Federal Student Aid
San Francisco/Seattle School Participation Division

Program Review Report **August 16, 2013**

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A. Institutional Information

American College of Healthcare
 11801 Pierce Street, Suite 100
 Riverside, CA 92505-3038

Type: Proprietary

Highest Level of Offering: Non-Degree 2 Year Program (1800-2699 hours)

Accrediting Agency: Accrediting Bureau of Health Education Schools

Current Student Enrollment: 292

% of Students Receiving Title IV: 97%

Title IV Participation-Postsecondary Education Participants System:

	<u>2011-2012</u>	<u>2010-2011</u>
Federal Pell Grant Program	\$1,902,959	\$2,493,118
Federal Direct Stafford Loan Program (FDL)		
Subsidized	\$1,282,975	\$1,810,266
Unsubsidized	\$1,721,171	\$2,476,054
PLUS	\$ 189,321	\$ 311,767
Federal Supplemental Educational Opportunity Grant Program	\$ 23,200	
Federal Work-Study Program	\$ 14,366	
Default Rate FFEL/DL:		
2010:	19.1%	
2009:	22.6%	
2008:	21.6%	

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B. Scope of Review

The U.S. Department of Education (the Department) conducted a program review at American College of Healthcare (ACH) from June 25, 2012 to June 29, 2012. The review was conducted by Tracy Simmonds and Rick Allen.

The focus of the review was to determine ACH'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 ACH's policies and procedures regarding institutional and student eligibility, individual student financial aid and academic files, attendance records, student account ledgers, and consumer information requirements.

A sample of 30 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. Appendix A lists the names 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 ACH'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 ACH 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 (FPRD) 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 ACH to bring the operation of the financial aid programs into compliance with the statutes and regulations.

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Finding 1. Inadequate Credit Balance Authorization Form

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 program funds credited exceeds the amount of tuition and fees, room and board, and other authorized charges the institution assessed the student, the institution must pay the resulting credit balance directly to the student or parent as soon as possible but (1) 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 (2) 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).

If an institution obtains written authorization from a student or parent, as applicable, the institution may (i) Use the student's or parent's title IV, HEA program funds to pay for charges described in §668.164(d)(2) that are included in that authorization; and (ii) Except if prohibited by the Secretary under the reimbursement or cash monitoring payment method, hold on behalf of the student or parent any title IV, HEA program, funds that would otherwise be paid directly to the student or parent under §668.164(e). Under this provision, the institution may issue a stored-value card or other similar device that allows the student or parent to access those funds at his or her discretion to pay for educationally related expenses. 34 C.F.R. § 668.165(b).

When an institution obtains a student's or parent's authorization for the institution to hold Title IV funds on behalf of the student or parent, the institution may not require or coerce the student or parent to provide that authorization, and must allow the student or parent to cancel or modify that authorization at any time. 34 C.F.R. § 668.165(b)(2).

Noncompliance: The reviewers found that ACH was using a credit balance authorization form that did not give students or parents an option to cancel or modify their authorization to allow ACH to hold their funds.

Required Action: During the site visit, ACH's Financial Aid Director provided the reviewers with an updated "Authorization to Manage Federal Student Aid" form that included an option for students to choose to not have ACH retain their funds. The reviewers deemed this modification to be acceptable. Accordingly, this finding is resolved.

Finding 2. Crime Awareness Requirements Not Met – Omission/Inadequacy of Required Statistical Disclosures and Policy Statements

Citation:

The Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act (*Clery Act*) and the Department's regulations require that all institutions that receive Title IV, HEA funds must, by October 1 of each year, publish and distribute to its current students and employees, a comprehensive Annual Security Report (ASR) that contains, at a minimum, all of the statistical and policy elements described in 34 C.F.R. § 668.46(b).

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The ASR must be prepared and actively distributed as a single document. Acceptable means of delivery include regular U.S. Mail, hand delivery, or campus mail distribution to the individual or posting on the institution's website. If an institution chooses to distribute its report 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 report's availability and its exact electronic address, a description of its contents, as well as an advisement that a paper copy will be provided upon request. *34 C.F.R. § 668.41 (e)(1)*. The Department's regulations also require participating institutions to provide a notice to all prospective students and employees that includes a statement about the ASR's availability, its contents, and its exact electronic address if posted to a website. This notice must also advise interested parties of their right to request a paper copy of the ASR and to have it furnished upon request. *34 C.F.R. § 668.41 (e)(4)*.

The ASR must include statistics for incidents of crimes reported during the three most recent calendar years. The covered categories include criminal homicide (murder and non-negligent manslaughter), forcible and non-forcible sex offenses, robbery, aggravated assaults, burglary, motor vehicle theft, and arson. Statistics for certain hate crimes as well as arrest and disciplinary referral statistics for violations of certain laws pertaining to illegal drugs, illegal usage of controlled substances, liquor, and weapons also must be disclosed in the ASR. These crime statistics must be published for the following geographical categories: 1) on campus; 2) on-campus student residential facilities; 3) certain non-campus buildings and property; and, 4) certain adjacent and accessible public property. *34 C.F.R. § 668.46(c)(1)*.

Additionally, the ASR must include several policy statements. These disclosures are intended to inform the campus community about the institution's security policies, procedures, and the availability of programs and resources as well as channels for victims of crime to seek recourse. In general, these policies include topics such as the law enforcement authority and practices of campus police and security forces, incident reporting procedures for students and employees, and policies that govern the preparation of the report itself. Institutions are also required to disclose alcohol and drug policies and educational programs. Policies pertaining to sexual assault education, prevention, and adjudication must also be disclosed. Institutions also must provide detailed policies of the issuance of timely warnings, emergency notifications, and evacuation procedures. All required statistics and policies must be included in a single comprehensive document, known as an ASR. With the exception of certain drug and alcohol program information, cross referencing to other publications is not sufficient to meet the publication and distribution requirements of the Act. *§ 485(f) of the HEA; 34 C.F.R. § 668.46 (b)*.

Finally, each institution must also submit its crime statistics to the Department for inclusion in the Office of Postsecondary Education's (OPE) "Campus Safety and Security Data Analysis Cutting Tool." *34 C.F.R. § 668.41 (e)(5)*.

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Noncompliance:

ACH failed to publish and distribute an accurate and complete ASR. Specifically, ACH's ASR did not include the following required statistical disclosures and policy statements:

- a. Crime statistics by geographic category for the following classifications:
 - (1) Murder and non-negligent manslaughter and negligent manslaughter
 - (2) Forcible sex offenses and non-forcible sex offenses
 - (3) Hate crimes, broken down by category of prejudice, including actual or perceived race, gender, religion, sexual orientation, ethnicity, or disability, and by type of crime;
- b. A statement of current campus policies regarding procedures for students and others to report criminal actions or other emergencies occurring on campus. This statement must include the institution's policies concerning its response to these reports, including:
 - (1) Policies for making timely warning reports to members of the campus community regarding the occurrence of crimes;
 - (2) Policies for preparing the annual disclosure of crime statistics;
 - (3) A list of the titles of each person or organization to whom students and employees should report the criminal offenses for the purpose of making timely warning reports and the annual statistical disclosure. This statement must also disclose whether the institution has any policies or procedures that allow victims or witnesses to report crimes on a voluntary confidential basis for inclusion in the annual disclosure of crime statistics, and, if so, a description of those policies and procedures;
 - (4) A statement of current policies concerning security of and access to campus facilities, and security considerations used in the maintenance of campus facilities;
- c. A statement that encourages pastoral counselors and professional counselors, if and when they deem it appropriate, to inform the persons they are counseling of any procedures to report crimes on a voluntary, confidential basis for inclusion in the annual disclosure of crime statistics;
- d. 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;
- e. A statement of policy concerning the monitoring and recording through local police agencies of criminal activity in which students engaged at off-campus locations of student organizations officially recognized by the institution, including student organizations with off-campus housing facilities;
- f. A description of any drug or alcohol-abuse education programs, as required under Section 120(a) through (d) of the HEA;
- g. A notification to students of existing on- and off-campus counseling, mental health, or other student services for victims of sex offenses,

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- h. A list of sanctions the institution may impose following a final determination of an institutional disciplinary proceeding regarding rape, acquaintance rape, or other forcible or non-forcible sex offenses;
- i. A statement advising the campus community where law enforcement agency information provided by a State under section 170101(j) of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. § 14071(j)), concerning registered sex offenders, may be obtained, such as the law enforcement office of the institution, a local law enforcement agency with jurisdiction for the campus, or a computer network address.

Failure to prepare an accurate and complete ASR and to actively distribute it to current students and employees in accordance with Federal regulations deprives the campus community of important campus crime information.

Required Action:

As a result of this violation, ACH was required to prepare a revised ASR containing all of the required material. During the site visit, ACH's Director of Compliance provided the review team with an updated "Campus Security Act Disclosure Statement." This document appears to include two parts, an "Annual Disclosure of Crime Statistics Report" and a statement of "Campus Security Policy and Procedures." Initially, the review team construed these documents to be minimally adequate; however, upon closer inspection, additional omissions were identified. For example, Department officials could not identify any policy statements regarding the issuance of timely warnings, emergency notifications, or evacuation procedures.

Due to these additional deficiencies, ACH must review its ASR and make all necessary additions and modifications to ensure that it meets all of the requirements of 34 C.F.R. § 668.46. If ACH maintains any institutionally-owned student housing facilities, it must also ensure that it prepares, publishes, and distributes an accurate and complete Annual Fire Safety Report (AFSR). The ASR and AFSR may be published as a single document so long as the title of the combined document indicates the inclusion of both reports.

ACH must prepare its report(s) in draft form and submit it/them with its response to this PRR. Once the draft materials are reviewed and are cleared by the Department, ACH will be required to distribute the report(s) to all current students and employees and provide documentation evidencing the distribution as well as a statement of certification attesting to the fact that the materials were distributed in accordance with the *Clery Act*.

While essential, ACH is reminded that the corrective actions taken by the institution to produce a compliant ASR do not and cannot diminish the seriousness of its prior failures to comply.

Based on an evaluation of all available information, including ACH's response, the Department will determine if additional action will be required and will advise ACH accordingly in the FPRD.

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ACII officials may wish to review the Department's "Handbook for Campus Safety and Security Reporting" (20.1) for guidance on complying with the *Clery Act*. The handbook is available online at: www2.ed.gov/admins/lead/safety/handbook.pdf. The regulations governing the *Clery Act* can be found at 34 C.F.R. §§ 668.41, 668.46, and 668.49.

Finding 3. Failure to Comply with Drug and Alcohol Abuse Education and Prevention Program

Citation:

The Drug-Free Schools and Communities Act and Part 86 of the Department's General Administrative Regulations requires each participating institution 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 (DAAP²) 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:

- 1) 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;
- 2) A written description of legal sanctions imposed under Federal, state and local laws for unlawful possession or distribution of illicit drugs and alcohol;
- 3) A description of the health risks associated with the use of illicit drugs and the abuse of alcohol;
- 4) A description of any drug or alcohol counseling, treatment, or rehabilitation or re-entry programs that are available to students and employees; and,
- 5) 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.

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Noncompliance:

ACH failed violated multiple requirements of the Drug-Free Schools and Communities Act. Specifically, at the time of the site visit, ACH was unable to produce documentation that it had developed and implemented a comprehensive drug and alcohol abuse prevention program (DAAPP). For example, the existing materials did not include any information about the health effects and risk associated with the use of illicit drugs and alcohol abuse. By definition then, the institution also failed to distribute an accurate and complete DAAPP disclosure, as required. The review team determined that the only DAAPP documentation maintained by ACH was a "Drug & Alcohol Policy Statement" that students were required to sign and date upon enrollment. ACH was similarly unable to produce documentation evidencing an annual distribution of the DAAPP disclosure to current employees. The DFSCA requires an annual distribution of a compliant DAAPP disclosure to all employees and all students enrolled for academic credit.

Furthermore, ACH failed to conduct a Biennial Review (BR) and also failed to prepare a BR report of findings. The BR is intended to periodically assess the effectiveness of the institution's DAAPP and in so doing, identify any necessary modifications or improvements and to evaluate the consistency of disciplinary sanctions imposed for any violations of the institution's drug and alcohol-related policies or codes of conduct.

Failure to comply with the DFSCA requirements deprives students and employees of important information regarding the educational, health, legal, disciplinary, and financial consequences of illicit drug use and alcohol abuse. Such failures may contribute to increased drug and alcohol abuse on-campus as well as an increase in drug and alcohol-related violent crime.

Required Action:

As a result of this violation, ACH was required to take all necessary corrective action to address the violations outlined above. During the site visit, ACH's Director of Compliance presented two documents to the review team. The first was a revised "Drug and Alcohol Prevention Program" and the second was a June 27, 2012 statement signed by ACH's President, attesting to the fact that the Director of Compliance "is the person responsible for conducting the biennial review" and that he had "reviewed and here[by] approve[d]" the policy.

Initially, the review team construed these documents to be minimally adequate and was inclined to close this finding without further action required by ACH; however, upon closer inspection, additional areas of concern were identified. For example, the documents presented to the review team identify a person responsible for the conduct of the BR but no evidence that an actual BR was ever conducted.

Therefore, ACH must now conduct an actual biennial review to measure the effectiveness of its drug and alcohol abuse education and prevention programs. ACH must describe the research methods and data analysis tools that will be used to determine the effectiveness of the program as

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well as identify the responsible official(s) who will conduct the review. The BR report must also address how the institution will ensure consistent enforcement of its disciplinary standards and codes of conduct regarding illegal drug use and alcohol abuse. Finally, the BR report must be approved by the institution's chief executive. The new biennial review and report must be completed by September 30, 2013 and submitted to the Department by October 15, 2013.

As noted above, violations of the DFSCA are very serious and by their nature, cannot be cured. ACH will be given an opportunity to bring its drug and alcohol program into compliance with the DFSCA as required by its Program Participation Agreement. However, the institution is advised that these remedial measures cannot and do not diminish the seriousness of these violations nor do they eliminate the possibility that the Department will impose additional corrective or administrative actions.

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

Finding 4. Unprotected Personally Identifiable Information (PII) in Student File

Citation: Institutions are required to protect the personally identifiable information (PII) of students in accordance with the Family Education Rights and Privacy Act of 1974 and implementing regulations, 34 C.F.R. Part 99. Additionally, the Secretary considers any breach to the security of student records and information as a potential lack of administrative capability with respect to safeguarding and protecting the confidentiality of customer information.

To begin and to continue to participate in any Title IV, HEA program, an institution shall demonstrate to the Secretary that the institution is capable of adequately administering that program. The Secretary considers an institution to have that administrative capability if, among other requirements, the institution administers Title IV, HEA programs with adequate checks and balances in its system of internal controls. 34 C.F.R. § 668.16.

Noncompliance: The reviewers found an "ATB Test Results" form signed by the Proctor dated September 3, 2010 inside Student #9's file that lists 8 students' names and results.

Required Action: ACH must review its policies and procedures for the handling of PII. ACH must also update its policies and procedures to ensure ACH staff are aware of proper procedures for maintaining PII. ACH must provide a copy of these revised policies and procedures with its response to this finding.

Finding 5. Invalid EFC Resulted in Ineligible Subsidized Direct Loan Disbursement

Citation: In no case may a Direct Subsidized, Direct Unsubsidized, or Direct PLUS Loan amount exceed the student's estimated cost of attendance for the period of enrollment for which the loan is intended, less (1) The student's estimated financial assistance for that period; and

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(2) In the case of a Direct Subsidized Loan, the borrower's expected family contribution for that period. 34 C.F.R. § 685.203(j).

Noncompliance: The reviewers found that ACH used the incorrect expected family contribution (EFC) for Student #9, and disbursed a Subsidized Direct Loan (DL) for which she was not eligible. ACH used the 20,576 EFC figure from the first Institutional Student Information Record (ISIR) (Transaction 01) instead of using the 8-month EFC figure of 29,928 from the second ISIR (Transaction 02) and disbursed the full Subsidized DL of \$3500 to this student. The student's total cost of attendance was \$26,845.56. Accordingly, because the student's EFC exceeded her cost of attendance, she was not eligible for any Subsidized DL funds.

Required Action: ACH must update its policies and procedures to ensure ACH staff are aware of appropriate procedures to follow to determine financial need when packaging students' financial aid. ACH must provide a copy of these revised policies and procedures with its response to this finding. The ineligible Subsidized DL received by Student #9 is a liability to be repaid to the Department. Instructions on repaying liabilities will be provided in the FPRD.