



May 1, 2014

Mr. Gerald Yagen
President
Technical Education Services, Inc.
4455 South Boulevard, Suite 500
Virginia Beach, VA 23452-1189

Sent Via E-Mail and UPS
Tracking Number:
1ZA879640292186852

RE: Final Program Review Determination
Aviation Institute of Maintenance, Philadelphia PA
OPE ID: 03110700
PRCN: 201040327329

Dear Mr. Yagen:

The U.S. Department of Education's (Department's) School Participation Division - Philadelphia issued a program review report on July 14, 2011 covering Aviation Institute of Maintenance's (AIM's) administration of the 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 2008-2009 and 2009-2010 award years. AIM's final response was received on October 21, 2011. A copy of the program review report (and related attachments) and AIM's response are attached. Any supporting documentation submitted with the response is being retained by the Department and is available for inspection by AIM upon request. Additionally, this Final Program Review Determination (FPRD), related attachments, and any supporting documentation may be subject to release under the Freedom of Information Act (FOIA) and can be provided to other oversight entities after this FPRD is issued.

Purpose:

Final determinations have been made concerning all of the outstanding findings of the program review report. The purpose of this letter is to: (1) identify liabilities resulting from the findings of this program review report, (2) provide instructions for payment of liabilities to the Department, (3) notify the institution of its right to appeal, and (4) notify AIM of a possible adverse action.

This FPRD contains one or more findings regarding AIM's failure to comply with the requirements of the Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act (the Clery Act) in Section 485(f) of the HEA, 20 U.S.C. § 1092(f), and the Department's regulations in 34 C.F.R. §§ 668.41, 668.46 and 668.49. Since a Clery Act finding does not result in a financial liability, such a finding may not be appealed.

Federal Student Aid

AN OFFICE OF THE U.S. DEPARTMENT OF EDUCATION

School Participation Division - Philadelphia

The Wanamaker Building, 100 Penn Square East, Suite 511, Philadelphia, PA 19107

StudentAid.gov

If an adverse administrative action is initiated, additional information about AIM's appeal rights will be provided under separate cover.

The total liabilities due from the institution from this program review are \$5,589.75. This FPRD contains detailed information about the liability determination for all findings.

Appeal Procedures:

This constitutes the Department's FPRD with respect to the liabilities identified from the July 14, 2011 program review report. If AIM wishes to appeal to the Secretary for a review of monetary liabilities established by the FPRD, the institution must file a written request for an administrative hearing. Please note that an institution may appeal financial liabilities only. The Department must receive the request no later than 45 days from the date AIM receives this FPRD. An original and four copies of the information AIM submits must be attached to the request. The request for an appeal must be sent to:

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

AIM's appeal request must:

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

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

Record Retention:

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

If the institution has any questions regarding this FPRD, please contact Mr. Robert Gelfand at (215) 656-8593. Questions relating to any appeal of the FPRD should be directed to the address noted in the Appeal Procedures section of this letter.

Sincerely,

(b)(6)

Nancy Paula Gifford
Director
School Participation Division - Philadelphia

Enclosures: Protection of Personally Identifiable Information
Attachment A (July 14, 2011 Program Review Report)
Attachment B (Cost of Funds Worksheets)
AIM's Official Program Review Response

cc: Ms. Pam E. Freund, Corporate Director, Financial Aid
Accrediting Commission of Career Schools and Colleges
Pennsylvania State Board of Private Licensed Schools

Prepared for

**Aviation Institute of
Maintenance**

Federal Student Aid
AN OFFICE OF THE U.S. DEPARTMENT OF EDUCATION

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**OPE ID: 03110700
PRCN: 201040327329**

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

**Final Program Review Determination
May 1, 2014**

School Participation Division - Philadelphia
The Wanamaker Building, 100 Penn Square East, Suite 511, Philadelphia, PA 19107
StudentAid.gov

Table of Contents

	<u>Page</u>
A. Institutional Information	3
B. Scope of Review	4
C. Findings and Final Determinations	4
Resolved Findings	4
Finding # 1: Insufficient Authorization to Retain Title IV Credit Balance	4
Finding # 4: Enrollment Status Not Verified Before Disbursement	4
Finding # 6: Inaccurate/Untimely Reporting to COD	4
Resolved Finding with Comments	4
Finding # 5: Inaccurate/Untimely Reporting to NSLDS	5
Findings with Final Determinations	8
Finding # 2: Verification Incomplete	8
Finding # 3: Return of Title IV Funds Calculation Incorrect	12
Finding # 7: Campus Security Requirements Not Met	14
D. Summary of Liabilities	19
E. Payment Instructions	20
F. Appendices	22
Appendix A: Program Review Student Sample	23
Appendix B: Verification File Review Students	24

A. Institutional Information

Aviation Institute of Maintenance
3001 Grant Avenue
Philadelphia, PA 19114-1017

Type: Proprietary

Highest Level of Offering: Non-Degree, Certificate

Accrediting Agency: Accrediting Commission of Career Schools and Colleges

Student Enrollment: 265 (2009-2010 Award Year)

Percentage of Students Receiving Title IV Funds: 85% (2009-2010 Award Year)

Title IV Participation:

2008-2009 Award Year

Federal Pell Grant Program	\$ 693,869
Federal SEOG Program	\$ 43,848
<u>Federal Family Education Loan Program</u>	<u>\$3,516,110</u>
TOTAL	\$4,253,827

2009-2010 Award Year

Federal Pell Grant Program	\$1,226,450
Federal SEOG Program	\$ 44,887
Federal Family Education Loan Program	\$3,197,916
<u>William D. Ford Federal Direct Loan Program</u>	<u>\$1,131,984</u>
TOTAL	\$5,601,237

DL/FFEL Program Default Rates: 2010 - 21.8%
2009 - 28.8%
2008 - 23.7%

B. Scope of Review

The U.S. Department of Education (the Department) conducted a program review at Aviation Institute of Maintenance (AIM) from August 30, 2010 to September 2, 2010. Mr. Robert Gelfand, Ms. Shein Dossa and Ms. Deborah Marsh conducted the review.

The focus of the review was to determine AIM's compliance with the statutes and regulations as they pertain to the institution's administration of the Title IV, HEA programs. The review consisted of, but was not limited to, an examination of AIM'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 2008-2009 and 2009-2010 award years. The files were selected randomly from a statistical sample of the total population receiving Title IV, HEA program funds for each award year. Appendix A lists the names and social security numbers of the students whose files were examined during the program review. A program review report was issued on July 14, 2011. See Attachment A for a copy of the program review report.

Disclaimer:

Although the review was thorough, it cannot be assumed to be all-inclusive. The absence of statements in the report concerning AIM'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 AIM of its obligation to comply with all of the statutory or regulatory provisions governing the Title IV, HEA programs.

C. Findings and Final Determinations

Resolved Findings

AIM has taken the corrective actions necessary to resolve Findings # 1, 4 and 6 in the program review report. Therefore, these finding may be considered closed.

Resolved Finding with Comments

Finding # 5 has been resolved by the institution and may be considered closed. The finding is included solely for the purpose of discussing its resolution.

Finding # 5: Inaccurate/Untimely Reporting to NSLDS

Citation Summary:

Federal regulations at 34 C.F.R. § 685.309 for the Federal Direct Loan Program and 34 C.F.R § 682.610 for the Federal Family Educational Loan (FFEL) Program state that an institution shall, upon receipt of a Student Status Confirmation Report (SSCR) from the Secretary or a similar report from any guaranty agency, complete and return that report within 30 days of receipt. Further, unless the institution expects to submit its next SSCR to the Secretary or the guaranty agency within the next 60 days, the institution must notify the Secretary, guaranty agency or the lender within 30 days if:

- 1) The institution discovers that a federal loan has been made to or on behalf of a student who enrolled at that school, but who has ceased to be enrolled on at least a half-time basis;
- 2) The institution discovers that a federal loan has been made to or on behalf of a student who has been accepted for enrollment at that school, but who failed to enroll on at least a half-time basis for the period for which the loan was intended;
- 3) The institution discovers that a federal loan has been made to or on behalf of a full-time student who has ceased to be enrolled on a full-time basis; and
- 4) The institution discovers that a student who is enrolled has changed his or her permanent address.

In addition, an institution must maintain a paper trail of the reconciliation of information reported on the SSCR for the auditor's review.

Noncompliance Summary:

AIM did not accurately report or update enrollment information to the National Student Loan Data System (NSLDS) in a timely manner for 20 students sampled during the 2008-2009 and 2009-2010 award years.

The following chart contains the enrollment reporting status information for the 20 students cited in the finding.

Student Number	Effective Date of Student Enrollment Status	Status	Date of Determination	Date Certified in NSLDS by Institution
1	11/26/2008	Withdrawn	1/16/2009	3/9/2009
2	9/10/2008	Withdrawn	10/31/2008	1/7/2009
3	2/18/2010	Withdrawn	3/12/2010	8/17/2010
5	6/2/2009	Withdrawn	6/2/2009	11/9/2009

Student Number	Effective Date of Student Enrollment Status	Status	Date of Determination	Date Certified in NSLDS by Institution
6	12/3/2009	Withdrawn	1/6/2010	6/21/2010
7	3/29/2009	Graduated	N/A	10/7/2009
8	8/22/2010	Graduated	N/A	1/14/2011
9	5/10/2009	Graduated	N/A	11/9/2009
10	11/26/2008	Withdrawn	11/26/2008	5/4/2009
11	11/1/2009	Graduated	N/A	3/16/2010
12	9/20/2010	Graduated	N/A	1/14/2011
14	12/3/2009	Withdrawn	2/5/2010	6/21/2010
15	6/14/2009	Graduated	N/A	12/3/2009
16	7/18/2010	Graduated	N/A	1/14/2011
18	3/11/2010	Withdrawn	3/11/2010	9/23/2010
19	8/23/2009	Graduated	N/A	2/18/2010
21	3/28/2010	Graduated	N/A	8/17/2010
26	1/14/2010	Withdrawn	1/14/2010	7/2/2010
28	9/27/2009	Graduated	N/A	3/16/2010
29	12/3/2009	Withdrawn	12/3/2009	6/21/2010

An institution's failure to report timely and accurate enrollment information may delay or prevent the student's eligibility for in-school status, deferment, grace periods, repayments, and the payment of interest subsidies.

Enrollment status reporting is critical for effective administration of federal loans and the accuracy of student loan records depend heavily on the information reported by an institution. An institution is ultimately responsible for timely and accurate reporting, even when it uses a third party servicer to submit Enrollment Reporting files.

Required Action Summary:

The Department instructed AIM to update the enrollment status in NSLDS for the students cited in this finding, as appropriate, and send the acknowledgement confirmation with the institution's response to the program review report.

The Department also instructed AIM to conduct a file review for all students who attended the institution and received Title IV loan funds during the 2008-2009 and 2009-2010 award years, make corrections to NSLDS if necessary, and then submit the results of the file review in both hardcopy and electronic format to the Department.

Finally, the Department instructed AIM to review its policies and procedures to ensure that student status changes are reported to NSLDS timely, as well as submit any revisions to its policies and procedures with the response.

AIM's Response:

In AIM's October 20, 2011 response to the program review report, the institution concurred that enrollment status information was reported untimely/inaccurately for the students cited in this finding and provided documentation to confirm that NSLDS was updated appropriately.

Of the 628 students listed in the file review, AIM reported that the enrollment status in NSLDS had to be corrected for 15 students. Confirmation of the corrections was sent with the response.

AIM also provided its revised policies and procedures regarding SSCR reporting to the Department. AIM stated that monthly enrollment reporting was implemented for all Title IV loan students and the institution will review files and run automated processes to ensure that there are no issues that may cause errors in SSCR reporting and that any errors are resolved.

Final Determination:

The Department has determined that AIM did not accurately report or update enrollment status information to NSLDS timely for 20 students. In response to the program review report, AIM provided documentation to confirm that NSLDS was updated appropriately for the students.

The Department also required AIM to conduct a file review for all Title IV loan recipients in the 2008-2009 and 2009-2010 award years. Of the 628 students listed in the file review, AIM reported that the enrollment status in NSLDS had to be corrected for 15 students. Confirmation of the corrections was sent with the October 20, 2011 response to

the program review report. Finally, AIM provided the Department with its revised policies and procedures regarding SSCR reporting.

Findings with Final Determinations

The program review report findings requiring further action are summarized below. At the conclusion of each finding is a summary of AIM's response to the finding, and the Department's final determination for that finding.

Finding # 2: Verification Incomplete

Citation Summary:

Federal regulations at 34 C.F.R. § 668, Subpart E require an institution that participates in the Title IV programs to accurately and completely verify certain data elements for those applications that have been "selected" by the Central Processing System (CPS). Data elements are verified by securing additional documentation or, in some cases, a signed statement attesting to the accuracy of the information provided. For this reason, participating institutions must require applicants selected for verification to provide acceptable documentation that will verify or update the information used to calculate the applicant's Estimated Family Contribution (EFC).

If a copy of the income tax return of the applicant, his or her spouse, and his or her parents is required to complete verification, the copy of the return must be signed by the filer of the return, by one of the filers of a joint return, by the preparer of the return or stamped with the name and address of the preparer of the return. 34 C.F.R. § 668.57 (a)(7).

Finally, if an institution discovers as a result of the verification process that an applicant received more financial aid than the applicant was eligible to receive, the institution shall eliminate the overpayment by adjusting subsequent financial aid payments in the award year in which the overpayment occurred; or reimbursing the appropriate program account. 34 C.F.R. § 668.61.

Noncompliance Summary:

AIM did not properly complete the verification process for Students # 1, 8, 10, 14 and 23.

- Student # 1: the 2007 Federal income tax return was not signed by the student or the paid preparer.
- Student # 8: the 2007 Account Transcript from the Internal Revenue Service (IRS) was not signed. Further, a code (# 156) on the 2008-2009 Institutional Student Information Record (ISIR) was not resolved. Code # 156 addresses the

filing of the 2007 Federal tax return. The number of exemptions claimed on the ISIR (two) does not match the Account Transcript (three).

- Student # 10: the parent 2007 Federal income tax return was not signed.
- Student # 14: the 2007 Tax Return Transcript from the IRS was not signed. In addition, Worksheet B (Veteran's Non-Educational Benefits) and Worksheet C (Child Support Paid) income was not verified. Worksheet B income is \$512 on the worksheet and \$6,144 on the ISIR. Worksheet C income is \$1,387 on the worksheet and the same amount on the ISIR.
- Student # 23: the parent Adjusted Gross Income (AGI) (\$30,997) and the U.S. Tax Paid (\$2,415) on the ISIR does not match the AGI (\$56,009) and the U.S. Income Tax Paid (\$4,391) on the Tax Return Transcript from the IRS.

An institution's failure to complete verification could result in the improper use of Title IV funds and may deprive eligible students of assistance.

Required Action Summary:

In December 2010, in the final audit determination letter for several Employment Services, Inc. schools, the Department advised Employment Services, Inc. that 34 C.F.R. § 668.57(a)(7) stated that the preparer's name must be signed or stamped on the income tax return in order for documentation to be considered acceptable for verification purposes.

The Department also informed Employment Services, Inc. that its original interpretation of the regulation was reasonable - use of the preparer's stamp only which includes a business name and an EIN (Employer Identification Number), PTIN (Preparer Tax Identification Number), or SSN (Social Security Number) was sufficient to serve as a valid signature. Based on the Department's prior determination of this matter, no further action was required for Student # 1.

AIM was instructed to properly complete verification for Student's # 8, 10, 14 and 23. All documentation the institution procured to resolve the verification issues for the students was required to be sent with AIM's response to the program review report.

In addition, the institution was instructed to complete a file review for all students who were selected for verification during the 2008-2009 award year. The results of the file review were also required to be sent with the response to the program review report.

If AIM discovered as a result of the file review that verification was not completed properly for any of the students, the institution was advised to try to complete the verification process.

Finally, AIM was instructed to review its policies and procedures to ensure that verification is completed properly for all students. Any changes made to AIM's verification policies and procedures were also required to be sent with institution's response to the Department.

AIM's Response:

In AIM's September 6, 2011 response to the program review report, the institution satisfactorily addressed the verification issues for Students # 8 and 23. However, the verification problems for Students # 10 (unsigned parent 2007 Federal income tax return) and 14 (unsigned 2007 Federal tax return transcript provided by the student) could not be resolved.

As a result, \$3,154 in 2008-2009 Federal Pell Grant Program funds must be returned for Student # 10. Student # 14 did not receive any 2008-2009 Federal Pell Grant Program funds. Since the Department estimates that there is no loss to the government as a result of the subsidized FFEL Program disbursements to both students, repayment of the funds is not required.

For the file review, AIM identified 169 students selected for verification for the 2008-2009 award year. Of the 169, the institution reported that 17 students had missing signatures on prepared tax returns, but the tax returns did have the preparers stamp with an EIN (which was the case with Student # 1). An additional 14 students were identified with verification errors that could be resolved. Of the 14, four students (# 31, 32, 33 and 34) were identified as having received an overage of 2008-2009 Federal Pell Grant Program funds. No students were identified by AIM as having verification errors that could not be resolved.

For Student # 31, the EFC increased from \$2,670 to \$2,915. As a result, an overage of \$307 was disbursed.

For Student # 32, the EFC increased from \$1,715 to \$2,560. As a result, an overage of \$668 was disbursed.

For Student # 33, the EFC increased from \$433 to \$644. As a result, an overage of \$67 was disbursed.

For Student # 34, the EFC increased from \$369 to \$1,181. As a result, an overage of \$800 was disbursed.

AIM provided its verification policies and procedures to the Department with its response to the program review report.

Final Determination:

The Department initially determined that AIM did not properly complete the verification process for Students # 1, 8, 10, 14 and 23.

In December 2010, in the final audit determination letter for several Employment Services, Inc. schools, the Department advised Employment Services, Inc. that 34 C.F.R. § 668.57(a)(7) stated that the preparer's name must be signed or stamped on the income tax return in order for documentation to be considered acceptable for verification purposes.

The Department also informed Employment Services, Inc. that its original interpretation of the regulation was reasonable - use of the preparer's stamp only which includes a business name and an EIN, PTIN, or SSN was sufficient to serve as a valid signature. Based on the Department's prior determination of this matter, no further action was required for Student # 1.

Please be advised that starting with the 2012-2013 award year, if students cannot or will not use the IRS Data Retrieval Tool, either at the initial FAFSA on the Web (FOTW) filing or through the FOTW correction process, they must document adjusted gross income, taxes paid, and untaxed income by providing an Internal Revenue Service tax return transcript for the student and spouse or parents, as applicable. While encouraged, tax transcripts submitted for verification do not need to be signed by the tax filer. *2012-2013 Federal Student Aid Handbook, Application and Verification Guide, Chapter 4, Pages 78 and 79.*

AIM was instructed to properly complete verification for Student's # 8, 10, 14 and 23. All documentation the institution procured to resolve the verification issues for these students was required to be sent with AIM's response to the program review report.

AIM was also instructed to complete a file review for all students who were selected for verification in the 2008-2009 award year. If AIM discovered as a result of the file review that verification was not completed properly for any of the students, the institution was advised to try to resolve the issues.

Finally, AIM was advised to review its policies and procedures to ensure that verification was completed sufficiently for all students. Any changes made to AIM's verification policies and procedures were also required to be sent to the Department.

In AIM's September 6, 2011 response, the institution satisfactorily addressed the verification issues for Students # 8 and 23. However, the verification problems for Students # 10 (unsigned parent 2007 Federal income tax return) and 14 (unsigned 2007 Federal tax return transcript provided by the student) could not be resolved.

As a result, \$3,154 in 2008-2009 Federal Pell Grant Program funds must be returned for Student # 10. Student # 14 did not receive any 2008-2009 Federal Pell Grant Program funds. Since the Department estimates that there is no loss to the government as a result of the subsidized FFEL Program disbursements to both students, repayment of the funds is not required.

For the file review, AIM identified 169 students selected for verification for the 2008-2009 award year. Of the 169 students, the institution reported that 17 students had missing signatures on prepared tax returns, but the tax returns did have the preparers stamp with an EIN (which was the case with Student # 1). An additional 14 students were identified with verification errors that could be resolved. Of the 14, four students (# 31, 32, 33 and 34) were identified as having received an overage of 2008-2009 Federal Pell Grant Program funds. No students were identified by AIM as having verification errors that could not be resolved.

Finally, AIM provided its verification policies and procedures to the Department with its response to the program review report.

Please see Section D, Summary of Liabilities, and Section E, Payment Instructions, regarding the liability due for this finding. Attachment B contains information about how the interest amount for each student was determined.

Finding # 3: Return of Title IV Funds Calculation Incorrect

Citation Summary:

Federal regulations at 34 C.F.R. § 668.22(j) state that if a student withdraws from an institution during a payment period or period of enrollment, the institution must determine the amount of Title IV grant or loan funds that the students earned as of the withdrawal date. The proper amount of the return allocated to the Title IV programs must be sent to the appropriate program account(s) within 45 days of the date that the student officially withdraws, or the institution determines that a student has unofficially withdrawn.

Further, to begin and to continue to participate in any Title IV program, an institution must demonstrate to the Secretary that the institution is financially responsible under the requirements established in this section. Among those requirements, the Secretary considers an institution to be financially responsible if the institution is making the returns that it is required to pay. 34 C.F.R. § 668.15.

Noncompliance Summary:

AIM did not complete an accurate Return of Title IV funds calculation for two withdrawn students.

For Student # 3, the institution used 50 percent under the "*Amount of Title IV Aid Earned by Student*" on the Title IV Return of Funds form instead of the 44.9 percent complete noted on the same form. As a result, AIM determined that \$1,559.25 should be returned to the FFEL Program lender for the unsubsidized loan instead of \$1,718.30, a shortage of \$159.05.

For Student # 29, the amount of the subsidized loan that should have been returned was \$435.03, but AIM returned \$520.18 (which was \$85.15 more than required).

An institution's failure to accurately and timely return funds to the Title IV programs when a student withdraws may result in additional expense for the Department and the student.

Required Action Summary:

AIM was informed to review its policies and procedures to ensure that they are sufficient to prevent incorrect Return of Title IV Funds calculations. The institution was advised to send a copy of its policies and procedures with its response to the program review report, if any changes were made as a result of this finding.

AIM's Response:

In AIM's September 6, 2011 response to the program review report, the institution provided the Department with a copy of its revised (effective July 11, 2011) policies and procedures regarding the return of Title IV funds.

Final Determination:

The Department has determined that AIM did not complete an accurate Return of Title IV Funds calculation for Students # 3 and 29. The inaccurate calculations resulted in a shortage of \$159.05 that was not returned to the FFEL Program lender for Student # 3 and an overage of \$85.15 returned to the FFEL Program lender for Student # 29.

In AIM's September 6, 2011 response to the program review report, the institution provided the Department with a copy of its revised (effective July 11, 2011) policies and procedures concerning the return of Title IV funds.

Please see Section D, Summary of Liabilities, and Section E, Payment Instructions, regarding the liability due for this finding. Attachment B contains information about how the interest amount was determined.

Finding # 7: Campus Security Requirements Not Met

Citation Summary:

The Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act (Clery Act) and the Department's regulations require that all institutions that receive Title IV, HEA funds must, by October 1 of each year, publish and distribute to its current students and employees 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. All such notices must be conspicuous and 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).

The ASR also must include several mandated policy statements. These disclosures are intended to inform the campus community about the institution's campus crime and security policies, procedures, programs and resources as well as channels for victims of crime to seek recourse. In general, these policies cover topics such as the law enforcement authority and practices of campus police and security forces, incident reporting procedures for students and employees, and the policies that govern the preparation of the ASR itself. Institutions are also required to explain their standards of conduct regarding illicit drug use and alcohol abuse. In addition, an institution must describe the types and frequency of its crime prevention programs. Policies pertaining to sexual assault education, prevention, and adjudication must also be disclosed.

Institutions also must provide detailed policies of the issuance of timely warnings, emergency notifications, and evacuation procedures. As noted above, the ASR must be published as a single comprehensive document. With the exception of the drug and alcohol abuse prevention program information required by 34 C.F.R. § 86.100, cross referencing to other publications is not sufficient to meet the publication and distribution requirements. § 485(f) of the HEA; 34 C.F.R. § 668.46(b).

Non-compliance Summary:

AIM did not comply with the reporting requirements of the Clery Act. The institution failed to prepare, publish, and distribute an accurate and complete ASR to all current students and employees. Specifically, AIM's ASR did not contain all of the required statistical and policy disclosures. During its analysis, the Department identified the following six errors and omissions in the institution's ASR (due by October 1, 2009):

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

- AIM failed to prepare and distribute a comprehensive ASR to all current students and employees. During the site visit, the Department was advised that the ASR was posted and made available for view via the "Student Portal." The mere posting of the ASR to a website or internal portal does not meet the "active distribution" requirement in the Clery Act and the Department's regulations.
- The 2006 and 2007 columns for the number of incidents under "Criminal Offenses-Non-campus" were left blank (if no crimes occurred the number zero must be listed).
- The 2006 and 2007 columns for the number of incidents under "Hate Crimes-Non-campus" were left blank.
- The 2006 and 2007 columns for the number of arrests under "Non-Campus buildings or properties" were left blank.
- A reporting discrepancy was noted in AIM's crime statistics for on-campus motor vehicle thefts (for 2008). The institution's ASR noted three such offenses; however, only two such offenses were reported to the Department via the "Campus Safety and Security Data Analysis Cutting Tool." Institutional officials confirmed that a data entry error was to blame for the inaccuracy in the ASR.

- AIM's ASR did not include an advisory statement regarding where members of the campus community could obtain law enforcement information about registered sex offenders.

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

Required Action Summary:

As a result of this finding, AIM was required to ensure that its ASR due no later than October 1, 2011 included all of the statistical disclosures and policy, procedure, and programmatic information required under 34 C.F.R. § 668.46 (b). A copy of the ASR was to accompany the institution's response to the program review report. Once the ASR was evaluated by the Department for accuracy and completeness, AIM was required to take all necessary steps to ensure that it was actively distributed to all current students and employees in accordance with 34 C.F.R. § 668.41 (e) and that full compliance with the requirement was documented. AIM was also required to develop and implement procedures for preparing and distributing the ASR in accordance with Federal regulations and a copy of the procedures was to accompany the response to the program review report.

AIM's Response:

In its September 6, 2011 response to the program review report, AIM concurred with the finding and provided a copy of its 2011 ASR and new and revised policies and procedures regarding how the ASR is to be prepared and how it is to be distributed to students and employees.

AIM reported that the institution *"dramatically revised our campus security reporting and consumer information resulting in a comprehensive and easy to read resource."* In addition, AIM stated that this information is posted on its website and that each October an e-mail is sent to *"all students and staff advising them of the ASR reporting requirements, availability and the way to obtain a written report."*

Finally, AIM's 2011 ASR included information regarding where members of the campus community could obtain law enforcement information about registered sex offenders. A link to the U.S. Department of Justice National Sex Offender Public Website was provided. Also, the number of on-campus motor vehicle thefts for 2008 on the ASR was corrected (from three to two incidents).

Final Determination:

Finding # 7 of the program review report cited AIM for multiple violations of the Clery Act related to the institution's failure to publish a 2009 ASR that contained all of the statistical and policy disclosures required by 34 C.F.R. § 668.46(b) and its failure to actively distribute the report to enrolled students and current employees in accordance with 34 C.F.R. § 668.41(e)(1).

Specifically, AIM's 2009 ASR did not include information about how to obtain state sex offender registry data. In addition, the Department determined that AIM did not properly distribute its 2009 ASR to all current students and employees. During the site visit, the Department was advised that the ASR was posted and made available for view via the "Student Portal" but that the report was not actively distributed and that students and employees were not directly informed of how they could find the report on-line.

Furthermore, AIM failed to properly compile and disclose crime statistics in its 2009 ASR. The following errors and omissions were identified in AIM's 2009 ASR:

- The crime statistic grids for the 2006 and 2007 were left blank (the Department consistently informs institutions that if no reportable crimes occurred in a particular category for a particular year the number zero must be entered in the appropriate grid).
- There was an error in the number of reported on-campus motor vehicle thefts in 2008. AIM, reported two offenses in this category to the Department but the ASR had three.

As a result of these violations, AIM was required to take all necessary corrective action to ensure that the 2011 ASR¹ was materially-complete and to document that the report was distributed in the required manner. In its response to the program review report, AIM concurred with the finding and provided a copy of its 2011 ASR, the institution's new and revised policies and procedures, and other supporting documentation. The Department carefully reviewed the institution's response including the narrative and supporting documentation. Based on that review, the Department accepts AIM's representation that two on-campus motor vehicle thefts were reported in calendar year 2008. Therefore, the statistics for Part I Offenses disclosed in the 2009 ASR were correct. This also means that the motor vehicle theft statistics reported to the Secretary were incorrect.

The Department's finding that AIM failed to include the required hate crimes statistics categories in the 2009 ASR is sustained. Moreover, AIM repeatedly failed to properly

¹ Because the program review report was issued on July 14, 2011, the corrective actions required by the Department focused on the 2011 ASR, which AIM was required to distribute within two weeks of the due date for the institution's official response. For this reason, the Department did not review the 2010 ASR in detail.

disclose hate crime statistics categories in the 2011 and 2010 ASR. AIM is reminded that the *Clery Act* requires the publication of hate crime statistics in the above categories regardless of whether or not any incidents were reported in a particular calendar year. If no incidents were reported in a specific category then the institution should indicate zero (0) offenses for that year or enter a clear statement that no hate crimes were reported in that year. The same reporting exception was identified during a review of AIM's 2012 ASR. The institution attributed this ongoing violation to a systems issue.

In an e-mail to the Department dated March 8, 2013, AIM stated:

"We are in the middle of a transition from one delivery platform to another, and have encountered some technical difficulties. In fact, your request alerted us to some of it. We are working on the issue and anticipate this to be resolved early next week. In the meantime, I am attaching to this email response our 2011 and 2012 Campus Crime Statistics Reports for AMP."

Subsequent to this message, AIM provided the Department with an electronic link to its modified ASR that purportedly included its corrected campus crime statistics; however, the Department determined that this information did not satisfactorily address the identified violation for several reasons. Firstly, AIM did not publish its crime statistics as part of the ASR, as required by 34 C.F.R. § 668.41(e). Instead, AIM merely included a link to the crime statistics that AIM submitted to the Department's "Campus Safety and Security Data Analysis Cutting Tool (CSSDACT)."

The Department takes note of the institution's partial remedial actions; however, AIM must immediately re-examine the contents of its 2013 ASR. If any deficiencies are identified, AIM must correct these errors, republish the report, and redistribute it to enrolled students and current employees. In addition, AIM is required to submit a copy of the original 2013 ASR with proof of compliance with the active distribution and notification requirements to Mr. Robert Gelfand. If AIM determines that a modified report is required, a copy of that report and proof of distribution must be submitted as well. All documentation must be submitted via e-mail to robert.gelfand@ed.gov within 20 days of the institution's receipt of this FPRD letter.

Notwithstanding the weaknesses identified above, this finding is now considered to be closed for purposes of the program review report. The closure of this finding is based on the Department's analysis of AIM's response and its representations that additional remedial actions will be initiated, as needed.

Although the program review finding is now closed, AIM is reminded that the exceptions identified above constitute serious violations of the *Clery Act* that by their nature cannot be cured. There is no way to truly "correct" a violation of this type once it occurs. The requirement to develop meaningful campus safety policies, procedures, and programs and to disclose information about them in the ASR is fundamental to the goals of the *Clery*

Act. Access to this information permits campus community members and their families to make well-informed decisions about where to work and study and empowers individuals to play a more active role in their own safety and security. AIM was required to initiate remedial measures and as a result of its efforts, has begun to address the conditions that led to these violations. AIM has stated that it has brought its overall campus security program into compliance with the Clery Act as required by its Program Participation Agreement. Nevertheless, AIM is advised that such actions cannot and do not diminish the seriousness of these violations nor do they eliminate the possibility that the Department will impose an adverse administrative action and/or require additional corrective actions as a result.

Because of the serious consequences that can result from a compliance failure, the Department strongly recommends that AIM re-examine its campus security, drug and alcohol, and general Title IV policies and procedures on an annual basis to ensure that they continue to reflect current institutional practices and are compliant with Federal regulations. During these reviews, AIM officials are encouraged to consult the Department's "Handbook for Campus Safety and Security Reporting" (2011) as a reference guide for Clery Act compliance. The Handbook is available online at: www2.ed.gov/admins/lead/safety/handbook.pdf. The Department also provides a number of other Clery Act training resources. AIM can access these materials at: www2.ed.gov/admins/lead/safety/campus.html. The regulations governing the Clery Act can be found at 34 C.F.R. §§ 668.14, 668.41, 668.46, and 668.49.

D. Summary of Liabilities

The total amount calculated as liabilities from the findings in the program review determination are as follows:

Established Liabilities			
Liabilities	Pell (Closed Award Year)	FFEL	
Finding # 2	\$4,996.00	\$7,500.00	
Finding # 3	\$4,996.00	\$ 159.05	
Subtotal 1	\$4,996.00	\$ 159.05	
Interest/SA	\$ 423.87	\$ 10.83	
Subtotal 2	\$5,419.87	\$ 169.88	
TOTAL	\$5,419.87	\$ 169.88	
Payable To:			Totals
Department			\$5,419.87
FFEL Lender			\$ 169.88

Please see Attachment B (Cost of Funds Worksheets) for specific information regarding how the liability and interest was determined for each finding.

E. Payment Instructions

1. Liabilities Owed to the Department

AIM owes the Department \$5,419.87. Payment must be made by forwarding a check made payable to the "U.S. Department of Education" to the following address within 45 days of the date of this letter:

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

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

Payment must be made via check and sent to the above Post Office Box. Payment and/or adjustments made via G5 will not be accepted as payment of this liability. Instead, the institution must first make any required adjustments in COD as required by the applicable finding, remit payment, and upon receipt of payment the Department will apply the funds to the appropriate G5 award (if necessary).

The following identification data must be provided with the payment:

Amount:	\$5,419.87
DUNS:	011299836
TIN:	232900403
PRCN:	201040327329

The 2008-2009 Federal Pell Grant Program disbursement records for Students # 10, 31, 32, 33 and 34 must be adjusted downward in COD. Please see Attachment B, Pell - Cost of Funds Worksheet (Disbursement Column) for the specific downward adjustments needed for each student. The adjustments in COD must be completed prior to remitting payment to the Department.

A copy of the adjustment to each student's COD record must be sent to Mr. Gelfand within 45 days of the date of this letter, along with a copy of the check for \$5,419.87.

Terms of Payment

As a result of this final determination, the Department has created a receivable for this liability and payment must be received by the Department within **45 days of the date of this letter**. If payment is not received within the 45-day period, interest will accrue in

monthly increments from the date of this determination, on the amounts owed to the Department, at the current value of funds rate in effect as established by the Treasury Department, until the date of receipt of the payment. AIM is also responsible for repaying any interest that accrues. If you have any questions regarding interest accruals or payment credits, contact the Department's Accounts Receivable Group at (202) 245-8080 and ask to speak to AIM's account representative.

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

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

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

2. Liabilities Owed to FFEL Lender

Principal	Interest	Award Year
\$159.05	\$10.83	2009-2010

AIM must pay the amount above to the holder of the unsubsidized FFEL on behalf of Student # 3 in addition to the interest that has accrued since the date of this letter and the institution pays the holder. AIM must also access NSLDS to determine if the unsubsidized loan has been purchased and/or is serviced by the Department. See Chapter 4, Volume 4 (Returning funds from FFEL loans purchased/serviced by the Department) of the FSA Handbook for additional guidance.

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 (c.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.

Attachment A



July 14, 2011

Mr. Gerald Yagen
President
Employment Services, Inc.
4455 South Boulevard, Suite 500
Virginia Beach, VA 23452-1189

**Sent Via E-Mail and
Certified Mail
Return Receipt Requested
7005 1160 0001 1518 5380**

RE: Program Review Report (Aviation Institute of Maintenance, Philadelphia, PA)
OPE ID: 03110700
PRCN: 201040327329

Dear Mr. Yagen:

From August 30, 2010 through September 2, 2010, Mr. Robert Gelfand, Ms. Shein Dossa and Ms. Deborah Marsh conducted a review of the Aviation Institute of Maintenance's administration of the programs authorized pursuant to Title IV of the Higher Education Act of 1965, as amended, 20 U.S.C. §§ 1070 et seq. (Title IV, HEA programs). The findings of that review are presented in the enclosed report.

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

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

- (1) provide to the institution an adequate opportunity to review and respond to any preliminary program review report¹ and relevant materials related to the report before any final program review report is issued;

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

Federal Student Aid, School Participation Team, NE-Philadelphia
The Wanamaker Building
100 Penn Square East, Suite 511
Philadelphia, PA 19107-3223
www.FederalStudentAid.ed.gov

- (2) review and take into consideration an institution's response in any final program review report or audit determination, and include in the report or determination –
- a. A written statement addressing the institution's response;
 - b. A written statement of the basis for such report or determination; and
 - c. A copy of the institution's response.

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

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

Protection of Personally Identifiable Information (PII):

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

Record Retention:

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

Aviation Institute of Maintenance
OPE ID Number: 03110700
PRCN Number: 201040327329
Page 3 of 3

We would like to express our appreciation for the courtesy and cooperation extended during the review. Please refer to the above Program Review Control Number (PRCN) in all correspondence relating to this report. If you have any questions concerning this report, please contact Mr. Gelfand at (215) 656-8593 or robert.gelfand@ed.gov.

Sincerely,

(b)(6)

John S. Loreng
Team Leader

cc: Ms. Pam E. Freund, Financial Aid Administrator
Mr. Danny Mines, Financial Aid Administrator

Enclosure: Protection of Personally Identifiable Information
Program Review Report

Protection of Personally Identifiable Information

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

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

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- 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

**Aviation Institute of
Maintenance**



START HERE
GO FURTHER
FEDERAL STUDENT AID

OPE ID: 03110700

PRCN: 201040327329

Prepared by

U.S. Department of Education

Federal Student Aid

School Participation Team, NE-Philadelphia

Program Review Report

July 14, 2011

School Participation Team, NE-Philadelphia
The Wanamaker Building
100 Ponn Square East, Suite 511
Philadelphia, PA 19107-3323
www.FederalStudentAid.ed.gov

Table of Contents

	Page
A. Institutional Information	2
B. Scope of Review	3
C. Findings	3
Finding # 1: Insufficient Authorization to Retain Title IV Credit Balances	4
Finding # 2: Verification Incomplete	6
Finding # 3: Return of Title IV Funds Calculation Incorrect	9
Finding # 4: Enrollment Status Not Verified Before Disbursement	10
Finding # 5: Inaccurate/Untimely Reporting to NSLDS	11
Finding # 6: Inaccurate/Untimely Reporting to COD	13
Finding # 7: Campus Security Requirements Not Met	17
D. Appendices	18
Appendix A: Student Sample	20

B. Scope of Review

The U.S. Department of Education (the Department) conducted a program review at the Aviation Institute of Maintenance (AIM) from August 30, 2010 to September 2, 2010. The review was conducted by Mr. Robert Gelfand, Ms. Shein Dossa and Ms. Deborah Marsh.

The focus of the review was to determine AIM'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 AIM'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 2008-2009 and 2009-2010 award years. The files were selected randomly from a statistical sample of the total population receiving Title IV, HEA program funds for each award year. Appendix A lists the names and social security numbers of the students whose files were examined during the program review.

Disclaimer:

Although the review was thorough, it cannot be assumed to be all-inclusive. The absence of statements in the report concerning AIM'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 AIM 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 AIM to bring operations of the financial aid programs into compliance with the statutes and regulations.

Finding # 1: Insufficient Authorization to Retain Title IV Credit Balances

When an institution disburses Title IV program funds by crediting a student's account and the total amount of all Title IV funds credited exceeds the amount of tuition and fees assessed the student, the institution must pay the resulting credit balance no later than 14 days after the balance has occurred. *34 C.F.R. § 668.164 (e)*.

The only exception is if a student has authorized the institution to retain a credit balance in order to assist the student in managing those funds for the remainder of the academic year. The authorization must be optional and the student or parent must have the option to cancel or modify the authorization at any time. Title IV credit balance funds retained on the basis of an authorization must be paid by the end of the last payment period in the award year for which they were awarded, or, for loan funds, by the end of the loan period. *34 C.F.R. § 668.165 (b)*.

Noncompliance:

Prior to the 2009-2010 award year, AIM's method of obtaining a student's permission to hold his or her credit balance funds was via the student's signature on the "Student Enrollment Agreement." The "Student Enrollment Agreement" included language that authorized the institution to retain the student's credit balance funds.

The "Student Enrollment Agreement" is the contractual agreement between the student and the school; it obligates each to the terms outlined in the agreement. Because all students were required to sign the form as part of the enrollment process, the authorization obtained via that document was not granted by the student voluntarily.

In the absence of a sufficient authorization, AIM retained Title IV credit balances for each of the following students for a period of more than 14 days: # 4, 7, 8, 9, 16, 18, 19, 22, 25, 27 and 29.

The chart on the next page contains information regarding the Title IV credit balances that were not paid to the students in the program review sample within 14 days.

Student Number	Credit Balance Amount	Date Credit Balance was Created	Date Credit Balance Should Have Been Disbursed By	Amount Paid / Not Paid	Date Paid	Check Number	Number of Days Late (See Below - Refers to Footnote)
4	\$766.50	11/17/09	12/01/09	\$833.00	01/13/10	0/81901L.T	57
	\$67.00	12/07/09	12/21/09		01/13/10		23
	\$891.00	01/20/10	02/03/10	\$1,105.00	03/10/10	0/83485LT	35
	\$67.00	01/25/10	02/08/10				30
7	\$458.49	10/24/08	11/07/08	\$857.24	05/27/09	0/75510It	31 / See Below ¹
	\$843.36	01/20/09	02/03/09				21 / See 1 Below
	\$1,707.24	02/24/09	03/10/09				92/ See Below ²
8	\$100.00	09/08/09	09/22/09	\$1,296.00	12/08/09	0/808291.T	41 / See Below - 1
	\$1,090.50	11/03/09	11/17/09				35
	\$300.00	04/19/10	05/03/10	\$1,850.00	07/06/10	0/86948L.T	42 / See Below - 1
	\$1,850.00	06/18/10	07/02/10				4
9	\$896.69	07/01/08	07/15/08	\$66			42 / See Below - 1
	\$286.32	01/06/09	01/20/09				35 / See Below - 1
	\$570.66	02/24/09	03/10/09				8 ³ Not Paid ⁴
16	\$47.66	09/30/09	10/14/09				55 / See Below - 1
18	\$591.32	07/01/09	07/15/09				5 / See Below - 1
	\$502.48	01/11/10	01/25/10				104 / See Below - 1
19	\$1,362.50	08/26/08	09/09/08				90 / See Below ⁵
	\$955.50	01/06/09	01/20/09				35 / See Below - 1
	\$580.50	02/24/09	03/10/09				62 / See Below - 1
	\$1,741.00	05/15/09	05/29/09				89 / See Below ⁶
22	\$619.63	11/04/08	11/18/08				69 / See Below - 1
	\$214.63	01/21/09	02/04/09				54 / See Below ⁷
25	\$627.15	01/06/10	01/20/10				35 / See Below ⁸
	\$956.20	02/26/10	03/12/10				60 / See Below - 1
27	\$140.99	11/17/09	12/01/09				49 / See Below ⁹
	\$67.00	12/07/09	12/21/09				43 / See Below - 9
	\$1,493.00	01/25/10	02/08/10				49 / See Below - 1
29	\$292.33	08/25/09	09/08/09				55 / See Below - 1
	\$488.50	11/03/09	11/17/09				26 / See Below ¹⁰

¹ Title IV credit balance resolved with later institutional charges, days late refers to how many days the credit balance funds were held until later institutional charges were assessed to the account.

² A total of \$850 was reduced from the Title IV credit balance due to an exam fee on May 7, 2009.

³ The \$570 Title IV credit balance was resolved when the funds went to pay for an exam fee.

⁴ The \$66 was written off the student's account.

⁵ The Title IV credit balance was reduced by \$32 (for books and supplies) on September 19, 2008.

⁶ The \$1,741 Title IV credit balance increased to \$3,124.50 by July 31, 2009 and the funds were then sent to pay the student's alternative loan on August 26, 2009.

⁷ The \$214.63 Title IV credit balance increased to \$862.09 by February 20, 2009 and the credit balance funds were resolved with later institutional charges.

⁸ The \$627.15 Title IV credit balance increased to \$3,186.20 by February 24, 2010 and the credit balance funds were resolved with later institutional charges.

⁹ The \$140.99 Title IV credit balance increased to \$207.99 by December 7, 2009 and was resolved with later institutional charges.

¹⁰ The \$488.50 Title IV credit balance decreased to \$421.50 on December 11, 2009 and was not resolved until Title IV loan funds were returned to the lender on January 20, 2010.

In the 2009-2010 award year, AIM changed its methodology for collecting student authorizations and implemented a new "Student Title IV Credit Balance Statement" form. This form stated that the authorization was optional and it allows the student to specify how a Title IV credit balance will be handled if it occurs. Although this form was an improvement over the previous method for collecting student authorizations, it still lacked elements required in a student authorization. Specifically, the authorization did not clearly explain that the student or parent could cancel or modify the authorization at any time.

Subsequently, the form was modified to include language to inform the student or parent that the request to hold Title IV credit balance funds could be rescinded at anytime. AIM provided the program review team with a sufficient authorization form for Students # 8 and 27. However, both forms were signed after the Title IV credit balances noted in the chart were held.

The improper retention of Title IV credit balances may result in students being deprived of Title IV assistance needed for living expenses and other indirect educational costs.

Required Action:

AIM must review its Title IV credit balance policies and procedures to ensure that payments are made or funds held in accordance with Federal regulations. A copy of the institution's policies and procedures must be sent with the institution's response to the program review report.

Finding # 2: Verification Incomplete

Federal regulations at 34 C.F.R. § 668, Subpart E require an institution that participates in the Title IV programs to accurately and completely verify certain data elements for those applications that have been "selected" by the Central Processing System (CPS). Data elements are verified by securing additional documentation or, in some cases, a signed statement attesting to the accuracy of the information provided. For this reason, participating institutions must require applicants selected for verification to provide acceptable documentation that will verify or update the information used to calculate the applicant's Estimated Family Contribution (EFC).

If a copy of the income tax return of the applicant, his or her spouse, and his or her parents is required to complete verification, the copy of the return must be signed by the filer of the return, by one of the filers of a joint return, by the preparer of the return or stamped with the name and address of the preparer of the return. *34 C.F.R. § 668.57 (a)(7)*.

Finally, if an institution discovers as a result of the verification process that an applicant received more financial aid than the applicant was eligible to receive, the institution shall

eliminate the overpayment by adjusting subsequent financial aid payments in the award year in which the overpayment occurred; or reimbursing the appropriate program account. 34 C.F.R. § 668.61.

Noncompliance:

AIM did not properly complete the verification process for Students # 1, 8, 10, 14 and 23.

- Student # 1: the 2007 Federal income tax return was not signed by the student or the paid preparer.
- Student # 8: the 2007 Account Transcript from the Internal Revenue Service (IRS) was not signed. Further, a code (# 156) on the 2008-2009 Institutional Student Information Record (ISIR) was not resolved. Code # 156 addresses the filing of the 2007 Federal tax return. The number of exemptions claimed on the ISIR (two) does not match the Account Transcript (three).
- Student # 10: the parent 2007 Federal income tax return was not signed.
- Student # 14: the 2007 Tax Return Transcript from the IRS was not signed. In addition, Worksheet B (Veteran's Non-Educational Benefits) and Worksheet C (Child Support Paid) income was not verified. Worksheet B income is \$512 on the worksheet and \$6,144 on the ISIR. Worksheet C income is \$1,387 on the worksheet and the same amount on the ISIR.
- Student # 23: the parent Adjusted Gross Income (AGI) (\$30,997) and the U.S. Tax Paid (\$2,415) on the ISIR does not match the AGI (\$56,009) and the U.S. Income Tax Paid (\$4,391) on the Tax Return Transcript from the IRS.

An institution's failure to complete verification could result in the improper use of Title IV funds and may deprive eligible students of assistance.

Required Action:

In December 2010, in the final audit determination letter for several Employment Services, Inc. schools, the Department advised Employment Services, Inc. that 34 C.F.R. § 668.57 (a)(7) stated that the preparer's name must be signed or stamped on the income tax return in order for documentation to be considered acceptable for verification purposes.

The Department also informed Employment Services, Inc. that its original interpretation of the regulation was reasonable - use of the preparer's stamp only which includes a business name and an EIN (Employer Identification Number), PTIN (Preparer Tax Identification Number), or SSN (Social Security Number) was sufficient to serve as a

valid signature. Based on the Department's prior determination of this matter, no further action will be required for Student # 1.

However, AIM must properly complete verification for Student's # 8, 10, 14 and 23. All documentation the institution procures to resolve the verification issues for these students must be submitted with AIM's response to the program review report

In addition, AIM must conduct a file review for all students who were selected for verification during the 2008-2009 award year. The institution must compile the results of its file review in a spreadsheet. The spreadsheet must be provided in both hardcopy and electronic format and be sent in response to the program review report.

These are the columns that must be included on the spreadsheet:

1. Student Name (in alphabetical order);
2. Social Security Number;
3. The student's original EFC;
4. The student's revised EFC, if applicable;
5. The original Title IV funds the student received by program during the award year;
5. The Title IV funds the student is eligible to receive once it has been determined that verification has been completed correctly;
6. The difference in the amount the student received in Title IV funds by program compared to the Title IV funds the student was eligible to receive by program, if applicable;
7. Was the error in completing the verification process due to failure to acquire a student/parent/preparer signature on a tax return/transcript (Y/N); and
8. Identify the missing signature.

If AIM discovers as a result of the file review that verification was not completed properly for any of the students, the institution must attempt to complete the verification process.

For all students selected for verification for the 2008-2009 award year, AIM must also submit the following documentation in alphabetical order:

1. Student Account Summary with the 2008-2009 award year funds highlighted;
2. The original 2008-2009 ISIR that AIM processed Title IV funds from; and
3. The revised aid calculation with the new EFC highlighted, if applicable.

Finally, the institution must review its policies and procedures to ensure that verification will be completed properly for all students. Any changes made to AIM's verification policies and procedures must also be sent with the institution's response to the program review report as well.

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

Finding # 3: Return of Title IV Funds Calculation Incorrect

Citation:

Federal regulations at 34 C.F.R. § 668.22 (j) state that if a student withdraws from an institution during a payment period or period of enrollment, the institution must determine the amount of Title IV grant or loan funds that the students earned as of the withdrawal date. The proper amount of the return allocated to the Title IV programs must be sent to the appropriate program account(s) within 45 days of the date that the student officially withdraws, or the institution determines that a student has unofficially withdrawn.

Further, to begin and to continue to participate in any Title IV program, an institution must demonstrate to the Secretary that the institution is financially responsible under the requirements established in this section. Among those requirements, the Secretary considers an institution to be financially responsible if the institution is making the returns that it is required to pay. 34 C.F.R. § 668.15.

Noncompliance:

AIM did not complete an accurate Return of Title IV funds calculation for two withdrawn students.

For Student # 3, the institution used 50 percent under the "*Amount of Title IV Aid Earned by Student*" on the Title IV Return of Funds form instead of the 44.9 percent complete noted on the same form. As a result, AIM returned \$1,559.25 to the lender for the unsubsidized loan instead of \$1,718.30, a shortage of \$159.05.

For Student # 29, the amount of the subsidized loan that should have been returned was \$435.03, but AIM returned \$520.18 (which was \$85.15 more than required).

An institution's failure to accurately and timely return funds to the Title IV programs when a student withdraws may result in additional expense for the Department and the student.

Required Action:

AIM should review its policies and procedures to ensure that they are sufficient to prevent incorrect Return of Title IV Funds calculations. The institution must submit a copy of any revised policies and procedures with its response to this program review report, if any changes are made as a result of this finding.

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

Finding # 4: Enrollment Status Not Verified Before Disbursement

Citation:

If a student does not begin attendance in a payment period or period of enrollment, an institution must return all Title IV program funds as soon as possible, but no later than 30 days after the date that the institution becomes aware that the student will not or has not begun attendance. The Secretary considers that a student has not begun attendance in a payment period or period of enrollment if the institution is unable to document the student's attendance at any class during the payment period or period of enrollment. 34 C.F.R. § 668.21.

Noncompliance:

AIM disbursed Title IV funds for Student # 18 (for the 10 Week Quarter that began on May 10, 2010) without verifying the student's enrollment status. The student withdrew from the institution on March 11, 2010.

The student received \$1,337 in 2009-2010 Federal Pell Grant Program funds and \$66 in FSEOG funds on May 10, 2010. The student also received \$1,148.51 in 2009-2010 subsidized loan and \$1,970 in unsubsidized loan funds on May 11, 2010.

AIM did not return the Federal Pell Grant Program funds to the Department until June 14, 2010. The loan funds were returned to the lender on June 9, 2010. After an inquiry was made to Employment Services, Inc. by the program review team about the FSEOG funds, those funds were returned on February 28, 2011 (per G5).

An institution's failure to ensure that students are eligible prior to disbursing Federal funds may cause the institution to receive Federal funds to which it is not entitled. This causes increased expense for the Department and deprives other eligible students of the needed Federal aid.

Required Action:

AIM should review its policies and procedures to ensure that all Title IV funds are disbursed to eligible students. The institution's policies must address any instance where a student's eligibility for the funds changes, and make provisions to ensure that the funds are returned to the appropriate programs in a timely manner.

Because the aforementioned Title IV funds have been returned for Student # 18, this finding is considered closed.

Finding # 5: Inaccurate/Untimely Reporting to NSLDS

Citation:

Federal regulations at 34 C.F.R. § 685.309 for the Federal Direct Loan Program and 34 C.F.R. § 682.610 for the Federal Family Education Loan Program state that an institution shall, upon receipt of a Student Status Confirmation Report (SSCR) from the Secretary or a similar report from any guaranty agency, complete and return that report within 30 days of receipt. Further, unless the institution expects to submit its next SSCR to the Secretary or the guaranty agency within the next 60 days, the institution must notify the Secretary, guaranty agency or the lender within 30 days if:

- 1) The institution discovers that a Federal loan has been made to or on behalf of a student who enrolled at that school, but who has ceased to be enrolled on at least a half-time basis;
- 2) The institution discovers that a Federal loan has been made to or on behalf of a student who has been accepted for enrollment at that school, but who failed to enroll on at least a half-time basis for the period for which the loan was intended;
- 3) The institution discovers that a Federal loan has been made to or on behalf of a full-time student who has ceased to be enrolled on a full-time basis (*FFEL Program*); and
- 4) The institution discovers that a student who is enrolled has changed his or her permanent address.

In addition, an institution must maintain a paper trail of the reconciliation of information reported on the SSCR for the auditor's review.

Noncompliance:

AIM did not accurately report or update enrollment information to the National Student Loan Data System (NSLDS) in a timely manner for 20 students during the 2008-2009 and 2009-2010 award years.

The following chart provides details regarding the reporting status of the 20 students.

Student Number	Effective Date of Student Enrollment Status	Status	Date of Determination	Date Certified in NSLDS by Institution
1	11/26/2008	Withdrawn	1/16/2009	3/9/2009
2	9/10/2008	Withdrawn	10/31/2008	1/7/2009
3	2/18/2010	Withdrawn	3/12/2010	8/17/2010
5	6/2/2009	Withdrawn	6/2/2009	11/9/2009
6	12/3/2009	Withdrawn	1/6/2010	6/21/2010
7	3/29/2009	Graduated	N/A	10/7/2009
8	8/22/2010	Graduated	N/A	1/14/2011
9	5/10/2009	Graduated	N/A	11/9/2009
10	11/26/2008	Withdrawn	11/26/2008	5/4/2009
11	11/1/2009	Graduated	N/A	3/16/2010
12	9/20/2010	Graduated	N/A	1/14/2011
14	12/3/2009	Withdrawn	2/5/2010	6/21/2010
15	6/14/2009	Graduated	N/A	12/3/2009
16	7/18/2010	Graduated	N/A	1/14/2011
18	3/11/2010	Withdrawn	3/11/2010	9/23/2010
19	8/23/2009	Graduated	N/A	2/18/2010
21	3/28/2010	Graduated	N/A	8/17/2010
26	1/14/2010	Withdrawn	1/14/2010	7/2/2010
28	9/27/2009	Graduated	N/A	3/16/2010
29	12/3/2009	Withdrawn	12/3/2009	6/21/2010

An institution's failure to report timely and accurate enrollment information may delay or prevent the student's eligibility for in-school status, deferment, grace periods, repayments, and the payment of interest subsidies.

Required Action:

Enrollment status reporting is critical for effective administration of Federal loans and the accuracy of student loan records depends heavily on the information reported by an institution. The institution is ultimately responsible for timely and accurate reporting, even when it uses a third party servicer to submit Enrollment Reporting files.

AIM must update the student status information with the correct dates for each student in the chart. The institution must send the corrected NSLDS screen prints to the Department with its response to the program review report.

In order to ensure that the student status is correct in NSLDS for all students, AIM must conduct a file review for all students who attended the institution during the 2008-2009 and 2009-2010 award years and received Title IV loan funds. The institution must make the corrections to NSLDS (including the students identified in this finding) and compile the results of its file review in a spreadsheet, as detailed below. The spreadsheet must be provided in both hardcopy and electronic format and be submitted with AIM's response to the program review report.

1. Student Name (in alphabetical order);
2. Social Security Number;
3. Current student status as indicated the student file;
4. Current student status as shown in NSLDS;
5. Date of student status change (graduation, withdraw, etc.);
6. Date of student status change as shown in NSLDS;
7. Number of days late in reporting status change (if any); and
8. Corrections many to student status (if any).

Further, AIM must review its policies and procedures to ensure that student status changes are reported in a timely manner. The institution must submit any revisions to its policies and procedures with its response to the program review report. AIM is also advised to review its enrollment status reporting for the 2010-2011 award year.

Finding # 6: Inaccurate/Untimely Reporting to COD

Citation:

Federal regulations at 34 C.F.R. § 690.83 states that an institution may receive a payment from the Secretary for an award to a Federal grant recipient, if the institution submits to the Secretary the student's Payment Data for that award year in the manner and form by September 30 following the end of the award year in which the grant is made and the Secretary accepts the student's Payment Data. An institution shall report to the Secretary any change in the amount of a grant for which a student qualifies including any related Payment Data changes by submitting to the Secretary the student's Payment Data that discloses the basis and result of the change in award for each student. The institution shall submit the student's Payment Data reporting any change to the Secretary - presently through the Common Origination and Disbursement (COD) System - by the reporting deadlines published by the Secretary in the Federal Register (most recent publication date is May 26, 2010 - Volume 75, Number 101).

Further, the Department considers that federal grant funds are disbursed on the date that the institution credits those funds to a student's account in the institution's general ledger or any sub ledger of the general ledger, or pays those funds to a student and/or parent directly. The Department considers federal grants disbursed even if an institution uses its own funds in advance of receiving program funds. *34 C.F.R. § 668.164.*

Inaccurate reporting could result in the institution receiving funding to which it is not entitled and may cause an increase in expenses for the Department.

Non-Compliance:

AIM did not submit correct student payment data and/or changes to payment data in a timely manner to the Secretary for Students # 1, 2, 7, 8, 10, 18, 22, 23 and 28.

The following chart provides details regarding the COD issues noted by the program review team.

Student Number	Issue
1	<ul style="list-style-type: none">• AIM did not report the correct date to COD that Pell funds were disbursed to the student's account. For the 2008-2009 award year, the institution disbursed \$1,577 in Pell funds to the student's account on November 10, 2008, and reported to COD that the Pell funds were disbursed on November 3, 2008.• AIM reported disbursements and downward adjustments to COD but did not note the disbursements or credits on the student's account. For the 2008-2009 award year, the institution reported a second Pell disbursement of \$1,577 to COD on January 13, 2009 and made a downward adjustment for that amount on September 11, 2009. In addition, AIM reported a third Pell disbursement of \$1,577 to COD on September 11, 2009. The institution made a downward adjustment for that amount on September 11, 2009.
2	<ul style="list-style-type: none">• AIM did not report to COD the correct date that Pell funds were disbursed to the student's account. For the 2008-2009 award year, the institution disbursed \$1,577 in Pell funds to the student's account on September 8, 2008. The institution reported to COD that the Pell funds were disbursed on August 20, 2008.• AIM reported a disbursement and downward adjustment to COD, but did not indicate the disbursement or credit on the student's account. For the 2008-2009 award year, the institution reported to COD a second Pell disbursement of \$1,577 on October 27, 2008. A downward adjustment for that amount was made to COD on November 20, 2008.

7	<ul style="list-style-type: none"> AIM did not report to COD a change to the student's payment data within the required 30 day timeframe. For the 2008-2009 award year, the institution made a \$1,576 credit in Pell funds to the student's account on September 30, 2008 but did not report the downward adjustment to COD until November 20, 2008.
8	<ul style="list-style-type: none"> AIM reported a disbursement to COD that was not consistent with the amount on the student's account. For the 2008-2009 award year, the institution reported a second Pell disbursement of \$1,227 to COD on March 30, 2009 and made a disbursement of \$1,027 in Pell funds to the student's account on the same day. AIM reported a disbursement to COD that was not consistent with the amount on the student's account. For the 2008-2009 award year, the institution reported a \$133 Pell downward adjustment to COD on April 20, 2009 and made a \$67 Pell disbursement to the student's account on that date. AIM did not report a change to the student's payment data within the required 30 day timeframe. For the 2008-2009 award year, the institution made a \$133 credit in Pell funds to the student's account on April 20, 2009 but did not report the downward adjustment to COD until September 15, 2009.
10	<ul style="list-style-type: none"> AIM reported a disbursement to COD that was not consistent with the amount on the student's account. For the 2008-2009 award year, the institution reported Pell disbursements of \$4,731 to COD but only disbursed \$3,154 of the funds to the student's account. The account was missing \$1,577. Subsequent to the on-site part of the program review, AIM reported that the student was not eligible for the \$1,577. A downward adjustment of that amount was reported to COD on January 10, 2011.
18	<ul style="list-style-type: none"> AIM did not report to COD the correct date that Pell funds were disbursed to the student's account and also reported a disbursement that was not consistent with the amount on the student's account. For the 2009-2010 award year, AIM disbursed \$1,784 in Pell funds to the student's account on January 11, 2010 and reported to COD that \$1,338 was disbursed on December 9, 2009. In addition, AIM did not report changes to the student's payment data within the required the 30 day timeframe for multiple Pell fund disbursements and adjustments in the 2009-2010 award year.

22	<ul style="list-style-type: none"> AIM did not report to COD the correct date that Pell funds were disbursed to the student's account. For the 2009-2010 award year, the institution disbursed \$446 in Pell funds to the student's account on January 11, 2010. In COD, the institution reported a \$1,783 Pell disbursement on October 26, 2009 and a downward adjustment of \$1,337 on January 25, 2009.
23	<ul style="list-style-type: none"> AIM did not report to COD the correct date that Pell funds were disbursed to the student's account. For the 2009-2010 award year, the institution disbursed \$1,784 in Pell funds to the student's account on January 4, 2010 and reported to COD that the funds were disbursed on November 30, 2009. AIM did not report to COD the correct date that Pell funds were disbursed to the student's account and the institution also reported disbursements to COD that were inconsistent with the amount on the student's account. For the 2009-2010 award year, AIM disbursed \$1,708 in Pell funds to the student's account on March 8, 2010. The institution reported to COD that \$1,783 was disbursed on February 26, 2010 and a downward adjustment for \$75 was reported on April 7, 2010.
28	<ul style="list-style-type: none"> AIM did not report to COD a change in the student's payment data within the required 30 day timeframe and the institution also reported a disbursement that was not consistent with the amount on the student's account. For the 2009-2010 award year, AIM reported a disbursement of \$50 in Pell funds to COD on August 17, 2009 and reported a downward adjustment for that amount on April 7, 2010. A disbursement or credit was not on the student's account.

An institution's failure to provide accurate and timely payment data information to the Secretary in accordance with Federal requirements may result in an improper increase in the institution's Current Funding Level.

Required Action:

AIM must revise its policies and procedures to ensure that payment data and information is reported accurately and timely to the Secretary when Federal Pell Grant Program and Federal Direct Loan Program disbursements or adjustments are made to student accounts. A copy of AIM's revised policies and procedures must be sent with the institution's response to the program review report.

Finding # 7: Campus Security Requirements Not Met

The Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act (*Clery Act*) and the Department's regulations require that all institutions participating in Title IV, HEA financial aid programs prepare a comprehensive annual security report (ASR) that contains, at a minimum, all of the statistical and policy elements described in 34 C.F.R. § 668.46 (b). The ASR must be prepared and distributed as a single document. The only exception to this requirement is that the ASR may cross-reference information regarding the institution's alcohol and other drug abuse prevention programs required by § 120 (a)-(d) of the Higher Education Act. 34 C.F.R. § 668.46 (a)(10).

An institution must provide the ASR to all current students and employees through appropriate publications and mailing. Acceptable means of delivery include regular U.S. Mail, hand delivery, or campus mail distribution to the individual or posting on the institution's website. If an institution chooses to distribute its report by posting to an internet or intranet site, the institution must, by October 1 of each year, distribute a notice to all students and employees that includes a statement of the report's availability and its exact electronic address, a description of its contents, as well as an advisement that a paper copy will be provided upon request. 34 C.F.R. § 668.41 (e)(1).

An institution's crime statistics must be presented in accordance with the following geographical categories: (i) On campus; (ii) Of the crimes reported on campus, the number of crimes that took place in dormitories or other residential facilities; (iii) In or on a non-campus building or property; and, (iv) on public property that is accessible from and/or adjacent to the campus. 34 C.F.R. § 668.46 (c)(4).

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

Non-compliance:

AIM did not comply with all reporting requirements of the *Clery Act*. During its analysis, the review team identified several errors and omissions in AIM's ASR that was required to be distributed by October 1, 2009. There are six components to this violation:

- AIM failed to prepare and distribute a comprehensive ASR to all current students and employees by October 1, 2009. During the site visit, the review team was advised that the ASR was posted and made available for view via the "Student Portal." The mere posting of the ASR to a website or internal portal does not meet the "active distribution" requirement contemplated by the *Clery Act* or the Department's regulations.

- The 2006 and 2007 columns for the number of incidents under "Criminal Offenses-Non-campus" were left blank.
- The 2006 and 2007 columns for the number of incidents under "Hate Crimes-Non-campus" were left blank.
- The 2006 and 2007 columns for the number of arrests under "Non-Campus buildings or properties" were left blank.
- A reporting discrepancy was noted in AIM's crime statistics for on-campus motor vehicle thefts. The institution's ASR noted three such offenses; however, only two such offenses were actually reported to the Department via the "Campus Safety and Security Data Analysis Cutting Tool." Institutional officials confirmed that a data entry error was to blame for the inaccuracy in the ASR.
- Finally, AIM's ASR did not include an advisory statement regarding where interested campus community members could obtain law enforcement information about registered sex offenders.

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

Required Action:

As a result of this violation, AIM must ensure that its 2010 ASR due no later than October 1, 2011 includes all of the statistical disclosures and policy, procedure, and programmatic information required under 34 C.F.R. § 668.46 (b). A draft of the 2010 ASR must accompany the institution's response to this program review report. Once the 2010 ASR is evaluated by the review team for accuracy and completeness, AIM is required to take all necessary steps to ensure that it is actively distributed to all current students and employees in accordance with 34 C.F.R. § 668.41 (c) and that full compliance with this requirement is documented. AIM must develop and implement procedures for preparing and distributing the ASR in accordance with Federal regulations. A copy of these procedures also must accompany the official response.

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

D. Appendices

Appendix A (Program Review Student Sample) contains personally identifiable information. As a result, the program review report will be e-mailed to AIM as an

Aviation Institute of Maintenance
OPE ID: 03110700
PRCN: 201040327329
Page 19

encrypted WinZip file using Advanced Encryption Standard, 256-bit. The password to open the encrypted WinZip file will be sent in a separate email. **The mailed hardcopy report will not contain Appendix A.**

