

# Index Sheet

Ope Id No: 01308800

School Name: CAPRI OAK FOREST COL OF BEAUTY CULT

Subfolder: Program Review/FPRD

Doc Type: Expedited Determination Letter (EDL)

Rec Date:

Org Date: 03/08/2013

School Year: 2013

ACN:

PRCN:

Box ID: 1458

Unique ID: SC1000000813849





March 8, 2013

Frederick Seil, President  
Capri Oak Forest Beauty College  
15815-25 Rob Roy Drive  
Oak Forest, IL 60452-2798

Certified Mail  
Return Receipt Requested  
7008 1640 0000 0215 6692

RE: **Expedited Final Program Review Determination Letter**  
OPE ID: 01308800  
PRCN: 201320528193

Dear President Seil:

From January 29, 2013 through February 1, 2013, Jason Charlton and Joseph Massman conducted a review of Capri Oak Forest Beauty College's (Capri) 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 purpose of this Final Program Review Determination Letter is to close the program review.

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

A sample of 30 files was identified for review from the 2011-2012 and 2012-2013 (year to date) award 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 partial social security numbers of the students whose files were examined during the program review.

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. Appendix A was encrypted and sent separately to the institution via e-mail.

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

**Federal Student Aid**

AN OFFICE OF THE U.S. DEPARTMENT OF EDUCATION

Chicago/Denver School Participation Division  
500 W. Madison St, suite 1576  
Chicago, IL 60661  
StudentAid.gov

The Chicago/Denver School Participation Team has made a Final Program Review Determination concerning the findings that were identified during the program review. Following is a discussion of the findings identified and the resolution of those findings.

### **Program Findings and Final Program Review Determinations:**

#### **Finding 1: Verification Violation**

**Citation:** If an applicant is selected to verify the information on his or her application, the institution shall require the applicant to verify the information as specified in § 668.56 on each additional application he or she submits for that award year, except for information already verified under a previous application submitted for the applicable award year. *34 C.F.R. § 668.54(a)(4).*

If the number of family members in the applicant's household or the number of those household members attending postsecondary educational institutions changes for a reason other than a change in the applicant's marital status, an applicant who is selected for verification shall update the information contained in his or her application regarding those factors so that the information is correct as of the day the applicant verifies the information. *34 C.F.R. § 668.54(b).*

An institution shall require an applicant selected for verification to submit acceptable documentation described in § 668.57 that will verify or update the following information used to determine the applicant's expected family contribution:

- (1) Adjusted gross income (AGI) for the base year if base year data was used in determining eligibility, or income earned from work, for a non-tax filer.
- (2) U.S. income tax paid for the base year if base year data was used in determining eligibility.
- (3) For an applicant who is a dependent student, the aggregate number of family members in the household or households of the applicant's parents and for an applicant who is an independent student, the number of family members in the household of the applicant.
- (4) The number of family members in the household who are enrolled as at least half-time students in postsecondary educational institutions if that number is greater than one.
- (5) The following untaxed income and benefits for the base year if base year data was used in determining eligibility—
  - (i) Social Security benefits if the institution has reason to believe that those benefits were received and were not reported or were incorrectly reported;
  - (i) Child support if the institution has reason to believe that child support was received;
  - (ii) U.S. income tax deduction for a payment made to an individual retirement account (IRA) or Keogh account;
  - (iii) Interest on tax-free bond;
  - (iv) Foreign income excluded from U.S. income taxation if the institution has reason to believe that foreign income was received;
  - (v) The earned income credit taken on the applicant's tax return; and
  - (vi) All other untaxed income subject to U.S. income tax reporting requirements in the base year which is included on the tax return form, excluding information contained on schedules appended to such forms. *34 C.F.R. § 668.56(a).*

Additionally, the 2011-2012 Federal Student Aid Handbook states when evaluating a federal tax return:

*Financial aid administrators do not need to be tax experts, yet there are some issues that even a layperson with basic tax law information can evaluate. Because conflicting data often involve such information, FAAs must have a fundamental understanding of relevant tax issues that can considerably affect the need analysis. You are obligated to know: (1) whether a person was required to file a tax return, (2) what the correct filing status for a person should be, and (3) that an individual cannot be claimed as an exemption by more than one person.*

**Noncompliance:** Student #5 is a dependent student whose Institutional Student Information Record (ISIR) was selected for Verification by the Central Processing System (CPS) in the 2011-2012 award year. The student's ISIR states the student's parents are married and therefore the parents are required to either file "married filing jointly" or "married filing separately." However, the mother incorrectly filed "head of household" and submitted a statement stating her husband, the student's father, has been out of work and therefore will not file a tax return.

**Institutional Action Taken to Resolve Noncompliance:** Capri was able to contact Student #5 after the onsite program review and on February 25, 2013 provided the parents' amended 2010 federal tax return filing "married filing jointly." Additionally, Capri provided sufficient documentation showing there is no change in the student's EFC and therefore eligible for the same Title IV aid she received, resolving the finding for this student.

**Final Program Review Determination:** Capri has taken the corrective actions necessary to resolve this finding. Therefore, Capri may consider this finding closed, with no further action required.

**Record Retention:**

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

We would like to express our appreciation for the courtesy and cooperation extended during the review. If you have any questions concerning this report, please call Jason Charlton at (312) 730-1695.

Sincerely,

(b)(6)

Douglas Parrott  
Division Director

cc: Amy Ruff, Financial Aid Director  
Illinois Department of Professional Regulation  
National Accrediting Commission of Cosmetology Arts and Sciences

**Appendix A: Student Sample**

**2011-2012**

Student's Name

Student's SSN (last four digits only)

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

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