



July 31, 2015

Diane W. Sater  
President  
American Institute of Alternative Medicine  
6685 Doubletree Avenue  
Columbus, OH 43229-1113

Certified Mail  
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RE: **Final Program Review Determination**  
OPE ID: 03534400  
PRCN: 2013-3-05-28275

Dear President Sater:

The U.S. Department of Education's (Department's) Chicago/Denver - School Participation Division issued a program review report on April 17, 2014 covering American Institute of Alternative Medicine's (AIAM) 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 2011-2012 and 2012-2013 award years. AIAM's final response was received on May 21, 2014. A copy of the program review report (and related attachments) and AIAM's response are attached. Any supporting documentation submitted with the response is being retained by the Department and is available for inspection by AIAM 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 AIAM of a possible adverse action, and (2) close the review. 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 AIAM's failure to comply with the requirements of the Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act (*Clery Act*) in Section 485(f) of the HEA, 20 U.S.C. §1092(f), and the Department's regulations at 34 C.F.R. §§668.41, 668.46, and 668.49. Because *Clery Act* findings

**Federal Student Aid**  
An Office of the U.S. Department of Education  
Chicago/Denver School Participation Division  
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American Institute of Alternative Medicine

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do not result in financial liabilities, such findings may not be appealed. If an adverse administrative action is initiated, additional information about AIAM's appeal rights will be provided under separate cover.

**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 Tammi Sawyer at 312-730-1531.

Sincerely,

(b)(6)

Douglas Parrott  
Division Director

Enclosure:

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

cc: Ulrike Rosser, Financial Aid Administrator  
Accrediting Commission of Career Schools and Colleges  
Accreditation Commission for Acupuncture and Oriental Medicine  
Ohio State Board of Career Colleges and Schools  
OH State Medical Board  
Ohio Board of Nursing  
United States Department of Defense  
United States Department of Veteran Affairs  
Consumer Financial Protection Bureau

## 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 Institute of Alternative Medicine

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

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OPE ID 03534400  
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Prepared by  
U.S. Department of Education  
Federal Student Aid  
Chicago/Denver School Participation Division

## Final Program Review Determination July 31, 2015

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**A. Institutional Information**

American Institute of Alternative Medicine  
6685 Doubletree Avenue  
Columbus OH 43229-1113

Type: Proprietary

Highest Level of Offering: Associate's Degree

Accrediting Agency: Accrediting Commission of Career Schools and Colleges  
Accrediting Commission for Acupuncture and Oriental Medicine

Current Student Enrollment: 262 (2012-13)

% of Students Receiving Title IV: 89.3% (2012-13)

Title IV Participation: 2011-12 Award Year

Pell Grant	\$ 720,954.00
William D. Ford Federal Direct Loan Program (Direct Loan)	\$2,605,739.00

Default Rate FFEL/DL:	2010	9.0%
	2009	10.1%
	2008	6.2%

## **B. Scope of Review**

The U.S. Department of Education (the Department) conducted a program review at American Institute of Alternative Medicine (AIAM) from May 14, 2013 to May 18, 2013. The review was conducted by Susan Frost Alvarez and Nicholas Koulermos.

The focus of the review was to determine AIAM'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 AIAM's policies and procedures regarding institutional and student eligibility, individual student financial aid and academic files, review of the Jeanne Clear Disclosure of Campus Security Policy and Campus Crime Statistics Act (*the Clery Act*), attendance records, student account ledgers, and fiscal records.

A sample of 30 files was identified for review from the 2011-2012 and 2012-2013 (year to date) award year. 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 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 AIAM'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 AIAM of its obligation to comply with all of the statutory or regulatory provisions governing the Title IV, HEA programs.

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

The program review report findings requiring further action are summarized below. At the conclusion of each finding is a summary of AIAM's response to the finding, and the Department's final determination for that finding. A copy of the program review report issued on April 17, 2014 is attached as Appendix B.

### **Finding #1. Inaccurate Recordkeeping - Loan Origination Record and Student Loan File**

**Citation Summary:** *An institution must establish and maintain, on a current basis, program records that document its disbursement and delivery of Title IV program funds and financial records that reflect each Title IV program transaction. Institutions must also establish and maintain general ledger control accounts and related subsidiary accounts that identify each Title IV program transaction and separate those transactions from all other institutional financial activity. The records that an institution must maintain include but are not limited to documentation relating to each student's or parent's receipt of Title IV program funds. This documentation includes but is not limited to:*

- *The date and amount of each disbursement or delivery of grant or loan funds;*
- *The amount, date and basis of the institution's calculation of any refunds or overpayments due to or on behalf of the student, or the treatment of Title IV funds when a student withdraws; and*
- *The payment of any overpayment or the return of any Title IV program funds to the Title IV program fund, a lender or the Secretary, as appropriate. 34 C.F.R. § 668.164*

*The institution's failure to maintain current, complete and accurate student account records reflects diminished capability in administering the Title IV programs and may have resulted in the institution using funds to which it was not entitled. It is also a failure of the institution's duty as a fiduciary of federal funds and represents diminished capability in administering the Title IV programs.*

**Noncompliance Summary:** *There was one instance of inaccurate recordkeeping on the student ledger.*

*Student #11 received Federal Direct Loan disbursements on 1/12/12 and 3/20/12, however the student's account ledger reflected a date prior to the two dates populated in the Common Origination & Disbursement system.*

**Required Action Summary:** *The institution must develop and implement new policies and procedures that will ensure that the disbursement date reported to the Department by the financial aid office is the actual date of disbursement as reflected on the student's account card. The institution must also establish written procedures to ensure that student account records are complete and accurately reflect all program activity.*

*A copy of these procedures must be submitted in response to this report.*

**AIAM's Response:** The response submitted May 21, 2014 by AIAM indicates that the institution acknowledges the instance of inaccurate recordkeeping. AIAM believes the incident to be isolated, caused by a prior inconsistent method of prorating and disbursing funds in one of AIAM's programs. Prior to the start of the program review, steps had already been

taken to rectify any inconsistencies, and policies were set in place to help with future compliance. The error, as noted by AIAM, was from the 2011-2012 award year. There were no instances of noncompliance in the 2012-2013 award year. AIAM provided a copy of their policies and procedures which address the issue of noncompliance.

**Final Determination:** Finding #1 of the program review report cited AIAM for inaccurate recordkeeping regarding student loan origination records and student loan files. The Department reviewed the policies and procedures AIAM submitted in its response and concludes that they are sufficient; therefore this finding is considered closed.

## **Finding #2. Student Credit Balance Deficiencies**

**Citation Summary:** *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 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) and (2).*

**Noncompliance Summary:** *The institution paid a credit balance after 14 days for one student.*

*Student #26 received a credit balance check of \$591.25 on April 30, 2013, subsequent to the student receiving Federal Direct Unsubsidized Loan and Federal Direct Subsidized Loan disbursements. The credit balance, although made, was beyond the allotted 14 day timeframe as stated in the above regulatory citation.*

*AIAM made appropriate adjustments to the student accounts, thereby resolving the liabilities for the financial loss that resulted from its hold of a credit balance. AIAM's failure to timely release a student's credit balance may have permitted the institution to retain funds to which it was not entitled. AIAM is liable to the Department for the cost of funds and interest on any improperly retained funds. Since the cost of funds for the students in error is minimal, no demand for payment is made at this time. Should this finding appear in future audits or program reviews, the Department may reinstate this liability amount.*

**Required Action Summary:** *The institution must immediately develop and implement new policies and procedures that will ensure that credit balances are paid directly to the student or parent within the appropriate time frame.*

*A copy of the policy and procedures must be submitted in response to this report.*

**AIAM's Response:** AIAM's response to the program review report indicates that the institution concurs with the student credit balance deficiency finding. As stated in the above finding, the student in question, Student #26, was issued a credit balance beyond the allowable timeframe of 14 days. The credit balance was issued two days late. AIAM believes the incident to be isolated and not indicative of current internal procedures regarding the issuance of credit balances on student accounts.

The institution has established policies and procedures that address the incident, ensuring that credit balance funds are disbursed between 1-5 days after a balance occurs on the student account. AIAM submitted a copy of their policies and procedures in their response.

**Final Determination:** Finding # 2 of the program review report cited AIAM for student credit balance deficiencies. Specifically, the institution failed to issue a credit balance refund within the timeframe prescribed by Federal regulations. In response to this violation, the institution was required to review and revise their procedures to ensure that they did not maintain student credit balances in the future. In its response, AIAM stated its concurrence with the violation and submitted copies of their corrective actions and procedures, along with a signed statement asserting that all necessary corrective actions have been taken. AIAM's failure to timely release a student's credit balance may have permitted the institution to retain funds to which it was not entitled. AIAM is liable to the Department for the *cost of funds* and interest on any improperly retained funds. Since the *cost of funds* for the students in error is minimal, no demand for payment is made at this time. Should this finding appear in future audits or program reviews, the Department may reinstate this liability amount.

The institution asserted that it understands its obligations under Federal regulations and that it is committed to ensuring compliance with all student credit balance regulations going forward. The corrective actions that the institution has claimed are now in place should result in improved procedures for monitoring student credit balances going forward. Ultimately, all credit balance funds were disbursed to the student in question, and were disbursed late only by a couple days. Therefore, the Department accepts the institution's response and considers this finding to be closed.

***Finding #3. Maximum Annual/Cumulative Direct Loan Award Exceeded***

***Citation Summary:*** *Federal Direct Stafford/Ford Loan Program and Federal Stafford Loan Program aggregate limits. The aggregate unpaid principal amount of all Direct Subsidized Loans and Federal Stafford Loans made to a student but excluding the amount of capitalized interest may not exceed the following:*

*(1) \$23,000 in the case of any student who has not successfully completed a program of study at the undergraduate level.*

*(2) \$65,500 in the case of a graduate or professional student, including loans for undergraduate study.*

*(e) Aggregate limits for unsubsidized loans. The total amount of Direct Unsubsidized Loans, Federal Unsubsidized Stafford Loans, and Federal SLS Loans but excluding the amount of capitalized interest may not exceed the following:*

*(1) For a dependent undergraduate student, \$23,000, or, effective July 1, 2008, \$31,000, minus any Direct Subsidized Loan and Federal Stafford Loan amounts, unless the student qualifies under paragraph (c) of this section for additional eligibility or qualified for that additional eligibility under the Federal SLS Program.*

*(2) For an independent undergraduate or a dependent undergraduate who qualifies for additional eligibility under paragraph (c) of this section or qualified for this additional eligibility under the Federal SLS Program, \$46,000, or, effective July 1, 2008, \$57,500, minus any Direct Subsidized Loan and Federal Stafford Loan amounts.*

*Aggregate loan limits 34 C.F.R. 685.203(d),(e)*

***Noncompliance Summary:*** *The institution awarded a student beyond their aggregate loan limit.*

*Student #14 was overawarded \$59.00 in Federal Direct Subsidized Loans, which caused the student to move beyond their aggregate loan limit of \$23,000.00. The institution quickly reallocated the additional \$59.00 in funds to a Federal Direct Unsubsidized Loan, thereby resolving the finding.*

*Students who have previously attended other colleges may have a financial aid history that affects their eligibility for FSA funds at your school. You can review a student's financial aid history by using the National Student Loan Data System (NSLDS will also help you track changes to the student's financial aid history through the post-screening and transfer student monitoring processes. Because you're responsible for knowing about the student's prior FSA loans before disbursing additional loan funds to the student, inadvertent over borrowing shouldn't occur often. Excess borrowing might occur if a school is unaware of loans a student received at another school. NSLDS uses a post-screening process to let you know when there*

*are significant changes (such as a defaulted loan or an overpayment) to a student's financial aid history. If post-screening identifies changes that may affect the student's eligibility, the CPS will generate new output documents so schools that are listed for receipt of the student's FAFSA information will automatically be notified. Items that have changed since the last transaction are marked on the output document with a "#" sign, and the reason code for the post-screening will be given.*

**Required Action Summary:** *The institution must develop and implement new policies and procedures that will ensure that aggregate loan limits are upheld.*

*A copy of the policy and procedures must be submitted in response to this report.*

**AIAM's Response:** AIAM's response to the program review report indicates that while the institution concurs with the finding, they note that the overaward occurred due to a change in the student's prior financial aid history after all disbursements were made at AIAM. As a result of all disbursements having been made to the student, AIAM had no reason to re-review the student's previous financial aid history in NSLDS, since at the time there were no flags in the system indicating excess loan limits.

AIAM believes this finding to be an isolated incident and not indicative of current policies and procedures set in place by the institution's financial aid office. The institution, however, will continue to monitor for overawarding, and will place all prospective students at risk of changes in loan history on Transfer Monitoring via NSLDS. The institution submitted a copy of their internal procedures in place for monitoring loan limits in its response.

**Final Determination:** Finding # 3 of the program review report cited AIAM for awarding a student beyond their aggregate loan limit for subsidized Direct Loans. The institution asserted that it understands the importance of awarding students in compliance with 34 C.F.R. 668.164(e)(1). The institution will continue to adapt all policies and procedures to maintain strict adherence with all Department regulations regarding aggregate loan limits.

In its response, AIAM stated its concurrence with the violation and submitted copies of their corrective actions and procedures, along with a signed statement asserting that all necessary corrective actions have been taken. The corrective actions that the institution has claimed are now in place should result in improved procedures for monitoring overawards going forward. Ultimately, AIAM reallocated the additional \$59.00 in funds to a Federal Direct Unsubsidized Loan, thereby resolving the finding. Therefore, the Department accepts the institution's response and considers this finding to be closed.

#### **Finding #4. Satisfactory Academic Progress Policy Not Adequately Monitored**

**Citation Summary:** §668.34. *Satisfactory academic progress policy. An institution must establish a reasonable satisfactory academic progress policy for determining whether an otherwise eligible student is making satisfactory academic progress in his or her educational program and may receive assistance under the title IV, HEA programs. The Secretary considers the institution's policy to be reasonable if—*

*(3) The policy provides that a student's academic progress is evaluated—*

*(8) If the institution places students on financial aid warning, or on financial aid probation, as defined in paragraph (b) of this section, the policy describes these statuses and that—*

*(i) A student on financial aid warning may continue to receive assistance under the title IV, HEA programs for one payment period despite a determination that the student is not making satisfactory academic progress. Financial aid warning status may be assigned without an appeal or other action by the student; and*

*(ii) A student on financial aid probation may receive title IV, HEA program funds for one payment period. While a student is on financial aid probation, the institution may require the student to fulfill specific terms and conditions such as taking a reduced course load or enrolling in specific courses. At the end of one payment period on financial aid probation, the student must meet the institution's satisfactory academic progress standards or meet the requirements of the academic plan developed by the institution and the student to qualify for further title IV, HEA program funds;*

**Noncompliance Summary:** *The institution's qualitative and quantitative components of their SAP policy were not adequately enforced.*

*Student #10 should have been placed on probation after failing to meet the institution's SAP policies, due to a low cumulative GPA. No notice of probation was indicated, nor was there any evidence of probationary language in the file. Moreover, the institution failed to adequately enforce the quantitative components of their SAP policy as outlined in their catalog (Pg. 54). Although the student was supposed to be on probation, the student did eventually regain both the qualitative and quantitative components of the institution's SAP.*

*Section 34 C.F.R. § 668.16(e) of the Student Assistance General Provisions regulations specify that for purposes of determining student eligibility for assistance under a Title IV, HEA program, an institution must establish, publish, and apply reasonable standards for measuring whether an otherwise eligible student is maintaining satisfactory academic progress in his or her educational program. The Secretary considers an institution's standards to be reasonable if the standards are in accordance with the provisions specified in 34 C.F.R. § 668.34.*

*To be eligible for FSA funds, a student must make satisfactory academic progress, and your school must have a reasonable policy for monitoring that progress. The policy must be at least as strict as that for students who are not receiving FSA funds at your school, and it must apply consistently to all educational programs and to all students within categories, e.g., full-time, part-time, undergraduate, and graduate students. It must require an academic progress evaluation at the end of each payment period for students in programs lasting one year or less, and for all other programs at least annually and corresponding with the end of a payment period.*

*An institution's policy, even if it does not permit appeals, must explain how students who are not making satisfactory academic progress can restore their eligibility for FSA funds. Other than when a student is placed on financial aid warning or probation or has agreed to an academic plan as outlined above, he can regain eligibility only by taking action that brings him into compliance with the school's satisfactory progress standards.*

**Required Action Summary:** *Failure to enforce Satisfactory Academic Progress (SAP) correctly could result in students either receiving a windfall of federal funds, or a loss of federal funds to which they are entitled. In this case, no students were harmed by AIAM's failure to properly monitor SAP. The institution is directed to review the above-cited regulation to ensure strict compliance with the requirements thereof. The institution must immediately develop and implement new policies and procedures that will ensure SAP policies are upheld. The institution must enforce procedures to ensure that this finding does not recur.*

*A copy of the policy and procedures must be submitted in response to this report.*

**AIAM's Response:** AIAM's response to the program review report indicates that the institution concurs with the finding. The institution had updated their Satisfactory Academic Progress policy in Fall of 2011 to meet compliance standards. Prior to the review, the institution had begun monitoring eligibility standards for students in a manner compliant with Federal regulations. Since updating their policies and procedures, AIAM is confident that both qualitative and quantitative SAP standards set forth by the institution are within compliance, and will prevent future errors.

**Final Determination:** Finding #4 occurred during the 2010-2011 award year, and no subsequent finding was identified in later award years. Student #10 should have been placed on probation after failing to meet the institution's SAP policies, due to a low cumulative GPA. No notice of probation was indicated, nor was there any evidence of probationary language in the file. Although the institution failed to adequately enforce SAP standards for Student #10, the student did eventually regain both the qualitative and quantitative components of the institution's SAP.

Failure to enforce Satisfactory Academic Progress correctly could result in students either receiving a windfall of federal funds to which they are not entitled, or a loss of federal funds to which they are entitled. In this circumstance, the institution had one incident in which SAP standards were not adequately enforced, although the student did eventually regain SAP good

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standing with the institution. As a result, AIAM has ensured the Department that they will continue to monitor SAP in a manner that is compliant with Federal regulations. Since this isolated incident occurred in the 2010-2011 award year, and no SAP violations were found in following award years, the Department considers this finding to be closed.

### **Finding #5. Return of Title IV Calculation (R2T4) Errors**

**Citation Summary:** *Section 34 C.F.R. § 668.22 of the Student Assistance General Provisions regulations specify when a recipient of Title IV grant or loan assistance withdraws from an institution during a payment period or period of enrollment in which the recipient began attendance, the institution must determine the amount of Title IV grant or loan assistance that the student earned as of the student's withdrawal date. An institution that is not required to take attendance may use as the student's withdrawal date a student's last date of attendance (LDA) at an academically-related activity provided that the institution documents that the activity is academically related, and documents the student's attendance at the activity.*

**Noncompliance Summary:** *Due to inadequate R2T4 policies and procedures, the institution was prorating institutional charges before R2T4 calculations were performed. As a result of the proration, the institution under returned funds due to the Department for multiple students in the 2011-12 award year who required an R2T4 calculation.*

**Required Action Summary:** *Due to the systematic nature of this finding, the institution must perform a file review so that the consequences of the deficiency can be qualified. The institution must perform a file review to identify all students for which R2T4 calculations were performed for the 2011-12 award year. AIAM must complete corrected R2T4 calculations which do not adjust or prorate tuition before the calculation was completed, which was the last date of documented academic activity. In addition to the spreadsheet, AIAM is to provide, for every student in this file review, a copy of the original and revised R2T4 calculation worksheets, an academic transcript, and student account ledger.*

*In the case of funds that have already been returned, the institution must include documentation evidencing the amounts returned, and the date of the return (e.g. COD screen prints, G5 screens, cancelled checks (front and backsides), etc.)*

*Instructions for the repayment of any additional identified liabilities will be provided in the Final Program Review Determination Letter.*

*The institution, upon receipt of request to conduct a file review, performed a comprehensive review of all R2T4 students from the 2011-12 award year. AIAM made appropriate adjustments to the student accounts, as well as to Department accounts, thereby resolving the liabilities for the financial loss that resulted from its disbursement of aid. AIAM's failure to properly calculate and perform the Return of Title IV Funds may have permitted the institution to retain funds to which it was not entitled. AIAM is liable to the Department for the cost of funds and interest on any improperly retained funds. Since the cost of funds for the students in error is minimal, no demand for payment is made at this time. Should this finding appear in future audits or program reviews, the Department may reinstate this liability amount. The institution must immediately develop and implement new policies and procedures that will ensure R2T4 policies are upheld. The institution must enforce procedures to ensure that this finding does not recur.*

*A copy of the policy and procedures must be submitted in response to this report.*

**AIAM's Response:** AIAM's response to the program review report indicates that the institution concurs with the finding. Upon being informed during the program review that institutional charges should not be prorated prior to the calculation of an R2T4 for a student, AIAM immediately began the file review process to reconcile their issue. The financial aid office conducted a full file review to identify all students that could have been affected by the deficiency. The file review conducted reviewed fifty-nine (59) total R2T4's over the 2011-2012 award year. As a result, ten (10) students were identified as having had institutional charges incorrectly prorated prior to completion of the R2T4 calculation. Of the ten (10) students, two (2) were therefore adversely affected by the institution's discrepancy, due to having retained student's Federal Subsidized Direct Loans that should have been returned. For both students, the funds were returned to the lender.

**Final Determination:** AIAM has acknowledged their oversight and worked to rectify the policies and procedures immediately upon notification that the institutional charges should not be prorated prior to R2T4 calculations. Appropriate adjustments were made to policies regarding proration, and the institution returned all funds associated with the file review. AIAM completed the file review and the corresponding spreadsheet, compiling records of every student affected, including student file, account cards, and R2T4 calculations. These records, along with appropriate corrective action responses, were submitted with the program review response.

Failure to correctly perform the Return of Title IV Funds Calculation could result in students either receiving a windfall of federal funds to which they are not entitled, or a loss of federal funds to which they are entitled. During the program review, the institution returned the funds associated with the finding, thereby resolving the liability. However, the institution is directed to review the above-cited regulation to ensure strict compliance with the requirements thereof. The Department accepts the institution's response, and considers this finding to be closed.

**Finding #6. Consumer Information Requirements Not Met/Annual Report Data Inadequate/Incomplete**

*Citation Summary:* § 668.6 Outlines the reporting and disclosure requirements for programs that prepare students for gainful employment in a recognized occupation. A school must disclose certain information about each of its gainful employment programs to prospective students:

- The occupations that the program prepares students to enter (by occupation name and SOC code), along with links to occupational profiles on the O\*NET website.
  
- The program length (the normal time to complete the program),
  
- The on-time graduation rate for students completing the program,
  
- The tuition and fees the school charges a student for completing the program within normal time; the cost of room and board, if applicable; and the typical costs for books and supplies (unless those costs are included as part of tuition and fees),
  
- The job placement rate for students completing the program.
  
- The median loan debt incurred by students who completed the program (separately by FSA loans, private educational loans, and institutional financing plans, as described later),
  
- Other information the Department provided to the school about the program.

Your school may include information on other costs, such as transportation and living expenses, but it must provide a Web link or access to the cost information discussed earlier.

The school must include the required information in promotional materials it makes available to prospective students and post the information on its websites.

- The information must be provided in a simple and meaningful manner on the home page of the school's program website in an open format that can be retrieved, downloaded, indexed, and searched by commonly used Web search applications. (An open format is one that is platform-independent, is machine-readable, and is made available to the public without restrictions that would impede the reuse of that information.)
  
- Any other webpage containing general, academic, or admissions information about the program must provide a prominent and direct link to the single webpage that contains all the required information.

A school must use an ED-developed disclosure form when that form is made available (see sidebar). Schools are responsible for meeting these disclosure requirements using their own form until the Department releases its form.

*Your school must disclose the median loan debt incurred by students who completed the gainful employment program. A school must include in its disclosures its own calculation of median debt—separately showing FSA debt and other educational debt—until such time as the Department provides that loan debt information.*

*The placement rates for students completing a gainful employment program are to be determined under a methodology developed by the National Center for Education Statistics (NCES) when that rate is available.*

*In the meantime, if the school is required by its accrediting agency or state to calculate a placement rate on a program basis, it must disclose the rate under this section and identify the accrediting agency or state agency under whose requirements the rate was calculated. If the accrediting agency or state requires a school to calculate a placement rate at the institutional level or other than a program basis, the school must use the accrediting agency or state methodology to calculate a placement rate for the program and disclose that rate.*

***Noncompliance Summary:** AIAM did not fully report the on-time graduation rates for students completing various programs at the institution. The median loan debt incurred by students who complete programs at the institution was also not reported. The institution's placement rates were unclear, and need to be available for disclosure to all students at any given time.*

***Required Action:** The institution must develop and implement new policies and procedures that will ensure that all annual disclosure statistics and consumer information are adequately maintained and distributed to students. All institutions must designate an employee or group of employees who shall be available on a full-time basis to assist enrolled or prospective students in obtaining the information on financial assistance, the school, graduation and completion rates, and security policies and crime statistics.*

*A copy of these policies and procedures must be submitted in response to this report.*

**AIAM's Response:** AIAM's response to the program review report indicates that the institution made a good faith effort in 2013 to provide GE disclosures for their programs on the school's website. For one program ("PMLA"), AIAM agrees that it failed to disclose available occupations and the type of Federal Loan median debt.

AIAM created new policies and procedures as a result of the finding. However, AIAM noted that no new procedures are necessary in reference to oversight in regards to the template used to disclose data, since the institution uses the Department's official disclosure template. The template has been appropriately placed on AIAM's website and referred to in all applicable marketing data. The institution is confident they will meet compliance expectations going forward.

AIAM provided the necessary documentation to verify that the finding was addressed. The institution has provided policies and procedures that ensure all annual disclosure

statistics and consumer information are adequately maintained and distributed to students, as well as the individuals on financial assistance, the school, graduation and completion rates, and security policies and crime statistics. Placement Rates are also available via the Gainful Employment data on the website and the consumer information webpage.

**Final Determination:** Finding #6 cited AIAM for failure to meet Consumer Information Requirements. In its response, AIAM stated its concurrence with the violation and submitted copies of their corrective actions and procedures, along with a signed statement asserting that all necessary corrective actions have been taken. While the program review team was on-site, it was noted that disclosures were not made for the "PMLA" program. However, the institution quickly corrected and updated their website with the new disclosure information. The institution has taken the necessary steps to bring their Gainful Employment disclosures within compliance of Federal regulations. The Department accepts the institution's response, and considers this finding to be closed.

**Finding # 7: Crime Awareness Requirements Not Met – Inadequate/Omitted Campus Safety Policy Statements in the Annual Security Report (ASR) and Campus Crime Statistics Disclosure Discrepancies**

*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<sup>st</sup> of each year, publish and distribute to its current students and employees through appropriate publications and mailing, a comprehensive Annual Security Report (ASR) that contains, at a minimum, all of the statistical and policy elements enumerated in 34 C.F.R. §668.46(b).*

*The ASR must be prepared and actively distributed as a single document. Acceptable means of distribution include U.S. Mail, campus mail, hand delivery, or by posting the ASR 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 a link to 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). These regulations also require institutions to provide a notice containing this information to all prospective students and employees. This notice must also inform interested parties about how to obtain a paper copy of the ASR. 34 C.F.R. §668.41(e)(4).*

*An institution's 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 assault, 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 (as a subset of category # 1); 3) certain non-campus buildings and property; and, 4) certain adjacent and accessible public property. 34 C.F.R. §668.46(c)(1).*

*In addition, 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 and emergency notifications as well as its emergency response and evacuation procedures. All required information referenced in 34 C.F.R. §668.46(b) must be published in the 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. 34 C.F.R. §668.46(b).*

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

**Noncompliance Summary:** *AIAM violated multiple provisions of the Clery Act by failing to publish an accurate and complete 2011 ASR and actively distribute such a report to current students and employees. The institution failed to include the following policy, procedural, and programmatic disclosures in its 2012 ASR or published statements that failed to provide sufficient detail in an area of mandatory disclosure. Disclosure violations were identified in the following areas:*

- *A statement of current policies concerning the enforcement authority of security personnel, including their relationship with state and local police agencies and whether or not the institution's security personnel have the authority to arrest individuals;*
- *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;*
- *A description of programs designed to inform students and employees about the prevention of crimes; and,*
- *A statement advising interested parties where state law enforcement information concerning registered sex offenders may be obtained.*

*In addition, AIAM submitted campus crime statistics to the Department's online campus crime statistics database known as "Campus Safety and Security Data Analysis Cutting Tool (CSSDACT)" that did not match those that were published in AIAM's 2011 ASR. An institution must report the same crime data to the Department as it publishes in the ASR. The review team found that AIAM properly disclosed two incidents of burglary for calendar year 2010 in its 2011 ASR; however, these incidents were not included in the institution's submission to the CSSDACT.*

*Failure to publish an accurate and complete ASR deprives interested persons of important campus security information to which they are entitled. Access to this information permits campus community members and their families to make well-informed decisions about where to work and study and empowers them to play a more active role in their own safety and security.*

**Required Action Summary:** *As a result of these violations, AIAM must develop and implement substantive policies and procedures to ensure that all future ASRs are prepared and published in accordance with the Clery Act and the Department's regulations. Using its new policies as a guide, AIAM must develop new content and take all other necessary corrective action to ensure*

*that its 2013 ASR is accurate and materially-complete, meaning that the new ASR will contain all of the statistical, policy, procedure and programmatic disclosures required by 34 C.F.R. §668.46(b). A copy of AIAM's new and revised policies and procedures and its draft ASR must accompany the institution's response to this program review report.*

*Once the draft 2013 ASR is evaluated by the review team for accuracy and completeness, AIAM will be required to actively distribute it to all current students and employees in accordance with 34 C.F.R. §668.41(e). Once the new ASR is distributed, AIAM will be required to provide documentation to the Department evidencing the distribution along with a certification statement attesting to the fact that the materials were distributed in accordance with the Clery Act. This certification must also affirm that the institution understands its Clery Act obligations and that it has taken all necessary corrective actions to ensure that these violations do not recur.*

*As noted above, the exceptions identified in this finding constitute serious violations of the Clery Act that by their nature cannot be cured. AIAM will be given an opportunity to address the violations identified above. In doing so, the institution will finally take the first steps toward compliance with the Clery Act and the terms and conditions of its PPA. However, AIAM 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 an adverse administrative action and/or require additional corrective measures as a result.*

*Based on an evaluation of all available information including AIAM's response, the Department will determine if additional actions will be required to address this violation. The Department will advise the institution accordingly in the FPRD.*

*AIAM officials may wish to refer to the Department's "Handbook for Campus Safety and Security Reporting" (2011 Edition) during the preparation of its response. The Handbook is available online at: <http://www2.ed.gov/admins/lead/safety/handbook.pdf>. The regulations governing the Clery Act can be found at 34 C.F.R. §§668.14, 668.41, 668.46, and 668.49.*

*Finally, AIAM officials are reminded to review the accuracy and completeness of the institution's Drug and Alcohol Abuse Prevention Program (DAAPP) as required by the Drug-Free Schools and Communities Act (DFSCA) and Part 86 of the Department's General Administrative Regulations. FSA is now responsible for monitoring compliance with the DFSCA. Therefore, it is essential that AIAM makes sure that it has developed and implemented a comprehensive DAAPP and that it conducts substantive biennial reviews and completes its biennial review reports on the proper schedule. For assistance or more information on the Clery Act and/or the DFSCA, please contact your program review team or another member of the Chicago/Denver School Participation Division.*

**AIAM's Response:** In its official response AIAM concurred with this Finding and provided a corrective action plan that included the development of a Safety and Security Committee to oversee the creation and distribution of the 2013 and 2014 Annual Security Reports (Attachment 6). AIAM management claimed that the institution expanded the availability of campus security authorities and updated the policies, procedures and reported data to the Department (Attachment

8). Per the response, these changes resulted in new and expanded content being included in the 2014 ASR based on reviews conducted by members of the Campus Safety and Security Committee prior to submission. The updates also resulted in the proper reporting of crime statistics, which AIAM referenced as an isolated incident. Finally, AIAM developed and implemented policies and procedures to ensure that all ASRs are prepared and published in accordance with the *Clery Act* and Federal regulations. A copy of the new ASR and revised policies and procedures are included in Attachment 7.

**Final Determination:** Finding #7 of the program review report cited AIAM for failing to compile and disclose accurate and complete crime statistics in its 2011 ASR and in its data submissions to the Department's online campus crime statistics database, known as the Campus Crime and Security Data Analysis Cutting Tool (CSSDACT). Specifically, the review team found that AIAM properly disclosed two incidents of burglary that occurred in calendar year 2010 in its 2011 ASR but failed to include these incidents in its reporting to the CSSDACT for the same time period. An institution must report the same crime data to the Department as it publishes in the ASR. Discrepancies of this type cause confusion for a wide array of users of the ASR and the CSSDACT including students, employees, parents, researchers, and the media. In addition, the institution also failed to include the four significant, multi-part policy disclosures listed in the noncompliance section above in the 2012 ASR. . As a result of these violations, AIAM was required to develop a policy to take all necessary steps to ensure that this violation does not recur. In its response, AIAM concurred with this finding and asserted that necessary action was taken to address the deficiencies as identified and submitted documents in support of its claims.

The Department carefully examined all available information including AIAM's response and supporting documentation. Based on that review and the institution's admissions, each of the violations noted in the noncompliance section of the initial finding are sustained. The review team's examination also showed that the identified violations were, for the most part, satisfactorily addressed by the institution's modified 2013 ASR and its new and revised internal policies and procedures. As such, the Department has determined that AIAM's remedial action plan meets minimum requirements. For these reasons, the Department has accepted the institution's response and considers this finding closed for purposes of this program review. Nevertheless, the directors and officials of AIAM are put on notice that they must take any additional actions that may be needed to address the deficiencies identified by the Department, as well as any other deficiencies or weaknesses that were detected by the institution during the preparation of its response, and/or as may otherwise be needed to ensure that these violations do not recur.

AIAM is also 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" a violation of this type once it occurs. The production and distribution of an accurate and complete ASR and the disclosure of accurate and fully-reconciled crime statistics are among the most basic requirements of the *Clery Act* and are essential to its campus safety goals. AIAM asserted that it has taken adequate remedial actions and that by doing so, that it is now in compliance with the

*Clery Act* as required by its Program Participation Agreement (PPA). Nevertheless, AIAM's management must understand that the violations documented by the program review deprived students and employees of important campus safety and crime prevention information to which they are entitled. For these reasons, AIAM is advised that its remedial actions cannot and do not diminish the seriousness of these violations nor do they eliminate the possibility that the Department will impose an adverse administrative action and/or require additional corrective actions as a result.

Because of the serious consequences of such violations, the Department strongly recommends that AIAM officials re-examine its campus security 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, AIAM 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: [www.ed.gov/admins/lead/safety/handbook.pdf](http://www.ed.gov/admins/lead/safety/handbook.pdf). The Department also provides a number of other *Clery Act* training resources. AIAM officials can access these materials at: [www.ed.gov/admins/lead/safety/campus.html](http://www.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.

AIAM's 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 sexual assault, dating violence, domestic violence, and stalking. VAWA also requires institutions to include new policy, procedural, and programmatic disclosures regarding sexual assault prevention, response, and adjudication in their ASRs. All institutions were already 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. Because the Department issued Final Rules on the VAWA amendments on October 20, 2014, the new regulations went into effect on July 1, 2015, per the Department's Master Calendar. In light of the violations documented above, AIAM is advised to bring its sexual assault policies up to the standard required by VAWA now. AIAM officials may access the text of the Final Rule at:

<http://ifap.ed.gov/fregisters/attachments/FR102014FinalRuleViolenceAgainstWomenAct.pdf>.

## **Finding #8. Drug and Alcohol Abuse Prevention Program Requirements Not Met**

**Citation Summary:** *In order to participate in any Title IV, HEA program (other than the LEAP and NEISP programs), the institution must certify that it has in operation a drug abuse prevention program that the institution has determined to be accessible to any officer, employee, or student at the institution. 34 C.F.R. §668.14(c)(1).*

*An institution of higher education's drug prevention program must, at a minimum, include the following:*

*The annual distribution in writing to each employee, and to each student who is taking one or more classes for any type of academic credit except for continuing education units, regardless of the length of the student's program of study, of—*

- *Standards of conduct that clearly prohibit, at a minimum, the unlawful possession, use, or distribution of illicit drugs and alcohol by students and employees on its property or as part of any of its activities;*
- *A description of the applicable legal sanctions under local, State, or Federal law for the unlawful possession or distribution of illicit drugs and alcohol;*
- *A description of the health risks associated with the use of illicit drugs and the abuse of alcohol;*
- *A description of any drug or alcohol counseling, treatment, or rehabilitation or re-entry programs that are available to employees or students; and*
- *A clear statement that the institution of higher education will impose disciplinary sanctions on students and employees (consistent with local, State, and Federal law), and a description of those sanctions, up to and including expulsion or termination of employment and referral for prosecution, for violations of the standards of conduct required by paragraph (a)(1) of this section. For the purpose of this section, a disciplinary sanction may include the completion of an appropriate rehabilitation program. 34 C.F.R. §86.100(a).*

*A school must review its program once every two years to determine its effectiveness and to ensure that its sanctions are being enforced. As a part of this biennial review, the school must determine—*

- *the number of drug and alcohol-related violations and fatalities that occur on a school's campus or as part of any of the school's activities and that are reported to campus officials; and,*
- *the number and type of sanctions that are imposed by the school as a result of drug and alcohol-related violations and fatalities on the school's campus or as part of any of the school's activities. 34 C.F.R. §86.103.*

**Noncompliance Summary:** *In 2011, the institution did not have Drug and Alcohol Abuse Prevention Policies, as detailed in 34 C.F.R. §668.14(c)(1). AIAM provided a copy of its 2012 Drug and Alcohol Abuse Prevention Policies, and a biennial review of these policies during the*

*Program Review. Since no Drug and Alcohol Abuse Prevention Policies existed in 2011, the biennial review cannot be considered accurate in determining its effectiveness. Additionally, the biennial drug and alcohol abuse prevention program policies failed to include:*

- the number of drug and alcohol-related violations and fatalities that occurred on the institution's campus or as part of any of the institution's activities and that are reported to campus officials; and*
- the number and type of sanctions that are imposed by the institution as a result of drug and alcohol-related violations and fatalities on the institution's campus or as part of any of the institution's activities.*

**Required Action Summary:** *As a result of this violation, AIAM is required to review and improve its existing internal policies, procedures, internal controls, and training programs to ensure that the Drug and Alcohol Abuse Prevention Program (DAAPP) policy requirements are met. In addition, the institution must develop and implement any new policies and procedures that are needed to ensure that AIAM's biennial review will be conducted in accordance with the Clery Act and Part 86 regulations going forward. Finally, AIAM must submit a copy of all of its new and revised policies and DAAPP procedures that were identified during the internal review with its response to this program review report.*

*As noted above, the Department considers the failure to implement a materially complete Drug and Alcohol Abuse Prevention Program to be a serious violation of the Clery Act. There is no way to truly cure a violation of this type once it occurs. AIAM is now required to initiate corrective actions and bring its Drug and Alcohol Abuse Prevention Program policies into full compliance with the Clery Act as required by its Program Participation Agreement. However, AIAM 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 an adverse administrative action and/or require additional corrective measures.*

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

*As mentioned previously, AIAM officials may wish to review the Department's "Handbook for Campus Safety and Security Reporting" (2011 Edition) during the preparation of its response.*

**AIAM's Response:** In its response, AIAM concurred with the finding. The institution's management team conceded that since there were no Drug and Alcohol Abuse Prevention Program in 2011, the documents that were presented to the review team could not be construed as adequate to show that a substantive biennial review was conducted. Prior to the program review team site visit, AIAM took numerous steps to create a comprehensive and compliant DAAPP. The new policy contained a clear statement of disciplinary sanctions, a description of drug and alcohol counseling, descriptions of the health risks associated with the use of illicit drugs and the abuse of alcohol, and all applicable legal sanctions and standards of conduct which prohibit the unlawful possession, use or distribution of illicit drugs and alcohol. The DAAPP

was made available via a link on the Consumer Information section, has since been distributed annually, and is contained in the AIAM catalog (Attachments 6 and 10).

**Final Determination:** Finding #8 of the program review report cited AIAM for failing to have a Drug and Alcohol Abuse Prevention Program in place for the 2011 academic year and all prior years. Reviewers determined that AIAM did not have a DAAPP for 2011 because AIAM was unable to show evidence of a 2011 DAAPP during the review. Although AIAM provided a copy of its 2012 DAAPP, and a biennial review of these policies, reviewers determined that AIAM's 2012 DAAPP omitted the required policy information as detailed in the noncompliance section above. Reviewers determined that not only did AIAM fail to show evidence of a DAAPP for 2011, its 2012 DAAPP was incomplete as detailed above. These facts clearly show that it was not possible for the institution to comply with the other requirements of the *DFSCA* for any periods prior to the Department's review, including the DAAPP disclosure, annual distribution, and biennial review elements. As a result of this violation, AIAM was required to conduct a substantive biennial review and produce a detailed report. Moreover, the institution was required to produce documentation showing they had produced a DAAPP which meets or exceeds requirements outlined by Federal regulations.

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 proper biennial review until it has a fully functional DAAPP in place and program requirements and standards of conduct are communicated clearly to all members of the campus community. As a result of these violations, AIAM was required to develop and implement a complete DAAPP, produce and distribute an annual disclosure, and conduct a substantive biennial review as soon as initial program data was available. In its response, AIAM concurred with the finding and claimed that it developed new policies and procedures that will assist in future reviews. AIAM also submitted its initial biennial review report (Attachment 10) to the Department, as directed.

The Department carefully examined all available information including AIAM's narrative response and supporting documentation. Based on the Department's review and the institution's admissions, each of the violations identified in the noncompliance section of the initial finding are sustained. However, one clarification is needed: in the program review report, the review team stated that the institution's biennial review report was inadequate because it did not include disciplinary referral statistics for students and employees. While many institutions find that this information informs the review process it is only one data point and may or may not be indicative of overall effectiveness. For these reasons, it is not mandatory that such data be included in the report. Please note that this clarification does not modify the findings of violations in any way.

The review team's examination also showed that the identified violations were, for the most part, satisfactorily addressed by AIAM's new DAAPP, new annual disclosure, inaugural biennial review report, and new internal policies and procedures. As such, the Department determined that AIAM'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

program review. Nevertheless, the officials and directors of AIAM are put on notice that the institution must take all other action that may be necessary to address the deficiencies identified by the Department as well as any additional deficiencies and weaknesses those that were detected during the preparation of AIAM's response, and/or as may be needed to otherwise ensure that these violations do not recur.

In this regard, AIAM is advised that it must continue to develop its DAAPP. The institution must make sure that all information in its DAAPP is accurate, complete, and can be easily understood by members of the campus community. AIAM must also ensure that it distributes accurate and complete DAAPP materials to all students and employees in accordance with the Department's regulations and the institution's new procedures. The draft disclosure is adequate and must be disseminated immediately, if the institution has not already done so. The institution must also continue to enhance its planned biennial review process and must immediately conduct a full review in accordance with its plan if it has not already done so. The review team attributed the lack of sufficient detail in the first report to the fact that the DAAPP has only been in place for a relatively short time. Going forward, AIAM must take specific steps to conduct substantive biennial reviews and ensure that it produces a detailed report of findings and recommendations after each review. The institution is reminded that the review process must be a probative inquiry into the actual effectiveness of the program and not merely be a conclusory ratification of existing policy.

Although this finding is now closed, AIAM 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. AIAM asserted that it has taken adequate remedial actions and is now in compliance with the *DFSCA* as required by its PPA. Nevertheless, AIAM officials must understand that the Department considers compliance with the *DFSCA* to be essential to maintaining a safe and healthy learning environment. This is true for all institutions regardless of their size, location, or organizational structure. Data compiled by the Department shows 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 illicit drug use and alcohol abuse and may also deprive institutions of important information about the effectiveness of any drug and alcohol programs that may have been in place during the program review period. For these reasons, AIAM is advised that its remedial measures cannot and do not diminish the seriousness of these violations nor do these actions eliminate the possibility that the Department will impose an adverse administrative action and/or additional remedial measures as a result.

Finally, the Department strongly recommends that AIAM re-examine its drug and alcohol abuse preventions policies, procedures and programs 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 AIAM's new policies and procedures.

**Appendix B:**  
**AIAM's Program Review Report**

Prepared for  
American Institute of Alternative Medicine

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

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OPE ID 03534400  
PRCN: 201330528275

Prepared by  
U.S. Department of Education  
Federal Student Aid  
Chicago/Denver School Participation Division

# Program Review Report

April 17, 2014

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American Institute of Alternative Medicine  
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**A. Institutional Information**

American Institute of Alternative Medicine  
6685 Doubletree Avenue  
Columbus OH 43229-1113

Type: Proprietary

Highest Level of Offering: Associate's Degree

Accrediting Agency: Accrediting Commission of Career Schools and Colleges  
Accrediting Commission for Acupuncture and Oriental Medicine

Current Student Enrollment: 262 (2012-13)

% of Students Receiving Title IV: 89.3% (2012-13)

Title IV Participation: 2011-12 Award Year

Pell Grant	\$ 720,954.00
William D. Ford Federal Direct Loan Program (Direct Loan)	\$2,605,739.00

Default Rate FFEL/DL:	2010	9.0%
	2009	10.1%
	2008	6.2%

## **B. Scope of Review**

The U.S. Department of Education (the Department) conducted a program review at American Institute of Alternative Medicine (AIAM) from May 14, 2013 to May 18, 2013. The review was conducted by Susan Frost Alvarez and Nicholas Koulermos

The focus of the review was to determine AIAM'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 AIAM'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 2011-2012 and 2012-2013 (year to date) award year. 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 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 AIAM'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 AIAM 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 AIAM to bring operations of the financial aid programs into compliance with the statutes and regulations.

#### **Finding #1. Inaccurate Recordkeeping - Loan Origination Record and Student Loan File**

**Citation Summary:** An institution must establish and maintain, on a current basis, program records that document its disbursement and delivery of Title IV program funds and financial records that reflect each Title IV program transaction. Institutions must also establish and maintain general ledger control accounts and related subsidiary accounts that identify each Title IV program transaction and separate those transactions from all other institutional financial activity. The records that an institution must maintain include but are not limited to documentation relating to each student's or parent's receipt of Title IV program funds. This documentation includes but is not limited to:

- The date and amount of each disbursement or delivery of grant or loan funds;
- The amount, date and basis of the institution's calculation of any refunds or overpayments due to or on behalf of the student, or the treatment of Title IV funds when a student withdraws; and
- The payment of any overpayment or the return of any Title IV program funds to the Title IV program fund, a lender or the Secretary, as appropriate. 34 C.F.R. § 668.164

The institution's failure to maintain current, complete and accurate student account records reflects diminished capability in administering the Title IV programs and may have resulted in the institution using funds to which it was not entitled. It is also a failure of the institution's duty as a fiduciary of federal funds and represents diminished capability in administering the Title IV programs.

**Noncompliance Summary:** There was one instance of inaccurate recordkeeping on the student ledger.

Student #11 received Federal Direct Loan disbursements on 1/12/12 and 3/20/12, however the student's account ledger reflected a date prior to the two dates populated in the Common Origination & Disbursement system.

**Required Action Summary:** The institution must develop and implement new policies and procedures that will ensure that the disbursement date reported to the Department by the financial aid office is the actual date of disbursement as reflected on the student's account card. The institution must also establish written procedures to ensure that student account records are complete and accurately reflect all program activity.

A copy of these procedures must be submitted in response to this report.

## **Finding #2. Student Credit Balance Deficiencies**

**Citation Summary:** 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 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) and (2).

**Noncompliance Summary:** The institution paid a credit balance after 14 days for one student.

Student #26 received a credit balance check of \$591.25 on April 30, 2013, subsequent to the student receiving Federal Direct Unsubsidized Loan and Federal Direct Subsidized Loan disbursements. The credit balance, although made, was beyond the allotted 14 day timeframe as stated in the above regulatory citation.

AIAM made appropriate adjustments to the student accounts, thereby resolving the liabilities for the financial loss that resulted from its hold of a credit balance. AIAM's failure to timely release a student's credit balance may have permitted the institution to retain funds to which it was not entitled. AIAM is liable to the Department for the *cost of funds* and interest on any improperly retained funds. Since the *cost of funds* for the students in error is minimal, no demand for payment is made at this time. Should this finding appear in future audits or program reviews, the Department may reinstate this liability amount.

**Required Action Summary:** The institution must immediately develop and implement new policies and procedures that will ensure that credit balances are paid directly to the student or parent within the appropriate time frame.

A copy of the policy and procedures must be submitted in response to this report.

**Finding #3. Maximum Annual/Cumulative Direct Loan Award Exceeded**

**Citation Summary:** *Federal Direct Stafford/Ford Loan Program and Federal Stafford Loan Program aggregate limits.* The aggregate unpaid principal amount of all Direct Subsidized Loans and Federal Stafford Loans made to a student but excluding the amount of capitalized interest may not exceed the following:

(1) \$23,000 in the case of any student who has not successfully completed a program of study at the undergraduate level.

(2) \$65,500 in the case of a graduate or professional student, including loans for undergraduate study.

(e) *Aggregate limits for unsubsidized loans.* The total amount of Direct Unsubsidized Loans, Federal Unsubsidized Stafford Loans, and Federal SLS Loans but excluding the amount of capitalized interest may not exceed the following:

(1) For a dependent undergraduate student, \$23,000, or, effective July 1, 2008, \$31,000, minus any Direct Subsidized Loan and Federal Stafford Loan amounts, unless the student qualifies under paragraph (c) of this section for additional eligibility or qualified for that additional eligibility under the Federal SLS Program.

(2) For an independent undergraduate or a dependent undergraduate who qualifies for additional eligibility under paragraph (c) of this section or qualified for this additional eligibility under the Federal SLS Program, \$46,000, or, effective July 1, 2008, \$57,500, minus any Direct Subsidized Loan and Federal Stafford Loan amounts.

Aggregate loan limits 34 C.F.R. 685.203(d),(e)

**Noncompliance Summary:** The institution awarded a student beyond their aggregate loan limit.

Student #14 was overawarded \$59.00 in Federal Direct Subsidized Loans, which caused the student to move beyond their aggregate loan limit of \$23,000.00. The institution quickly reallocated the additional \$59.00 in funds to a Federal Direct Unsubsidized Loan, thereby resolving the finding.

Students who have previously attended other colleges may have a financial aid history that affects their eligibility for FSA funds at your school. You can review a student's financial aid history by using the National Student Loan Data System (NSLDS will also help you track changes to the student's financial aid history through the post-screening and transfer student monitoring processes. Because you're responsible for knowing about the student's prior FSA loans before disbursing additional loan funds to the student, inadvertent over borrowing shouldn't occur often. Excess borrowing might occur if a school is unaware of loans a student received at another school. NSLDS uses a post-screening process to let you know when there are significant changes (such as a defaulted loan or an overpayment) to a student's financial aid

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history. If post-screening identifies changes that may affect the student's eligibility, the CPS will generate new output documents so schools that are listed for receipt of the student's FAFSA information will automatically be notified. Items that have changed since the last transaction are marked on the output document with a "#" sign, and the reason code for the post-screening will be given.

**Required Action Summary:** The institution must develop and implement new policies and procedures that will ensure that aggregate loan limits are upheld.

A copy of the policy and procedures must be submitted in response to this report.

**Finding #4. Satisfactory Academic Progress Policy Not Adequately Monitored**

**Citation Summary:** §668.34. *Satisfactory academic progress policy.* An institution must establish a reasonable satisfactory academic progress policy for determining whether an otherwise eligible student is making satisfactory academic progress in his or her educational program and may receive assistance under the title IV, HEA programs. The Secretary considers the institution's policy to be reasonable if—

(3) The policy provides that a student's academic progress is evaluated—

(8) If the institution places students on financial aid warning, or on financial aid probation, as defined in paragraph (b) of this section, the policy describes these statuses and that—

(i) A student on financial aid warning may continue to receive assistance under the title IV, HEA programs for one payment period despite a determination that the student is not making satisfactory academic progress. Financial aid warning status may be assigned without an appeal or other action by the student; and

(ii) A student on financial aid probation may receive title IV, HEA program funds for one payment period. While a student is on financial aid probation, the institution may require the student to fulfill specific terms and conditions such as taking a reduced course load or enrolling in specific courses. At the end of one payment period on financial aid probation, the student must meet the institution's satisfactory academic progress standards or meet the requirements of the academic plan developed by the institution and the student to qualify for further title IV, HEA program funds;

**Noncompliance Summary:** The institution's qualitative and quantitative components of their SAP policy were not adequately enforced.

Student #10 should have been placed on probation after failing to meet the institution's SAP policies, due to a low cumulative GPA. No notice of probation was indicated, nor was there any evidence of probationary language in the file. Moreover, the institution failed to adequately enforce the quantitative components of their SAP policy as outlined in their catalog (Pg. 54). Although the student was supposed to be on probation, the student did eventually regain both the qualitative and quantitative components of the institution's SAP.

Section 34 C.F.R. § 668.16(e) of the Student Assistance General Provisions regulations specify that for purposes of determining student eligibility for assistance under a Title IV, HEA program, an institution must establish, publish, and apply reasonable standards for measuring whether an otherwise eligible student is maintaining satisfactory academic progress in his or her educational program. The Secretary considers an institution's standards to be reasonable if the standards are in accordance with the provisions specified in 34 C.F.R. § 668.34.

To be eligible for FSA funds, a student must make satisfactory academic progress, and your school must have a reasonable policy for monitoring that progress. The policy must be at least as

strict as that for students who are not receiving FSA funds at your school, and it must apply consistently to all educational programs and to all students within categories, e.g., full-time, part-time, undergraduate, and graduate students. It must require an academic progress evaluation at the end of each payment period for students in programs lasting one year or less, and for all other programs at least annually and corresponding with the end of a payment period.

An institution's policy, even if it does not permit appeals, must explain how students who are not making satisfactory academic progress can restore their eligibility for FSA funds. Other than when a student is placed on financial aid warning or probation or has agreed to an academic plan as outlined above, he can regain eligibility only by taking action that brings him into compliance with the school's satisfactory progress standards.

**Required Action Summary:** Failure to enforce Satisfactory Academic Progress (SAP) correctly could result in students either receiving a windfall of federal funds, or a loss of federal funds to which they are entitled. In this case, no students were harmed by AIAM's failure to properly monitor SAP. The institution is directed to review the above-cited regulation to ensure strict compliance with the requirements thereof. The institution must immediately develop and implement new policies and procedures that will ensure SAP policies are upheld. The institution must enforce procedures to ensure that this finding does not recur.

A copy of the policy and procedures must be submitted in response to this report

**Finding #5. Return to Title IV Calculation (R2T4) Errors**

**Citation:** Section 34 C.F.R. § 668.22 of the Student Assistance General Provisions regulations specify when a recipient of Title IV grant or loan assistance withdraws from an institution during a payment period or period of enrollment in which the recipient began attendance, the institution must determine the amount of Title IV grant or loan assistance that the student earned as of the student's withdrawal date. An institution that is not required to take attendance may use as the student's withdrawal date a student's last date of attendance (LDA) at an academically-related activity provided that the institution documents that the activity is academically related, and documents the student's attendance at the activity.

**Noncompliance:** Due to inadequate R2T4 policies and procedures, the institution was prorating institutional charges before R2T4 calculations were performed. As a result of the proration, the institution under returned funds due to the Department for multiple students in the 2011-12 award year who required an R2T4 calculation.

**Required Action:** Due to the systematic nature of this finding, the institution must perform a file review so that the consequences of the deficiency can be qualified. The institution must perform a file review to identify all students for which R2T4 calculations were performed for the 2011-12 award year. AIAM must complete corrected R2T4 calculations which do not adjust or prorate tuition before the calculation was completed, which was the last date of documented academic activity. In addition to the spreadsheet, AIAM is to provide, for every student in this file review, a copy of the original and revised R2T4 calculation worksheets, an academic transcript, and student account ledger.

In the case of funds that have already been returned, the institution must include documentation evidencing the amounts returned, and the date of the return (e.g. COD screen prints, G5 screens, cancelled checks (front and backsides), etc.)

Instructions for the repayment of any identified liability will be provided in the Final Program Review Determination Letter.

The institution, upon receipt of request to conduct a file review, performed a comprehensive review of all R2T4 students from the 2011-12 award year. AIAM made appropriate adjustments to the student accounts, as well as to Department accounts, thereby resolving the liabilities for the financial loss that resulted from its disbursement of aid. AIAM's failure to properly calculate and perform the Return of Title IV Funds may have permitted the institution to retain funds to which it was not entitled. AIAM is liable to the Department for the *cost of funds* and interest on any improperly retained funds. Since the *cost of funds* for the students in error is minimal, no demand for payment is made at this time. Should this finding appear in future audits or program reviews, the Department may reinstate this liability amount. The institution must immediately develop and implement new policies and procedures that will ensure R2T4 policies are upheld. The institution must enforce procedures to ensure that this finding does not recur.

A copy of the policy and procedures must be submitted in response to this report

**Finding #6. Consumer Information Requirements Not Met/Annual Report Data Inadequate/Incomplete**

**Citation Summary:** § 668.6 Outlines the reporting and disclosure requirements for programs that prepare students for gainful employment in a recognized occupation. A school must disclose certain information about each of its gainful employment programs to prospective students:

- The occupations that the program prepares students to enter (by occupation name and SOC code), along with links to occupational profiles on the O\*NET website.
- The program length (the normal time to complete the program),
- The on-time graduation rate for students completing the program,
- The tuition and fees the school charges a student for completing the program within normal time; the cost of room and board, if applicable; and the typical costs for books and supplies (unless those costs are included as part of tuition and fees),
- The job placement rate for students completing the program.
- The median loan debt incurred by students who completed the program (separately by FSA loans, private educational loans, and institutional financing plans, as described later),
- Other information the Department provided to the school about the program.

Your school may include information on other costs, such as transportation and living expenses, but it must provide a Web link or access to the cost information discussed earlier.

The school must include the required information in promotional materials it makes available to prospective students and post the information on its websites.

- The information must be provided in a simple and meaningful manner on the home page of the school's program website in an open format that can be retrieved, downloaded, indexed, and searched by commonly used Web search applications. (An open format is one that is platform-independent, is machine-readable, and is made available to the public without restrictions that would impede the reuse of that information.)
- Any other webpage containing general, academic, or admissions information about the program must provide a prominent and direct link to the single webpage that contains all the required information.

A school must use an ED-developed disclosure form when that form is made available (see sidebar). Schools are responsible for meeting these disclosure requirements using their own form until the Department releases its form.

Your school must disclose the median loan debt incurred by students who completed the gainful employment program. A school must include in its disclosures its own calculation of median debt—separately showing FSA debt and other educational debt—until such time as the Department provides that loan debt information.

The placement rates for students completing a gainful employment program are to be determined under a methodology developed by the National Center for Education Statistics (NCES) when that rate is available.

In the meantime, if the school is required by its accrediting agency or state to calculate a placement rate on a program basis, it must disclose the rate under this section and identify the accrediting agency or state agency under whose requirements the rate was calculated. If the accrediting agency or state requires a school to calculate a placement rate at the institutional level or other than a program basis, the school must use the accrediting agency or state methodology to calculate a placement rate for the program and disclose that rate.

**Noncompliance Summary:** AIAM did not fully report the on-time graduation rates for students completing various programs at the institution. The median loan debt incurred by students who complete programs at the institution was also not reported. The institution's placement rates were unclear, and need to be available for disclosure to all students at any given time.

**Required Action:** The institution must develop and implement new policies and procedures that will ensure that all annual disclosure statistics and consumer information are adequately maintained and distributed to students. All institutions must designate an employee or group of employees who shall be available on a full-time basis to assist enrolled or prospective students in obtaining the information on financial assistance, the school, graduation and completion rates, and security policies and crime statistics.

A copy of these policies and procedures must be submitted in response to this report.

**Finding # 7: Crime Awareness Requirements Not Met – Inadequate/Omitted Campus Safety Policy Statements in the Annual Security Report (ASR) and Campus Crime Statistics Disclosure Discrepancies**

**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<sup>st</sup> of each year, publish and distribute to its current students and employees through appropriate publications and mailing, a comprehensive Annual Security Report (ASR) that contains, at a minimum, all of the statistical and policy elements enumerated in 34 C.F.R. § 668.46(b).

The ASR must be prepared and actively distributed as a single document. Acceptable means of distribution include U.S. Mail, campus mail, hand delivery, or by posting the ASR 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 a link to 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). These regulations also require institutions to provide a notice containing this information to all prospective students and employees. This notice must also inform interested parties about how to obtain a paper copy of the ASR. 34 C.F.R. § 668.41(e)(4)

An institution's 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 assault, 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 (as a subset of category # 1); 3) certain non-campus buildings and property; and, 4) certain adjacent and accessible public property. 34 C.F.R. § 668.46(c)(1).

In addition, 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 and emergency notifications as well as its emergency response and evacuation procedures. All required information referenced in 34 C.F.R. § 668.46(b) must be published in the 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. 34 C.F.R. § 668.46(b).

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

**Noncompliance Summary:** AIAM violated multiple provisions of the *Clery Act* by failing to publish an accurate and complete 2011 ASR and actively distributing such a report to current students and employees. The institution failed to include the following policy, procedural, and programmatic disclosures in its 2012 ASR or published statements that failed to provide sufficient detail in an area of mandatory disclosure. Disclosure violations were identified in the following areas:

- A statement of current policies concerning the enforcement authority of security personnel, including their relationship with state and local police agencies and whether or not the institution's security personnel have the authority to arrest individuals;
- 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;
- A description of programs designed to inform students and employees about the prevention of crimes; and,
- A statement advising interested parties where state law enforcement information concerning registered sex offenders may be obtained.

In addition, AIAM submitted campus crime statistics to the Department's online campus crime statistics database known as "Campus Safety and Security Data Analysis Cutting Tool (CSSDACT)" that did not match those that were published in AIAM's 2011 ASR. An institution must report the same crime data to the Department as it publishes in the ASR. The review team found that AIAM properly disclosed two incidents of burglary for calendar year 2010 in its 2011 ASR; however, these incidents were not included in the institution's submission to the CSSDACT.

Failure to publish an accurate and complete ASR deprives interested persons of important campus security information to which they are entitled. Access to this information permits campus community members and their families to make well-informed decisions about where to work and study and empowers them to play a more active role in their own safety and security.

**Required Action Summary:** As a result of this violation, AIAM must develop and implement substantive policies and procedures to ensure that all future ASRs are prepared and published in accordance with the *Clery Act* and the Department's regulations. Using its new policies as a guide, AIAM must develop new content and take all other necessary corrective action to ensure

that its 2013 ASR is accurate and materially-complete, meaning that the new ASR will contain all of the statistical, policy, procedure and programmatic disclosures required by 34 C.F.R. § 668.46(b). A copy of AIAM's new and revised policies and procedures and its draft ASR must accompany the institution's response to this program review report.

Once the draft 2013 ASR is evaluated by the review team for accuracy and completeness, AIAM will be required to actively distribute it to all current students and employees in accordance with 34 C.F.R. § 668.41(e). Once the new ASR is distributed, AIAM will be required to provide documentation to the Department evidencing the distribution along with a certification statement attesting to the fact that the materials were distributed in accordance with the *Clery Act*. This certification must also affirm that the institution understands its *Clery Act* obligations and that it has taken all necessary corrective actions to ensure that these violations do not recur.

As noted above, the exceptions identified in this finding constitute serious violations of the *Clery Act* that by their nature cannot be cured. AIAM will be given an opportunity to address the violations identified above. In doing so, the institution will finally take the first steps toward compliance with the *Clery Act* and the terms and conditions of its PPA. However, AIAM 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 an adverse administrative action and/or require additional corrective measures as a result.

Based on an evaluation of all available information including AIAM's response, the Department will determine if additional actions will be required to address this violation. The Department will advise the institution accordingly in the FPRD.

AIAM officials may wish to refer to the Department's "Handbook for Campus Safety and Security Reporting" (2011 Edition) during the preparation of its response. The Handbook is available online at: <http://www2.ed.gov/admins/lead/safety/handbook.pdf>. The regulations governing the *Clery Act* can be found at 34 C.F.R. §§ 668.14, 668.41, 668.46, and 668.49.

Finally, AIAM officials are reminded to review the accuracy and completeness of the institution's Drug and Alcohol Abuse Prevention Program (DAAPP) as required by the Drug-Free Schools and Communities Act (*DFSCA*) and Part 86 of the Department's General Administrative Regulations. FSA is now responsible for monitoring compliance with the *DFSCA*. Therefore, it is essential that AIAM makes sure that it has developed and implemented a comprehensive DAAPP and that it conducts substantive biennial reviews and completes its biennial review reports on the proper schedule. For assistance or more information on the *Clery Act* and/or the *DFSCA*, please contact your program review team or another member of the Chicago/Denver School Participation Division.

**Finding #8. Drug Abuse Prevention Program Requirements Not Met**

**Citation Summary:** In order to participate in any Title IV, HEA program (other than the LEAP and NEISP programs), the institution must certify that it has in operation a drug abuse prevention program that the institution has determined to be accessible to any officer, employee, or student at the institution. 34 C.F.R. § 668.14(c)(1).

An institution of higher education's drug prevention program must, at a minimum, include the following:

The annual distribution in writing to each employee, and to each student who is taking one or more classes for any type of academic credit except for continuing education units, regardless of the length of the student's program of study, of—

- Standards of conduct that clearly prohibit, at a minimum, the unlawful possession, use, or distribution of illicit drugs and alcohol by students and employees on its property or as part of any of its activities;
- A description of the applicable legal sanctions under local, State, or Federal law for the unlawful possession or distribution of illicit drugs and alcohol;
- A description of the health risks associated with the use of illicit drugs and the abuse of alcohol;
- A description of any drug or alcohol counseling, treatment, or rehabilitation or re-entry programs that are available to employees or students; and
- A clear statement that the institution of higher education will impose disciplinary sanctions on students and employees (consistent with local, State, and Federal law), and a description of those sanctions, up to and including expulsion or termination of employment and referral for prosecution, for violations of the standards of conduct required by paragraph (a)(1) of this section. For the purpose of this section, a disciplinary sanction may include the completion of an appropriate rehabilitation program. 34 C.F.R. § 86.100(a.)

A school must review its program once every two years to determine its effectiveness and to ensure that its sanctions are being enforced. As a part of this biennial review, the school must determine—

- the number of drug and alcohol-related violations and fatalities that occur on a school's campus or as part of any of the school's activities and that are reported to campus officials; and
- the number and type of sanctions that are imposed by the school as a result of drug and alcohol-related violations and fatalities on the school's campus or as part of any of the school's activities.

**Noncompliance Summary:** In 2011, the institution did not have Drug and Alcohol Abuse Prevention Policies, as detailed in 34 C.F.R. § 668.14(c)(1).. AIAM provided a copy of its 2012 Drug and Alcohol Abuse Prevention Policies, and a biennial review of these policies during the Program Review. Since no Drug and Alcohol Abuse Prevention Policies existed in 2011, the biennial review cannot be considered accurate in determining its effectiveness. Additionally, the biennial drug and alcohol abuse policy provided did not include:

- the number of drug and alcohol-related violations and fatalities that occur on a school's campus or as part of any of the school's activities and that are reported to campus officials; and
- the number and type of sanctions that are imposed by the school as a result of drug and alcohol-related violations and fatalities on the school's campus or as part of any of the school's activities.

**Required Action Summary:** As a result of this violation, AIAM is required to review and improve its existing internal policies, procedures, internal controls, and training programs to ensure that the Drug and Alcohol Abuse Prevention Policies requirements are met. In addition, the institution must develop and implement any new policies and procedures that are needed to ensure that AIAM's biennial review Drug and Alcohol Abuse Prevention Policies will be carried out in accordance with the *Clery Act* going forward. Finally, AIAM must submit a copy of all of its new and revised policies and Drug and Alcohol Abuse Prevention Policies procedures that were identified during the internal review with its response to this program review report.

As noted above, the Department considers the failure to adopt and implement a Drug and Alcohol Abuse Prevention Policies to be a serious violation of the *Clery Act*. There is no way to truly cure a violation of this type once it occurs. AIAM is now required to initiate corrective actions and bring its a Drug and Alcohol Abuse Prevention Program Policies into full compliance with the *Clery Act* as required by its Program Participation Agreement. However, AIAM 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 an adverse administrative action and/or require additional corrective measures.

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

As mentioned previously, AIAM officials may wish to review the Department's "Handbook for Campus Safety and Security Reporting" (2011 Edition) during the preparation of its response.

**Appendix C:**

**AIAM's Written Response**