DC-ERM

June 9, 2014

Beverly Davis
President
Cleveland Institute of Dental-Medical Assistants
2450 Prospect Avenue East
Cleveland, OH 44115-2285

Certified Mail
Return Receipt Requested
Domestic Return Receipt
7012 1640 0000 0216 5038

RE: **Final Program Review Determination**
OPE ID: 02110700
PRCN: 2013-3-05-28260

Dear President Davis:

The U.S. Department of Education's (Department's) Chicago/Denver - School Participation Division issued a program review report on June 6, 2013 covering Cleveland Institute of Dental-Medical Assistants' (CIDMA) administration of programs authorized by Title IV of the Higher Education Act of 1965, as amended, 20 U.S.C. §§ 1070 et seq. (Title IV, HEA programs), for the 2011-2012 and 2012-2013 award years. CIDMA's final response was received on September 12, 2013. A copy of the program review report (and related attachments) and CIDMA's response are attached. Any supporting documentation submitted with the response is being retained by the Department and is available for inspection by CIDMA 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.

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 CIDMA of a possible adverse action. Due to the serious nature of one or more of the enclosed findings, this FPRD is being referred to the Department's Administrative Actions and Appeals Service Group (AAASG) for its consideration of possible adverse action. Such action may include a fine, or the limitation, suspension or termination of the eligibility of the institution. Such action may also include the revocation of the institution's program participation agreement (if provisional), or, if the institution has an application pending for renewal of its certification, denial of that application. If AAASG initiates any action, a separate notification will be provided which will include information on institutional appeal rights and procedures to file an appeal.

This FPRD contains one or more findings regarding CIDMA'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 and 668.46. Since a Clery Act finding does not

result in a financial liability, such a finding may not be appealed. If an adverse administrative action is initiated, additional information about CIDMA's appeal rights will be provided under separate cover.

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

The Department expresses its appreciation for the courtesy and cooperation extended during the review. If the institution has any questions regarding this letter, please contact Nicholas Koulermos at 312-730-1693.

Sincerely,

(b)(6)

Douglas Parrott
Division Director

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

cc: Regina Quarterman, Financial Aid Administrator
Accrediting Commission of Career Schools and Colleges
Ohio State Board of Career Colleges and Schools

PROTECTION OF PERSONALLY IDENTIFIABLE INFORMATION

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

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

The Department must receive an access password to view the encrypted information. The password must be e-mailed separately from the encrypted data. The password must be 12 characters in length and use three of the following: upper case letter, lower case letter, number, special character. A manifest must be included with the e-mail that lists the types of files being sent (a copy of the manifest must be retained by the sender).

Hard copy files and media containing PII must be:

- sent via a shipping method that can be tracked with signature required upon delivery
- double packaged in packaging that is approved by the shipping agent (FedEx, DHL, UPS, USPS)
- labeled with both the "To" and "From" addresses on both the inner and outer packages
- identified by a manifest included in the inner package that lists the types of files in the shipment (a copy of the manifest must be retained by the sender).

PII data cannot be sent via fax.

Prepared for:

Cleveland Institute of Dental-Medical Assistants

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

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OPE ID 02110700
PRCN 2013-3-05-28260

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

Final Program Review Determination
June 9, 2014

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

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A. Institutional Information

Cleveland Institute of Dental-Medical Assistants
2450 Prospect Avenue East
Cleveland, OH 44115-2285

Type: Proprietary

Highest Level of Offering: Non-Degree 1 Year

Accrediting Agency: Accrediting Commission of Career Schools and Colleges

Student Enrollment as of 04/29/2013: 314

Percentage of Students Receiving Title IV for 2012 Enrollment Year: 88.00%

Title IV Participation (PEPS):

	2011-2012
Federal Direct Loan Program	$4,132,743
Pell Grants	$2,373,828

B. Scope of Review

The U.S. Department of Education (the Department) conducted a program review at Cleveland Institute of Dental-Medical Assistants (CIDMA) from April 22, 2013 to April 26, 2013. Mr. Nicholas Koulermos and Ms. Ola Ross conducted the review.

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

A sample of 30 files was identified for review from the 2011-2012 and 2012-2013 award years. The files were those of all of the students that received Title IV, HEA program funds for the award years.

Disclaimer:

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

C. Findings and Final Determinations

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 CIDMA's response to the finding, and the Department's final determination for that finding. A copy of the program review report issued on June 6, 2013 is attached as Appendix A.

Finding #1. Excess Cash Balances Maintained

Citation Summary: (1) The Secretary considers excess cash to be any amount of title IV, HEA program funds, other than Federal Perkins Loan Program funds that an institution

does not disburse to students or parents by the end of the third business day following the date the institution—

(i) Received those funds from the Secretary; or

(ii) Deposited or transferred to its Federal account previously disbursed title IV, HEA program funds received from the Secretary, such as those resulting from award adjustments, recoveries, or cancellations.

(2) The provisions of this section do not apply to the title IV, HEA program funds that an institution receives from the Secretary under the just-in-time payment method.

(b) *Excess cash tolerances.* An institution may maintain for up to seven days an amount of excess cash that does not exceed one percent of the total amount of funds the institution drew down in the prior award year. The institution must return immediately to the Secretary any amount of excess cash over the one-percent tolerance and any amount remaining in its account after the seven-day tolerance period.

(c) *Consequences for maintaining excess cash.* Upon a finding that an institution maintains excess cash for any amount or timeframe over that allowed in the tolerance provisions in paragraph (b) of this section, the actions the Secretary may take include, but are not limited to—

(1) Requiring the institution to reimburse the Secretary for the costs the Secretary incurred in providing that excess cash to the institution; and

(2) Providing funds to the institution under the reimbursement payment method or cash monitoring payment method described in § 668.163(d) and (e), respectively.

Noncompliance Summary: At the time of the review, the Department determined that CIDMA maintained excess cash for a period of 13 days, starting on 12/19/12 and ending with disbursements to students on 1/4/13. The total excess cash during that timeframe was $21,150.00, which was drawn down from the Common Origination and Disbursement (COD) system. The institution attributed the finding to a holiday break in which the financial aid office drew down funds, and then proceeded to go on break for the holidays. The funds were not disbursed, therefore, until the beginning of the next term 13 days after their allotted timeframe for disbursements.

The Department does not believe this error to be a systemic issue. When conducting the fiscal review, the Department determined this to be an isolated incident due entirely to the holiday break and timing of the drawdown.

Required Action Summary: CIDMA is required to take all necessary corrective actions to resolve these violations. At a minimum, CIDMA must do the following:

- Develop and implement control mechanisms which will ensure that all Title IV funds are disbursed by the end of the third business day following the date the institution received those funds from the Secretary.

- Develop and implement control mechanisms which will ensure that the financial aid office will not draw down Title IV FSA funds before the institution has a holiday break to ensure the timeliness of funds.

A copy of the above stated control mechanisms must be submitted in response to this report.

CIDMA's Response: In its September 12, 2013 Corrective Action Response to the Program Review Report, CIDMA concurred with the reviewer's determination that excessive cash was maintained relative to the $21,150.00 drawdown that was received by the institution on Wednesday, December 19, 2012. Due to increased administrative obligations in advance of the institution's holiday break, the funds were not properly disbursed to students within a 3 business day timeframe, as in accordance with Federal regulations. However, upon return from the holiday break, the institution immediately disbursed all funds that were drawn down on December 19th.

The institution believes this to be an isolated incident. CIDMA will continue to update their cash management policies in accordance with Federal regulations.

In its Corrective Action Response, CIDMA clearly outlined the daily functions of drawing down funds from the Department; in reference to both their own procedures as well as the procedures with their servicer, GEMCOR. Furthermore, the institution has stated that it will continue to conduct an analysis each week of all federal bank accounts to determine the possible existence of Federal cash on hand. The institution will continue to reconcile Federal bank account statements each month, and on an annual basis will maintain reconciliation in COD and GAPS systems. CIDMA will continue to enforce effective drawdown determination procedures for all Title IV funds.

Final Determination:
Finding # 1 of the program review report cited CIDMA for violations of excess cash. Specifically, the institution failed to disburse funds in the manner and timeframe prescribed by Federal regulations. In response to this violation, the institution was required to review and revise their procedures to ensure that they did not maintain excess cash in the future. In its response, CIDMA stated its concurrence with the violation and submitted copies of their corrective actions and procedures, along with a signed statement asserting that all necessary corrective actions have been taken.

In its September 12, 2013 response, the institution asserted that it understands its obligations under Federal regulations and that it is committed to ensuring compliance

with all excess cash regulations going forward. The corrective actions that the institution has claimed are now in place should result in improved procedures for monitoring excess cash going forward. Ultimately, all funds were disbursed to the students and were disbursed late only by a few days. Therefore, the Department accepts the institution's response and considers this finding to be closed.

Finding #2. Direct Loan 30 Day Delay Not Observed

Citation Summary: Except as provided in paragraph (a)(2) of this section, an institution makes a disbursement of title IV, HEA program funds on the date that the institution credits a student's account at the institution or pays a student or parent.

The earliest an institution may disburse the initial installment of a loan under the Direct Loan or FFEL programs to a first-year, first-time borrower as described in 34 CFR 682.604(c) and 34 CFR 685.303(b)(4) is 30 days after the first day of the student's program of study.

Noncompliance Summary: After reviewing 30 student files at the time of the review, the Department determined that 1 student from the 2011-12 award year was disbursed Direct Loan Funds prior to the end of their 30 Day Delay. The student in question was student #8.

Student #8 was a first-time borrower, and had a program start date of 6/4/12. The student was disbursed Direct Loan Funds on 6/26/12, 8 days shy of the appropriate 30 Day Delay. After reviewing the students file, it became evident that the student went on to graduate from the program

Required Action Summary: CIDMA is required to take all necessary corrective actions to resolve these violations. At a minimum, CIDMA must do the following:

- Develop and implement control mechanisms which will ensure that all Title IV funds are not disbursed prior to the 30 Day Delay for all first-time borrowers.

CIDMA's Response: In its September 12, 2013 Corrective Action Response to the Program Review Report, CIDMA concurred with the reviewers determination that a first disbursement of a Federal Direct Stafford Loan payment was disbursed by the institution before the student had been enrolled for at least 30 days, however the institution disagreed with the reviewer's determination that CIDMA is in violation of Federal regulations. Federal regulations state that the 30-day delayed disbursement rule is optional for institutions that have a two-year official cohort default rate of less than 10% for each of the previous three fiscal years. CIDMA's three most recently published two-year official cohort default rates are FY 2010 6.3%, FY2009 4.3%, and FY2008 4.7%.

Although it is not required to do so, the institution intends to continue to enforce its policy abiding by the 30-day delayed disbursement unless, in its professional judgment, early disbursement of a student loan is reasonable and necessary to meet an individual student's unique circumstances and financial situation.

Final Determination: Finding # 2 of the program review report cited CIDMA for violations of the Direct Loan 30-day delay regulatory requirements. In response to this violation, the institution provided an adequate response and ample regulatory citations to justify their disbursement of Direct Loan funds before the 30-day timeframe. The institution's cohort default rates are well within the 10% threshold for the previous three fiscal years. Therefore, the Department accepts the institution's response and considers this finding to be closed.

Finding # 3. Drug and Alcohol Abuse Prevention Program Requirements Not Met

Citation Summary: The Drug-Free Schools and Communities Act (DFSCA) and Part 86 of the Department's General Administrative Regulations requires each participating institution of higher education (IHE) to certify that it has developed and implemented a drug and alcohol abuse education and prevention program. The program must be designed to prevent the unlawful possession, use, and distribution of drugs and alcohol on campus and at recognized events and activities.

On an annual basis, the IHE must distribute written information about its drug and alcohol abuse prevention program (DAAPP) to all students, faculty, and staff. The distribution plan must make provisions for providing the material to students who enroll at a date after the initial distribution, and for employees who are hired at different times throughout the year. The information must include:

1) A written statement about its standards of conduct that prohibits the unlawful possession, use or distribution of illicit drugs and alcohol by students and employees;
2) A written description of legal sanctions imposed under Federal, state and local laws for unlawful possession or distribution of illicit drugs and alcohol;
3) A description of the health risks associated with the use of illicit drugs and the abuse of alcohol;
4) A description of any drug or alcohol counseling, treatment, or rehabilitation or re-entry programs that are available to students and employees; and,
5) A statement that the IHE will impose disciplinary sanctions on students and employees for violations of the institution's codes of conduct and a description of such sanctions.

In addition, each IHE must conduct a biennial review in order to measure the effectiveness of its drug prevention program, and to ensure consistent treatment in its enforcement of its disciplinary sanctions. The IHE must prepare a report of findings and maintain its biennial review report and supporting materials and make them available to the Department upon request. 34 C.F.R. §§ 86.3 and 86.100.

Noncompliance Summary: CIDMA violated multiple provisions of the DFSCA and the Department's Part 86 regulations. Specifically, CIDMA's DAAPP did not contain a description of the health risks associated with the use of illicit drugs.

With regard to the health risks information disclosure, the review team noted that CIDMA's student handbook includes the following statement, "Controlled Substances Effects See Exhibit #2;" however, this publication did not have an "Exhibit #2." Moreover, institutional officials were unable to document that the DAAPP disclosure (and/or the student handbook) was actively distributed on an annual basis to every student who is enrolled for academic credit during the review period. In addition, there is no indication that CIDMA has ever distributed a materially-complete DAAPP disclosure to its employees.

Finally, CIDMA's biennial review document has been deemed to be inadequate. The report does state that a review was conducted and identifies the date of the assessment and the officials who participated; however, there is no information or supporting documentation that indicates that a substantive examination was conducted. The document does not explain how the institution measured the actual effectiveness of its DAAPP or the consistency of sanctions imposed for violations of its disciplinary standards and codes of conduct.

Failure to comply with the DFSCA's DAAPP requirements deprives students and employees of important information regarding the educational, disciplinary, health, and legal consequences of illegal drug use and alcohol abuse. Failure to comply with the BR requirements also deprives the institution of important information about the effectiveness of its own drug and alcohol programs. Such failures may contribute to increased drug and alcohol abuse as well as an increase in drug and alcohol-related violent crime.

Required Action Summary: CIDMA is required to take all necessary corrective actions to resolve these violations. At a minimum, CIDMA must do the following:

- Develop and implement a comprehensive DAAPP that includes all of the required elements found in the DFSCA and the Department's Part 86 regulations;

- Develop procedures for ensuring that the DAAPP disclosure is actively distributed annually to every student who is currently enrolled for academic credit and all employees. CIDMA must provide a draft copy of its DAAPP and new

distribution policy with its response to this program review report. Once the new DAAPP disclosure is approved by the Department, the institution will be required to distribute it in accordance with the Part 86 regulations and provide documentation evidencing the distribution as well as a statement of certification attesting to the fact that the materials were distributed in accordance with the DFSCA. This certification must also affirm that the institution understands all of its DFSCA obligations and that it has taken all necessary corrective actions to ensure that these violations do not recur;

- Conduct a substantive biennial review to assess the effectiveness of its DAAPP and produce a detailed report of findings. CIDMA must describe the research methods and data analysis tools that will be used to determine the effectiveness of the program and identify the responsible official(s) and office(s) that conducted the biennial review. Finally, the biennial review report must be approved by the institution's chief executive and/or its board. The biennial review must be completed by October 1, 2013 and be submitted to the Department by October 15, 2013; and,

- CIDMA must establish policies and procedures to ensure that all subsequent biennial reviews are conducted in a timely manner and are fully documented. The institution also must take all other necessary action to ensure that these violations do not recur.

As noted above, the exceptions identified in this finding constitute violations of the DFSCA that by their nature cannot be cured. CIDMA will be given an opportunity to develop and distribute an accurate and complete DAAPP disclosure and to finally bring its drug and alcohol programs into compliance with the DFSCA as required by its PPA. However, CIDMA is advised that these remedial measures cannot and do not diminish the seriousness of these violations nor do they eliminate the possibility that the Department will impose an adverse administrative action and/or require additional corrective measures.

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

CIDMA's Response: In its September 12, 2013 response and corrective action plan (Appendix D), CIDMA stated that "the institution agrees with the reviewer's determination that CIDMA's drug and alcohol policy was incomplete. There was a missing exhibit pertaining to the health risks associated with controlled substances. However, school officials have always distributed the school's drug and alcohol policy to students and employees alike. We have signed copies of the memorandum that show they received a copy of the policy." CIDMA also indicated that a group of students, faculty and staff from all three campuses were surveyed about drug and alcohol issues

during the week of September 16, 2013. The survey data was provided to the Department as part of the response. The institution asserted that this data was used to inform the final formation of the DAAPP and was analyzed during the biennial review. The final report was approved by CIDMA's President on October 1, 2013 and was submitted to the Department on October 15, 2013. The institution also developed policies and procedures that are intended to ensure that all future biennial reports will be conducted properly and in a timely manner.

Furthermore, CIDMA submitted signed copies of memoranda from 2011-2013 (Exhibit #1) from two (2) students and two (2) employees in support of its claims that the existing DAPP disclosure was in fact distributed during the review period. CIDMA represented that a copy of this document is signed and dated by each student and employee. The institution all submitted a draft copy of its revised DAAPP disclosure that included the previously-omitted content regarding health risks.

Finally, CIDMA claimed that it developed procedures for ensuring that the DAAPP disclosure is actively distributed to every student who is currently enrolled for academic credit and all employees on an annual basis. CIDMA has provided a draft copy of its DAAPP and new distribution policy, and stated that it is awaiting approval from the Department in order to distribute it to students and employees.

Final Determination: Finding # 3 of the program review report cited CIDMA for violations of the DAAPP requirements. Specifically, CIDMA's DAAPP did not contain a description of the health risks associated with the use of illicit drugs and alcohol abuse. The institution also failed to conduct a comprehensive biennial review to assess the program's effectiveness and also failed to prepare a substantive report of findings and supporting documentation to substantiate its compliance. As a result of these violations, CIDMA was required to review and revise its DAAPP and produce a materially-complete DAAPP disclosure that summarizes the program. The institution was also required to develop procedures for ensuring that the DAAPP disclosure is actively distributed to every student who is currently enrolled for academic credit and all employees. In its response, CIDMA concurred with the majority of the finding except for the part that cited the institution for failing to properly distribute the annual disclosure.

The Department carefully reviewed the narrative response and supporting documents submitted by CIDMA. Based on that review, the violations identified in the finding are sustained with the exception of the DAAPP distribution component. CIDMA submitted credible documentation that indicated that the prior version of the disclosure was provided to students and employees during the review period. The Department's analysis also determined that CIDMA's new program materials meet minimum requirements.

Based on these facts, the Department accepts CIDMA's response and considers this finding to be closed for purposes of this program review.[1]

Although the Department has accepted the institution's response to this program review finding, CIDMA officials are reminded that the institution must initiate additional corrective actions as needed to ensure that the deficiencies identified in this finding do not recur. CIDMA is further reminded that the exceptions identified above constitute serious violations of the *DFSCA* that by their nature cannot be cured. CIDMA was required to initiate corrective actions and has begun to address the conditions that led to these violations. While this is an important step, CIDMA officials must understand that compliance with the *DFSCA* is essential to maintaining a safe and healthy learning environment.

Campus safety data compiled by the Department shows that the use of illicit drugs and alcohol abuse is highly correlated to increased incidents of violent crime on campus. CIDMA's persistent failure to comply with the *DFSCA* deprived students and employees of important information regarding the educational, disciplinary, health, and legal consequences of illegal drug use and alcohol abuse. These compliance failures also deprived the institution of important information about the effectiveness of its own drug and alcohol programs. Such failures may contribute to increased drug and alcohol abuse as well as an increase in drug and alcohol-related violent campus crime. For these reasons, CIDMA is reminded that corrective measures cannot and do not diminish the seriousness of these violations nor do they eliminate the possibility that the Department will impose an adverse administrative action and/or require additional corrective measures as a result.

Given the serious consequences of a compliance failure, the Department strongly recommends that CIDMA re-examine its campus safety and drug and alcohol abuse prevention policies, procedures, and programs on at least an annual basis and revise them as needed to ensure that they continue to reflect current institutional policy and are in full compliance with the *DFSCA*.

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[1] As part of the response analysis, the Department reviewed the institution's new DAAPP disclosure and approved its content. The disclosure must now be actively distributed in the required manner. Within 15 days of its receipt of this FPRD, CIDMA must deliver a copy of the disclosure to all students who are enrolled for academic credit and to every employee and fully document its efforts to comply with this requirement. Please be advised that the Department may periodically request information to test the effectiveness of the institution's new DAAPP and its corrective action plan.

F. Appendices

Appendix A: Program Review Report, attached

Appendix B: Corrective Action Response Findings #1, attached

Appendix C: Corrective Action Response Findings #2, attached

Appendix D: Corrective Action Response Findings #3, attached

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Prepared for

Cleveland Institute of Dental-Medical Assistants

OPE ID 02110700
PRCN 2013-3-05-28260

Prepared by

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

Program Review Report

August 12, 2013

Federal Student Aid
An OFFICE of the U.S. DEPARTMENT of EDUCATION
School Participation Division – Chicago/Denver
500 W. Madison, Chicago, IL 60661
StudentAid.gov

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A. Institutional Information

Cleveland Institute of Dental-Medical Assistants
2450 Prospect Avenue East
Cleveland, OH 44115-2285

Type: Proprietary

Highest Level of Offering: Non-Degree 1 Year

Accrediting Agency: Accrediting Commission of Career Schools and Colleges

Student Enrollment as of 04/29/2013: 314

Percentage of Students Receiving Title IV for 2012 Enrollment Year: 80.00%

Title IV Participation (PEPS):

	2011-2012
Federal Direct Loan Program	$4,132,743
Pell Grants	$2,373,828

B. Scope of Review

The U.S. Department of Education (the Department) conducted a program review at Cleveland Institute of Dental-Medical Assistants (CIDMA) from April 22, 2013 to April 26, 2013. Mr. Nicholas Koulermos and Ms. Ola Ross conducted the review.

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

A sample of 30 files was identified for review from the 2011-2012 and 2012-2013 award years. The files were those of all of the students that received Title IV, HEA program funds for the award years. The numbers assigned to the students in this report are referenced in Appendix A.

Disclaimer:

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

This report reflects initial findings and is not final. The Department will issue its final findings in a subsequent Final Program Review Determination Letter.

proceeded to go on break for the holidays. The funds were not disbursed, therefore, until the beginning of the next term 13 days after their allotted timeframe for disbursements.

The Department does not believe this error to be a systemic issue. When conducting the fiscal review, the Department determined this to be an isolated incident due entirely to the holiday break and timing of the drawdown.

Required Action:

CIDMA is required to take all necessary corrective actions to resolve these violations. At a minimum, CIDMA must do the following:

- Develop and implement control mechanisms which will ensure that all Title IV funds are disbursed by the end of the third business day following the date the institution received those funds from the Secretary.

- Develop and implement control mechanisms which will ensure that the financial aid office will not draw down Title IV FSA funds before the institution has a holiday break to ensure the timeliness of funds.

A copy of the above stated control mechanisms must be submitted in response to this report.

Finding # 2: Direct Loan 30 Day Delay Not Observed

Citation:

Except as provided in paragraph (a)(2) of this section, an institution makes a disbursement of title IV, HEA program funds on the date that the institution credits a student's account at the institution or pays a student or parent.

The earliest an institution may disburse the initial installment of a loan under the Direct Loan or FFEL programs to a first-year, first-time borrower as described in 34 CFR 682.604(c) and 34 CFR 685.303(b)(4) is 30 days after the first day of the student's program of study.

Noncompliance:
After reviewing 30 student files, the Department has determined that 1 student from the 2011-12 award year was disbursed Direct Loan Funds prior to the end of their 30 Day Delay. The student in question was student #8.

Student #8 was a first-time borrower, and had a program start date of 6/4/12. The student was disbursed Direct Loan Funds on 6/26/12, 8 days shy of the appropriate 30 Day

C. Findings

Finding # 1: Excess Cash Balances Maintained

Citation:

(1) The Secretary considers excess cash to be any amount of title IV, HEA program funds, other than Federal Perkins Loan Program funds that an institution does not disburse to students or parents by the end of the third business day following the date the institution—

(i) Received those funds from the Secretary; or

(ii) Deposited or transferred to its Federal account previously disbursed title IV, HEA program funds received from the Secretary, such as those resulting from award adjustments, recoveries, or cancellations.

(2) The provisions of this section do not apply to the title IV, HEA program funds that an institution receives from the Secretary under the just-in-time payment method.

(b) *Excess cash tolerances.* An institution may maintain for up to seven days an amount of excess cash that does not exceed one percent of the total amount of funds the institution drew down in the prior award year. The institution must return immediately to the Secretary any amount of excess cash over the one-percent tolerance and any amount remaining in its account after the seven-day tolerance period.

(c) *Consequences for maintaining excess cash.* Upon a finding that an institution maintains excess cash for any amount or timeframe over that allowed in the tolerance provisions in paragraph (b) of this section, the actions the Secretary may take include, but are not limited to—

(1) Requiring the institution to reimburse the Secretary for the costs the Secretary incurred in providing that excess cash to the institution; and

(2) Providing funds to the institution under the reimbursement payment method or cash monitoring payment method described in § 668.163(d) and (e), respectively.

Noncompliance:

The Department has determined that CIDMA maintained Excess Cash for a period of 13 days, starting on 12/19/12 and ending with disbursements to students on 1/4/13. The total Excess Cash during that timeframe was $21,150.00 which was drawn down from the Common Origination and Disbursement (COD) system. The institution attributed the finding to a holiday break in which the financial aid office drew down funds, and then

Delay. After reviewing the students file, it became evident that the student went on to graduate from the program.

Required Action:

CIDMA is required to take all necessary corrective actions to resolve these violations. At a minimum, CIDMA must do the following:

- Develop and implement control mechanisms which will ensure that all Title IV funds are not disbursed prior to the 30 Day Delay for all first-time borrowers.

Finding # 3: Drug and Alcohol Abuse Prevention Program Requirements Not Met

Citation:

The Drug-Free Schools and Communities Act (*DFSCA*) and Part 86 of the Department's General Administrative Regulations requires each participating institution of higher education (IHE) to certify that it has developed and implemented a drug and alcohol abuse education and prevention program. The program must be designed to prevent the unlawful possession, use, and distribution of drugs and alcohol on campus and at recognized events and activities.

On an annual basis, the IHE must distribute written information about its drug and alcohol abuse prevention program (DAAPP) to all students, faculty, and staff. The distribution plan must make provisions for providing the material to students who enroll at a date after the initial distribution, and for employees who are hired at different times throughout the year. The information must include:

1) A written statement about its standards of conduct that prohibits the unlawful possession, use or distribution of illicit drugs and alcohol by students and employees;
2) A written description of legal sanctions imposed under Federal, state and local laws for unlawful possession or distribution of illicit drugs and alcohol;
3) A description of the health risks associated with the use of illicit drugs and the abuse of alcohol;
4) A description of any drug or alcohol counseling, treatment, or rehabilitation or re-entry programs that are available to students and employees; and,
5) A statement that the IHE will impose disciplinary sanctions on students and employees for violations of the institution's codes of conduct and a description of such sanctions.

In addition, each IHE must conduct a biennial review in order to measure the effectiveness of its drug prevention program, and to ensure consistent treatment in its enforcement of its disciplinary sanctions. The IHE must prepare a report of findings and

maintain its biennial review report and supporting materials and make them available to the Department upon request. *34 C.F.R. §§ 86.3 and 86.100.*

Noncompliance:

CIDMA violated multiple provisions of the *DFSCA* and the Department's Part 86 regulations. Specifically, CIDMA's DAAPP did not contain a description of the health risks associated with the use of illicit drugs.

With regard to the health risks information disclosure, the review team noted that CIDMA's student handbook includes the following statement, "Controlled Substances Effects See Exhibit #2;" however, this publication did not have an "Exhibit #2." Moreover, institutional officials were unable to document that the DAAPP disclosure (and/or the student handbook) was actively distributed on an annual basis to every student who is enrolled for academic credit during the review period. In addition, there is no indication that CIDMA has ever distributed a materially-complete DAAPP disclosure to its employees.

Finally, CIDMA's biennial review document has been deemed to be inadequate. The report does state that a review was conducted and identifies the date of the assessment and the officials who participated; however, there is no information or supporting documentation that indicates that a substantive examination was conducted. The document does not explain how the institution measured the actual effectiveness of its DAAPP or the consistency of sanctions imposed for violations of its disciplinary standards and codes of conduct.

Failure to comply with the *DFSCA*'s DAAPP requirements deprives students and employees of important information regarding the educational, disciplinary, health, and legal consequences of illegal drug use and alcohol abuse. Failure to comply with the BR requirements also deprives the institution of important information about the effectiveness of its own drug and alcohol programs. Such failures may contribute to increased drug and alcohol abuse as well as an increase in drug and alcohol-related violent crime.

Required Action:

CIDMA is required to take all necessary corrective actions to resolve these violations. At a minimum, CIDMA must do the following:

- Develop and implement a comprehensive DAAPP that includes all of the required elements found in the *DFSCA* and the Department's Part 86 regulations;
- Develop procedures for ensuring that the DAAPP disclosure is actively distributed annually to every student who is currently enrolled for academic credit and all employees. CIDMA must provide a draft copy of its DAAPP and new

distribution policy with its response to this program review report. Once the new DAAPP disclosure is approved by the Department, the institution will be required to distribute it in accordance with the Part 86 regulations and provide documentation evidencing the distribution as well as a statement of certification attesting to the fact that the materials were distributed in accordance with the *DFSCA*. This certification must also affirm that the institution understands all of its *DFSCA* obligations and that it has taken all necessary corrective actions to ensure that these violations do not recur;

- Conduct a substantive biennial review to assess the effectiveness of its DAAPP and produce a detailed report of findings. CIDMA must describe the research methods and data analysis tools that will be used to determine the effectiveness of the program and identify the responsible official(s) and office(s) that conducted the biennial review. Finally, the biennial review report must be approved by the institution's chief executive and/or its board. The biennial review must be completed by October 1, 2013 and be submitted to the Department by October 15, 2013; and,

- CIDMA must establish policies and procedures to ensure that all subsequent biennial reviews are conducted in a timely manner and are fully documented. The institution also must take all other necessary action to ensure that these violations do not recur.

As noted above, the exceptions identified in this finding constitute violations of the *DFSCA* that by their nature cannot be cured. CIDMA will be given an opportunity to develop and distribute an accurate and complete DAAPP disclosure and to finally bring its drug and alcohol programs into compliance with the *DFSCA* as required by its PPA. However, CIDMA is advised that these remedial measures cannot and do not diminish the seriousness of these violations nor do they eliminate the possibility that the Department will impose an adverse administrative action and/or require additional corrective measures.

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

D. Recommendations

While on site, the Department made recommendations to CIDMA in regards to: credit balance disbursement procedures, the automation of ledgers, and 90/10 calculations involving merchandise and other materials. The institution successfully added all recommendations to their procedures while the Department was on site. Therefore, no further action is required

Appendix A. Student Sample

2011-12

	LAST NAME	FIRST NAME
1	(b)(6)	
2		
3		
4		
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10		
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12		
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15		

2012-2013

	LAST NAME	FIRST NAME
16	(b)(6)	
17		
18		
19		
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21		
22		
23		
24		
25		
26		
27		
28		
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30		

Cleveland Institute of Dental-Medical Assistants, Inc.

"Professionals training Professionals"

2450 Prospect Avenue 2nd floor ● Cleveland, OH 44115 ● 216-241-2930
5733 Hopkins Road ● Mentor, OH 44060 ● 440-946-9530
5564 Mayfield Road ● Lyndhurst, OH 44124 ● 440-473-6273

September 12, 2013

Nicholas Koulermos
Compliance Manager
U.S. Department of Education
Federal Student Aid
School Participation Division
500 W. Madison
Chicago, IL 60661

Re: Response to Program Review Report
OPEID 02110700
PRCN 201330528260

Dear Mr. Koulermos

We are in receipt of your written Program Review Report emanating from the on-site Program Review conducted at our campus by your staff from April 22, 2013 through April 26, 2013. Below please find attached our response to your findings.

There were three findings in the Program Review Report that, though not materially adverse, are significant and in need of remediation. We have developed a series of programs, policies and procedures to ensure that these finding will not occur moving forward.

Please do not hesitate to contact me at my office.

Sincerely,

Beverly Davis
President
Cleveland Institute of Dental-Medical Assistants
Cidma3@aol.com