



April 23, 2015

Dr. Mohammad Ilyas
President
Goldey-Beacom College
4701 Limestone Road
Wilmington, DE 19808-1993

Sent Via E-Mail and UPS
Tracking Number:
IZ A87 964 9125 3656

RE: Final Program Review Determination
OPE ID: 00142900
PRCN: 201340328369

Dear Dr. Ilyas:

The U.S. Department of Education's (Department's) School Participation Division - Philadelphia issued a program review report on November 13, 2013 covering Goldey-Beacom College's (GBC) 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 2012-2013 award year. GBC's final response was received on January 8, 2014. A copy of the program review report (and related attachments) and GBC's response are attached. Any supporting documentation submitted with the response is being retained by the Department and is available for inspection by GBC 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 in the program review report. The purpose of this letter is to request additional documentation for Finding # 8, Crime Awareness Requirements Not Met - Required Policy Disclosures Omitted from Annual Security Report (ASR) and Failure to Distribute the ASR as a Comprehensive Document, and close the review.

This FPRD contains one or more findings regarding GBC'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 GBC's appeal rights will be provided under separate cover.

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

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.

In addition, Appendix C also contains PII. The appendices were encrypted and sent separately to the institution with this FPRD via e-mail.

Record Retention:

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

The Department expresses its appreciation for the courtesy and cooperation extended during the review. If GBC has any questions regarding this letter, please contact Ms. Carmen L. Austin on (215) 656-8582.

Sincerely,


Nancy Paula Gifford
Division Director
School Participation Division - Philadelphia

Enclosures: Program Review Report
Final Program Review Determination

cc: Ms. Jane Lysel, Dean of Enrollment Management
Middle States Commission on Higher Education
Delaware Department of Education
Department of Veterans Affairs

Prepared for
Goldey-Beacom College

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A. Institutional Information

Goldey-Beacom College
4701 Limestone Road
Wilmington, DE 19808-1993

Type: Private, Nonprofit

Highest Level of Offering: Master's or Doctorate Degree

Accrediting Agency: Middle States - Higher Education Commission

Current Student Enrollment: 2,166 (2012-2013 Award Year)

Percentage of Students Receiving Title IV Program Funds: 22.76% (2012-2013 Award Year)

Title IV Participation:

2012-2013 Award Year	
Federal Pell Grant	\$798,143
Federal Supplemental Educational Opportunity Grant	\$55,817
Federal Work Study Program	\$66,155
Federal Perkins Loan Program	\$45,599
William D. Ford Federal Direct Loan Program	\$3,707,088

FFEL/Direct Loan Default Rates: 2011 - 5.6%
2010 - 5.6%
2009 - 4.7%

Perkins Default Rates: 2013 - 26.79%
2012 - 31.43%
2011 - 30.65%

B. Scope of Review

The U.S. Department of Education (the Department) conducted a program review at Goldey-Beacom College (GBC) from August 5, 2013 to August 8, 2013. Ms. Carmen L. Austin and Mr. Robert Gelfand conducted the review.

The focus of the review was to determine GBC'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 GBC'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 15 files was identified for review from the 2012-2013 award year. The files were selected randomly from a statistical sample of the total population receiving Title IV, HEA program funds for the award year. Appendix A (the Department's November 13, 2013 program review report) contains 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 GBC'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 GBC 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

GBC has taken the corrective actions necessary to resolve Findings # 2, 3, 4 and 6 in the program review report. Therefore, these findings may be considered closed.

Resolved Findings with Final Determinations

The following program review findings have been resolved by the institution and may be considered closed. The findings are included in the FPRD letter solely for the purpose of discussing the resolution of the issues.

Finding # 1: Late/Inaccurate Reporting to the National Student Loan Data System (NSLDS)

Citation Summary: Participating institutions are required to confirm and report enrollment status of students receiving Title IV loans. This process is called Student

Status Confirmation Reporting (SSCR) and the enrollment data is reported to the National Student Loan Data System (NSLDS). The Department incorporated Enrollment Reporting into NSLDS to centralize and automate fully the enrollment verification system.

An institution shall, upon receipt of a SSCR from the Secretary or a similar report from any guaranty agency, complete and return that report within 30 days of receipt. 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:

- 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;
- 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; and
- The institution discovers that a student who is enrolled has changed his or her permanent address. 34 C.F.R. § 685.309(b).

Noncompliance Summary: GBC reported late to NSLDS the enrollment status dates for 13 students. In addition, the institution was late with its enrollment status update to NSLDS for two students.

Required Action Summary: GBC was required to conduct a file review to determine if the enrollment statuses in NSLDS were accurate for all students who received Title IV loan funds during the 2012-2013 award year; and provide the results of its file review with its response to the program review report. Additionally, GBC was required to update NSLDS and report accurately the enrollment status dates for two students noted in the program review report. Lastly, GBC was required to review and revise its reporting policies and procedures and submit any changes with its response to the program review report.

GBC's Response: In GBC's response to the program review report, the institution concurred with the finding and stated that a file review was conducted to determine if the enrollment statuses in NSLDS were accurate for all students who received Title IV loan funds during the 2012-2013 award year. GBC also stated that status updates were made to NSLDS where necessary and provided a spreadsheet showing the revised student records, including for the two students with the late enrollment status reporting referenced under the Noncompliance Summary section of this finding.

Lastly, GBC indicated that its NSLDS reporting policies and procedures were reviewed to identify areas for enhancement. Beginning in February 2014, the institution began using the NSLDS Submittal Template to report borrower enrollment statuses. In addition, GBC noted that it began to report borrower enrollment data at least once a month.

Final Determination: The Department reviewed GBC's response and conducted an analysis of the file review. The file review identified 455 students who received Title IV loan funds during the 2012-2013 award year. Of the 455 students, the institution updated the enrollment status for 33 students. The Department did not identify any discrepancies with the revised information reported to NSLDS.

Finally, the Department reviewed GBC's policies and procedures and has determined that the institution has strengthened its process for reporting student enrollment status data to NSLDS. The institution must continue to follow its policies and procedures to prevent a reoccurrence of this finding.

Finding # 5: Incomplete Verification

Citation Summary: An institution must require an applicant selected for verification to submit acceptable documentation that will verify or update the information used to determine the applicant's estimated family contribution (EFC). The acceptable documentation to be verified for all applicants includes: (a) Household size; (b) Number in college; (c) Supplemental Nutrition Assistance Program (SNAP); Child support paid. For non-tax filers; (a) Income earned from work; and for tax filers; (a) AGI and U.S. income tax paid; (b) education credits; (c) Untaxed IRA distributions; (d) Untaxed pensions; and (e) IRA deductions and tax-exempt interest.

The verification documentation must be secured and retained in the student's file. 34 C.F.R. § 668.56(a). Federal Register, Vol. 76, # 134.

An applicant who is selected for verification of the number of persons in his or her household (household size) or the number of those in the household who are attending postsecondary institutions (number in college) must update those items to be correct as of the date of verification, except when the update is due to a change in his or her marital status. 34 C.F.R. § 668.55(b)(1).

Noncompliance Summary: GBC failed to complete verification for Student # 14. Specifically, the number of family members listed on the Institutional Student Information Record (ISIR) was different than the number of family members listed on the dependent verification worksheet. The number of family members listed on the ISIR was three. The number of family members listed on the dependent verification worksheet was five.

Required Action Summary: GBC was required to provide a 2012-2013 needs analysis or corrected ISIR for Student # 14 with its response to the program review report to determine if the number of household members listed on the dependent verification worksheet would impact the student's Title IV eligibility. Furthermore, the institution was required to review its policies and procedures to ensure that verification is completed properly for all students; and submit a copy of any changes to its policies and procedures with its response.

GBC's Response: In GBC's response to the program review report, the institution stated that the time period had lapsed for reprocessing a 2012-2013 ISIR. Therefore, a needs analysis was performed for Student # 14 using the data on the dependent verification worksheet. The needs analysis revealed that the student's revised EFC was 8492. The student's prior EFC was 12885. The EFC change did not impact the student's 2012-2013 Title IV eligibility. Lastly, GBC stated that its policies and procedures for completing verification were reviewed and the institution determined that no revisions were necessary.

Final Determination: The Department reviewed GBC's response and determined that the revised needs analysis did not have any impact on Student # 14's 2012-2013 Title IV eligibility. The institution must continue to follow its verification policies and procedures to prevent a reoccurrence of this finding.

Finding # 7: Federal Perkins Loan Default Rate Exceeds 15 Percent/Impaired Administrative Capability

Citation Summary: To begin and to continue to participate in any Title IV, HEA program, an institution must demonstrate to the Secretary that the institution is capable of adequately administering that program. 34 C.F.R. § 668.16. The Secretary considers an institution to have that administrative capability if the institution has a cohort default rate on loans made under the Federal Perkins Loan Program to students for attendance at that institution that does not exceed 15 percent. 34 C.F.R. § 668.16 (m)(1)(iii).

An institution may submit a defaulted loan note to the Secretary for assignment to the United States if the institution has been unable to collect on the loan despite complying with the diligence procedures, including at least a first level collection effort as described in 34 § C.F.R. 674.45(a) and litigation, if required under 34 C.F.R § 674.46(a), to the extent these actions were required by regulations in effect on the date the loan entered default. 34 C.F.R. § 674.50(a)(1).

Noncompliance Summary: GBC's default rate for the Federal Perkins Loan Program was 43.48 percent for the 2012-2013 award year.

Required Action Summary: GBC was required to implement measures to reduce its Federal Perkins Loan Program default rates.

GBC's Response: In GBC's response to the program review report, the institution stated that the 43.8 percent default rate noted in the finding was not the official default rate as of June 30, 2013. The official rate was 26.79 percent. GBC also reported that it had implemented steps to lower its default rates and enhanced its Federal Perkins Loan Program collection efforts.

On September 19, 2013, GBC participated in a conference call with Department officials to discuss the institution's concerns about the continuation of its high Federal Perkins Loan Program default rates and to discuss any other steps that could be taken. After reviewing GBC's current policies and procedures, additional steps or other collection methods were not identified, other than assigning loans to the Department.

The institution reported that it had examined the Department's November 2013 Federal Perkins Loan Program assignment procedures and started the process of reviewing borrower files for loan assignment to the Department. In addition, GBC stated that it will continue its due diligence efforts and will aggressively reach out to borrowers.

Final Determination: The Department reviewed GBC's response and determined the official Federal Perkins Loan Program default rate as of June 30, 2013 was 26.79 percent. Although the 43.8 percent noted in the finding was not the official default rate as of June 30, 2013, the default rate of 26.79 percent remains in excess of 15 percent.

The Department has determined that GBC has taken steps to reduce its Federal Perkins Loan Program default rates and enhanced its loan collection process. The institution must continue its due diligence efforts to prevent a reoccurrence of this finding.

Finding # 9: Fire Safety Requirements Not Met - Reporting Discrepancies in Fire Statistics Published in the Annual Security Report and those Reported to the Department's Online Fire Statistics Database

Citation Summary: As of October 1, 2010, the Clery Act and the Department's regulations require that all institutions that receive Title IV, HEA program funds and maintain an on-campus student housing facility must, by October 1 of each year, prepare, publish and distribute to its current students and employees through appropriate publications and mailings, an Annual Fire Safety Report (AFSR) that contains, at a minimum, all of the statistical and policy elements described in 34 C.F.R. § 668.49(b). These institutions must disclose fire statistics for each on-campus student residential facility for the three most-recent calendar years. An institution's statistics must accurately and completely identify the number of on-campus fires and the cause of each fire, the number of persons who sustained fire-related injuries that resulted in treatment at a medical facility (including on-campus health centers), the number of fire-related deaths, and the dollar value of property damage caused by such fires. 34 C.F.R. § 668.49(c).

In addition, the AFSR must include several fire safety information disclosures covering topics such as the type(s) of fire safety systems that are used in each student housing facility, the number of fire drills that were conducted during the previous calendar year, any institutional policies, procedures, and programs regarding: 1) the use and/or possession of portable electrical appliances; 2) smoking and the use/presence of open flames in student housing facilities; 3) evacuation procedures to be followed in the case of a fire; 4) fire safety education and training programs; 5) the institutional official(s) and departments to whom students and employees should report the occurrence of fires so that those incidents can be included in the institution's annual fire statistics; and, 6) any plans for future improvements to the institution's fire safety program. 34 C.F.R. § 668.49(b).

The AFSR must be published and distributed as a materially-complete, comprehensive publication. If an institution chooses to combine the ASR and AFSR and publish them as a single document then the title of both reports must conspicuously appear on the cover page. Acceptable means of delivery include 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 current students and employees that includes a direct link to each report (exact electronic address), a description of its contents, as well as an advisement that a paper copy will be provided upon request. The Department's regulations also require participating institutions to provide a notice to all prospective students and employees that includes a statement about the AFSR's availability, the content of each report, and the exact electronic address of each report, if posted to an internet or intranet site. This notice must also advise interested parties how to obtain a paper copy of the AFSR.

Finally, an institution is required to submit its campus crime and fire statistics to the Secretary on an annual basis. 34 C.F.R. § 668.41(e)(1)-(6).

Noncompliance Summary: GBC failed to resolve a discrepancy between the fire statistics included in the 2012 ASR (which contained the AFSR) and the statistics that were submitted to the Department's online fire statistics database. Specifically, the institution's 2012 report disclosed that one intentional fire occurred in Leach Hall dormitory in 2009; however, this incident was not included in GBC's submission to the Department.

Any failure to disclose accurate and complete fire statistics in the AFSR or to submit such statistics to the Department's CSSDACT website violates the Clery Act. Such discrepancies in an institution's fire statistics confuses users of the AFSR and the Department's online database and deprives the campus community and the public of important fire safety information to which they are entitled.

Required Action Summary: As a result of this violation, GBC was required to review and improve its existing internal policies, procedures, internal controls, and training programs to ensure that all crime and fire statistics are disclosed accurately and completely, both in its ASR, AFSR, and in its data submission to the CSSDACT. In addition, GBC was instructed to develop and implement any new policies and procedures needed to ensure that all of the institution's fire safety operations would be carried out in accordance with the Clery Act going forward.

As part of its internal review, GBC was instructed to review the fire statistics in its 2012 ASR and its corresponding CSSDACT data submission, as well as those statistics that were included in the 2013 ASR, AFSR and CSSDACT submission, to verify that all of the statistics were accurate and complete. If additional reporting errors were identified during this internal review, GBC was required to take immediate action to correct the data discrepancies by amending its 2013 ASR, AFSR, and/or its CSSDACT data submission. Finally, GBC was instructed to submit a copy of its new and revised policies and procedures along with a list of any additional statistical discrepancies that were identified during the internal review with its response to the program review report.

Based on an evaluation of all available information including GBC's response, the Department would determine if additional actions were required.

GBC's Response: In its response to the program review report, GBC challenged the Department's finding and stated that "*the fire in question actually occurred in 2008 and was duly reported in that year.*" Per the response, the apparent discrepancy was the result of a "clerical error" whereby the statistic for the intentional fire set in Leach Hall in 2008 was inadvertently included in the 2009 statistics published in the 2012 AFSR. In addition, the institution contended that accurate 2009 fire statistics were submitted for inclusion in the Department's CSSDACT.

Final Determination: Finding # 9 of the program review report cited GBC for failing to resolve a discrepancy between the fire statistics that were disclosed in its 2012 ASR and the fire statistics that were submitted to the CSSDACT website. As a result of this violation, the Department required GBC to review and improve its current policies, procedures, internal controls, and training programs regarding the compilation and disclosure of crime and fire statistics. In its response, GBC challenged the finding and submitted documentation in support of its claims.

The institution also submitted a copy of its *Procedures for Compilation and Submission of Fire Statistics* and a copy of its revised 2013 ASR/AFSR. GBC also disclosed that it had over-reported two burglaries for calendar year 2012 due to a classification error and submitted documentation showing that the statistics submitted to the CSSDACT website were revised downward to reflect two fewer incidents.

The Department has carefully reviewed GBC's response and supporting documentation. Based on that review, the Department accepts the institution's explanation of events and as such, the finding is not sustained. The Department's review also determined that GBC's new and revised policies and procedures meet minimum requirements. For these reasons, the Department accepts the response and considers this finding to be closed for purposes of this program review; however, the officials and directors of GBC are put on notice that the institution must take specific steps to ensure that reported incidents of crime and fire are classified and disclosed in accordance with the requirements established in the Clery Act and the Department's regulations and must take all action that may be needed to remediate any weaknesses in this regard.

**Finding # 10: Drug and Alcohol Abuse Prevention Program Requirements Not Met
- Failure to Conduct Biennial Reviews**

Citation Summary: The Drug-Free Schools and Communities Act (DFSCA) and Part 86 of the Department's General Administrative Regulations require each institution of higher education (IHE) to certify that it has developed and implemented a drug and alcohol abuse prevention program (DAAPP). 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, each IHE must provide the following information in writing to all current students (enrolled for any type of academic credit except for continuing education units) and all current employees:

- 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.

The distribution plan must make provisions for providing the DAAPP disclosure annually to students who enroll at a date after the initial distribution and for employees who are hired at different points throughout the year.

In addition, each IHE must conduct a biennial review to determine the effectiveness of its DAAPP and to ensure consistent enforcement of applicable drug and alcohol-related

statutes, ordinances, and institutional policies against students and employees found to be in violation. All biennial review materials (referred to as “the biennial review report”) must be organized and maintained by the IHE and made available to the Department upon request. 34 C.F.R. §§ 86.3 and 86.100.

Noncompliance Summary: GBC violated the DFSCA by persistently failing to conduct biennial reviews to: 1) assess the effectiveness of its DAAPP; 2) evaluate the consistency of sanctions imposed for violations of its disciplinary standards and codes of conduct related to drugs and alcohol; and, 3) identify areas requiring improvement or modification. Finally, as a consequence of its failure to conduct a review, GBC also failed to produce a report documenting the findings of the review.

Failure to comply with the biennial review requirements 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 on-campus as well as an increase in drug and alcohol-related violent crime.

Required Action Summary: GBC was required to take all necessary corrective actions to resolve this violation. At a minimum, the institution was instructed to:

- Conduct a biennial review to measure the effectiveness of its existing drug and alcohol programs and its new DAAPP. GBC was required to describe the research methods and data analysis tools that would be used to determine the effectiveness of the program. In addition, the report had to identify the responsible official(s) who conducted the review. Finally, the report had to be approved by GBC’s President and/or its Board;
- Submit copies of the two most-recent biennial review reports that GBC produced (if any) with its response to the program review report. If no such reports were ever produced, institutional officials had to clearly state that fact. In this context, GBC officials were advised that no new documents could be created for the purpose of demonstrating compliance with the biennial review report requirement for past periods; and,
- Establish policies and procedures to ensure that all subsequent biennial reviews are conducted in a timely manner and are fully documented and to take all other necessary action to ensure that the violation does not recur. A copy of these policies and procedures were to accompany the institution’s submission of its biennial review report.

Because the DFSCA went into effect in 1990, longstanding practice dictates that the biennial review is normally conducted in even-numbered years. However, given GBC’s longstanding failures in this regard, the Department required that a biennial review be initiated immediately. Therefore, GBC’s biennial review was to begin immediately upon

receipt of the program review report and be completed by February 15, 2014 and its biennial review report of findings submitted to the Department by March 1, 2014.

Based on an evaluation of all available information including GBC's response, the Department would determine if additional actions were required.

GBC's Response: In its response to the program review report, GBC concurred with the finding and stated that the institution annually collected data on drug alcohol violations on campus and this data was reviewed by the Dean of Students and the Director of Residence and Student Life. GBC officials claimed that the purpose of these "informal" reviews "was to determine possible improvements in programs and training;" however, no reports or supporting documents were submitted with the response because "no formal biennial review has taken place and a formal report of the findings cannot be submitted." Finally, management asserted that the "Dean of Students is currently chairing a Biennial Review Task Force" that will conduct a review, produce a report, and submit its findings to the Department."

Final Determination: Finding # 10 cited GBC for its persistent failure to conduct biennial reviews of its DAAPP and the resultant failure to document the methodology and outcomes of each study in a report with supporting documentation. As a result of these violations, GBC was required to develop a review plan and then conduct a thorough review and finally, to document its findings and recommendations in a report. In its response, GBC concurred with the finding, stated that remedial action was taken, and submitted documents in support of its claims. In February 2014, GBC e-mailed the Department a copy of its biennial review report (dated February 10, 2014). In a subsequent e-mail received on February 20, 2014, the institution submitted a copy of a memorandum indicating that GBC's President examined the biennial review report and supporting documents and approved the materials.

The Department carefully examined GBC's narrative response and supporting documentation. The Department's examination showed that the identified violations were, for the most part, satisfactorily addressed by the institution's response and the subsequent submission of its initial biennial review report and GBC's President's statement of review and approval. Based on that review and the institution's admission of noncompliance, the violations identified in the finding are sustained. The Department also determined that GBC's remedial action plan meets minimum requirements. For these reasons, the Department has accepted the response and considers this finding to be closed for purposes of this program review. Nevertheless, the officials and directors of GBC are put on notice that the institution must take all necessary action to address the deficiencies and weaknesses identified by the Department as well as those that were detected during the preparation of the response to the Department's report and as may otherwise be needed to ensure that these violations do not recur.

Although this program review finding is now closed, GBC is reminded that the exceptions identified above constitute serious and persistent violations of the DFSCA that by their nature cannot be cured. There is no way to truly “correct” violations of this type once they occur. GBC was instructed to develop a compliant drug and alcohol program and in doing so, has finally begun to address the conditions that led to these violations. The institution has stated that it has brought its programming and operations into compliance with the DFSCA as required by its Program Participation Agreement.

While this is an important first step, GBC officials must understand that compliance with the DFSCA and the Clery Act are essential to maintaining a safe and healthy learning environment, especially in light of the fact that more than 90% of all violent campus crimes involve the abuse of drugs and/or alcohol. The failure to conduct biennial reviews also deprived the institution of important information about the effectiveness of any drug and alcohol programs that were in place during the review period. For these reasons, GBC is advised that its remedial actions cannot and do not diminish the seriousness of these violations nor do they eliminate the possibility that the Department will impose an adverse administrative action and/or require additional corrective actions as a result.

Because of the serious consequences of such violations, the Department strongly recommends that GBC re-examine its drug and alcohol and general Title IV 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 Federal regulations. To that end, GBC is reminded that it must take specific steps to document its efforts to comply with the Department’s consumer information distribution requirements including those that apply to the annual DAAPP disclosure. Moreover, the institution is reminded of its obligation to conduct comprehensive biennial reviews and to prepare substantive reports of findings and recommendations and to do so on the required schedule going forward. The regulations governing the DFSCA can be found at 34 C.F.R. Part 86. Please be advised that the Department may request information on a periodic basis to test the effectiveness of GBC’ new DAAPP policies and procedures.

Resolved Finding with Additional Action Required

The program review report finding requiring further action is summarized below.

Finding # 8: Crime Awareness Requirements Not Met - Required Policy Disclosures Omitted from Annual Security Report (ASR) and Failure To Distribute the ASR as a Comprehensive Document

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 program 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 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). The regulations also require institutions to provide a notice containing this information to all prospective students and employees. This notice must also inform interested parties about how to obtain a paper copy of the ASR. 34 C.F.R. § 668.41(e)(4).

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

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

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

Noncompliance Summary: GBC failed to prepare and publish an accurate and complete 2012 ASR as a comprehensive document, and as a result also failed to actively distribute a materially-complete 2012 ASR to all current students and employees, as required.

Specifically, GBC's 2012 ASR did not contain the following required policy disclosures:

- A statement of policy regarding the institution's campus safety programs designed to prevent sex offenses;
- A statement advising the campus community where law enforcement agency information provided by a State under section 170101(j) of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. § 14071(j)), concerning registered sex offenders may be obtained, such as the law enforcement office of the institution, a local law enforcement agency with jurisdiction for the campus, or a computer network address;
- Plans for the conduct of annual tests of the institution's emergency response and evacuation procedures, specifically the processes for documenting the results of the tests (date, time and whether the tests are announced or unannounced); and,
- A statement advising the campus community that the institution will make an entry to its fire log within two business days and the fire log will be kept for three years following publication of the last annual report to which it applies (in effect, seven years).

In addition to the above violations, the 2012 ASR did not specifically identify the institutional officials to whom students and employees should report criminal incidents. The policy stated that GBC encourages all students and staff to report crimes and emergencies to the Office of the Dean of Students, but that information did not match the guidance that appeared in other publications including those that were linked to the online version of the 2012 ASR, such as the Student Handbook and the Code of Conduct for 2012-2013 (wherein the campus community was instead instructed to contact Campus Security, the Student Affairs Office or the Business Office in case of a crime or an emergency).

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

Required Action Summary: As a result of this violation, GBC was required to demonstrate that its 2013 ASR contained all of the statistical, policy, procedural and programmatic disclosures required by 34 C.F.R. § 668.46(b).

In addition, the institution was instructed to provide supporting documentation that substantiated that the ASR was actively distributed to all current students and employees.

If GBC was not able to demonstrate its compliance by producing these records, the institution was required to review and revise its existing internal policies and procedures that govern the preparation, publication, and distribution of the ASR and develop and implement any new policies and procedures as needed to ensure that all campus security operations at GBC would be carried out in accordance with the Clery Act going forward. The new procedures were required to articulate how prospective students and employees would be notified of the ASR's availability.

Using its new and revised policies as a guide, GBC was instructed to prepare and publish an accurate and complete revised 2013 ASR in draft and submit it along with a copy of the institution's new and revised policies and procedures as part of the response to the program review report. GBC was strongly advised to ensure that its campus sexual assault policies and programs were accurate and complete and were published in the modified 2013 ASR.

Once the new ASR was evaluated by the Department for accuracy and completeness, GBC was instructed to actively distribute it to all current students and employees in accordance with 34 C.F.R. § 668.41(e). Finally, GBC is required to provide documentation to the Department evidencing this distribution as well as a certification statement attesting to the fact that the materials will be distributed in accordance with the Clery Act. The certification must also affirm that the institution understands its Clery Act obligations and that it has taken all necessary corrective actions to ensure that the violations do not recur.

Based on an evaluation of all available information including GBC's response, the Department would determine if additional actions were required.

GBC's Response: In its response to the program review report, GBC concurred with the finding and stated that the institution "*did not issue a complete 2012 Report as a single document and did not actively distribute the Report to all current students and employees.*" GBC also stated that the 2013 ASR was posted to the institution's website before October 1, 2013 but conceded that "*prospective and current students and prospective employees were not duly notified of its location.*" In addition, the institution claimed that the "*2013 Report as posted did include the required materials on sexual assault¹, but inadequately covered other areas which were more comprehensively included in other posted documents. This was clearly in violation of the Department's regulation.*"

¹ In its program review report, the Department noted that the 2012 ASR did not include any information about this policy and four other mandatory disclosures.

GBC outlined the remedial actions and policy enhancements that were developed and implemented pursuant to the Department's finding. The new policy substantially indicates the following: 1) the Dean of Students and the Vice President of External Affairs will review and approve the ASR and Annual Fire Safety Report (AFSR) by September 1 each year; 2) the Director of Housing and Student Life will ensure that all reporting requirements are met and adequately disclosed in the reports based on guidance in the Department's *Handbook for Campus Safety and Security Reporting*; 3) the Dean of Students is charged with ensuring that the ASR and AFSR are produced as a combined document and that the consolidated report includes all required statistical and policy disclosures and is actively distributed to all required recipients; 4) the Dean of Students and the Vice President for External Affairs will also ensure that the consolidated report is posted to GBC's website and that hardcopy reports are available in the Business and Student Affairs Offices, before the October 1 deadline date each year; and 5) a notice about the report's availability will be distributed to all currently enrolled students and employees by the October 1 deadline date each year, as prescribed by the Clery Act.

Finally, the Dean of Enrollment Management will be responsible for reviewing enrollment records during each registration period to ensure that the notice about the report's availability is distributed to students with unique schedules (ex. returning students).

Final Determination: Finding # 8 of the program review report cited GBC for its failure to include four required policy and procedural disclosures in its 2012 ASR. Specifically, the 2012 ASR omitted a statement of policy regarding the institution's campus safety programs designed to prevent sex offenses; a statement advising the campus community where law enforcement agency information provided by a State under section 170101(j) of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. § 14071(j)), concerning registered sex offenders may be obtained; a statement of policy regarding procedures to test the emergency response and evacuation procedures; and a list of the titles of each person or organization to whom students and employees should report criminal offenses. During the program review process, it was also determined that the institution failed to actively distribute the 2012 ASR and AFSR to enrolled students and current employees and also failed to actively notify prospective students and employees about the availability of these reports.

As a result of these violations, GBC was required to review and revise its existing policies and procedures and develop and implement new policies and procedures as needed to address these deficiencies. In its response, GBC concurred with the finding, stated that remedial action was taken, and submitted documents in support of its claims including a copy of the revised 2013 ASR and a new document entitled, "*Procedures for Preparation and Distribution of the ASR and AFSR.*"

The Department carefully examined GBC's narrative response and supporting documentation. The Department's examination showed that the identified violations

were, for the most part, satisfactorily addressed by the revised 2013 ASR and narrative response. Based on that review and GBC's admission of noncompliance, all of the violations identified above are sustained. The Department has also determined that the institution's remedial action plan meets minimum requirements. For these reasons, the Department has accepted GBC's response and considers this finding to be closed for the purposes of this program review; however, the officers and directors of GBC are put on notice that the institution must take all additional actions that may be necessary to address the deficiencies and weaknesses identified by the Department as well as those that were detected during the preparation of GBC's response and as may otherwise be needed to ensure that these violations do not recur.

To that end, GBC must submit to the Department a copy of its 2014 ASR with proof of active distribution to all required recipients. These materials must be submitted via electronic mail to the attention of Mr. Gelfand at robert.gelfand@ed.gov and to the Department's Clery Act Compliance Division (CACD) at clery@ed.gov by May 8, 2015.

GBC's submission must reference its Program Review Control Number (PRCN) in the subject line of its e-mail message. If any of the requested records were not produced or do not exist, GBC officials must clearly communicate that fact to the Department in writing. In this context, institution officials are advised that no new documents are to be created for the purpose of demonstrating compliance with the ASR requirement for past periods. GBC is also advised that any failure to respond to the supplemental request for document production will result in a referral for the imposition of administrative actions in addition to any such referral that may be made to address the original violations identified in Finding # 8 of the program review report.

Although the finding is now closed, GBC 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 institution was required to initiate all necessary remedial measures and in doing so, has begun to remediate the conditions that led to these violations. GBC 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, the institution 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 of such violations, the Department strongly recommends that GBC officials re-examine its campus safety and general Title IV policies and procedures on an annual basis to ensure that they continue to reflect current institutional practices and are compliant with Federal requirements. To that end, GBC officials are encouraged to consult the Department's "Handbook for Campus Safety and Security Reporting" (2011) as a reference guide on *Clery Act* compliance. The Handbook is online at: www2.ed.gov/admins/lead/safety/handbook.pdf. The Department

also provides a number of other Clery Act training resources. The institution 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.

Finally, GBC is reminded that the Violence Against Women Reauthorization Act of 2013 (VAWA) (Pub. Law 113-4), among other provisions, amended the Clery Act to require institutions to compile statistics for incidents of domestic violence, dating violence, sexual assault, and stalking and to include certain policies, procedures, and programs pertaining to these incidents in their ASRs.

On October 20, 2014, the Department's final regulations were published in the Federal Register (Vol. 79, No. 202). The changes to the regulations at 34 C.F.R. § 668.46, which governs the Clery Act requirements, are effective on July 1, 2015. The Department amended 34 C.F.R. § 668.46 to implement the VAWA statutory changes and updated this section by incorporating provisions added to the Clery Act by the Higher Education Opportunity Act. For information about the modifications to 34 C.F.R. § 668.46, please see the following electronic announcement:

<http://ifap.ed.gov/eannouncements/102014ViolenceAgainstWomenAct.html>. The announcement includes a link to the Federal Register (Vol. 79, No. 202). An institution's 2015 ASR, which must be published and distributed by October 1, 2015, must incorporate the changes made to 34 C.F.R. § 668.46.

D. Appendices

Appendix A (Program Review Report), Appendix B (GBC's Program Review Report Response), and Appendix C (GBC's File Review for Finding # 1) contain personally identifiable information and will be sent to GBC via e-mail with the FPRD letter as an encrypted WinZip file using Advanced Encryption Standard, 256-bit. The password to open the encrypted WinZip file(s) will be sent in a separate e-mail. The hardcopy FPRD letter does not contain the appendices.

Final Program Review Determination
PRCN #: 201340328369

Appendix: A
Program Review Report



November 13, 2013

Dr. Mohammad Ilyas
President
Goldey-Beacom College
4701 Limestone Road
Wilmington, DE 19808-1993

Sent Via E-Mail and UPS
Tracking Number:
1ZA879640199770781

RE: Program Review Report
OPE ID: 00142900
PRCN: 201340328369

Dear Dr. Ilyas:

From August 5, 2008 through August 8, 2013, Ms. Carmen L. Austin and Mr. Robert Gelfand conducted a review of Goldey-Beacom College's (GBC'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 GBC. The response should include a brief, written narrative for each finding that clearly states GBC's position regarding the finding and the corrective action taken to resolve the finding. Separate from the written narrative, GBC must provide supporting documentation as required in each finding.

Please note that pursuant to HEA section 498A(b), the U.S. Department of Education (the Department) is required to:

- (1) provide to the institution an adequate opportunity to review and respond to any preliminary program review report¹ and relevant materials related to the report before any final program review report is issued;
- (2) review and take into consideration an institution's response in any final program review report or audit determination, and include in the report or determination –
 - a. A written statement addressing the institution's response;
 - b. A written statement of the basis for such report or determination; and
 - c. A copy of the institution's response.

The Department considers the institution's response to be the written narrative (to include e-mail communication). Any supporting documentation submitted with the institution's written response will not be attached to the FPRD letter.

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).

However, it will be retained and available for inspection by GBC upon request. Copies of the program review report, the institution's response, and any supporting documentation may be subject to release under the Freedom of Information Act (FOIA) and can be provided to other oversight entities after the FPRD is issued.

The institution's response should be sent directly to Ms. Austin 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 finding in the attached report does 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. Please see Appendix B, Protection of Personally Identifiable Information for instructions regarding submission to the Department of required data documents containing PII.

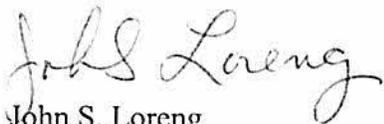
Record Retention:

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

We would like to express our appreciation for the courtesy and cooperation extended during the review. Please refer to the above Program Review Control Number (PRCN) in all correspondence relating to this report.

If you have any questions concerning this report, please contact Ms. Austin on (215) 656-8582 or at carmen.austin@ed.gov.

Sincerely,



John S. Loreng
Compliance Manager
School Participation Division - Philadelphia

cc: Ms. Jane Lysle, Dean of Enrollment Management

Enclosure: Program Review Report

Prepared for
Goldey-Beacom College

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

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OPE ID: 00142900
PRCN: 201340328369

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

Program Review Report November 13, 2013

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

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A. Institutional Information

Goldey-Beacom College
4701 Limestone Road
Wilmington, DE 19808-1993

Type: Private, Nonprofit

Highest Level of Offering: Master's or Doctor's Degree

Accrediting Agency: Middle States - Higher Education Commission

Current Student Enrollment: 2,166 (2012-2013 Award Year)

Percentage of Students Receiving Title IV Program Funds: 22.76% (2012-2013 Award Year)

Title IV Participation:

2012-2013 Award Year	
Federal Pell Grant	\$798,143
Federal Supplemental Educational Opportunity Grant	\$55,817
Federal Work Study (FWS) Program	\$66,155
Federal Perkins Loan Program	\$45,999
William D. Ford Federal Direct Loan Program	\$3,707,088

Default Rate FFEL/DL: 2011 - 5.60%
 2010 - 5.60%
 2009 - 4.70%

Default Rate Perkins: 2013 - 43.48%
 2012 - 31.40%
 2011 - 30.60%

B. Scope of Review

The U.S. Department of Education (the Department) conducted a program review at Goldey-Beacom College (GBC) from August 5, 2013 to August 8, 2013. Ms. Carmen L. Austin and Mr. Robert Gelfand conducted the review.

The focus of the review was to determine GBC'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 GBC'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 15 files was identified for review from the 2012-2013 award year. The files were selected randomly from a statistical sample of the total population receiving Title IV, HEA program funds for this 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 GBC'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 GBC of its obligation to comply with all of the statutory or regulatory provisions governing the Title IV, HEA programs.

This report reflects initial findings. These findings are not final. The Department will issue its final findings in a subsequent Final Program Review Determination (FPRD) letter.

C. Findings

During the review, several areas of noncompliance were noted. Findings of noncompliance are referenced to the applicable statutes and regulations and specify the actions to be taken by GBC to bring operations of the financial aid programs into compliance with the statutes and regulations.

Finding # 1: Late/Inaccurate Enrollment Reporting to the National Student Loan Data System (NSLDS)

Citation: Participating institutions are required to confirm and report enrollment status of students receiving Title IV loans. This process is called Student Status Confirmation Reporting (SSCR) and the enrollment data is reported to National Student Loan Data System (NSLDS). The Department incorporated Enrollment Reporting into NSLDS to centralize and automate fully the enrollment verification system.

For students moving into repayment, the effective graduation date determines when the grace period begins and how soon a student must begin repaying loan funds.

Required Action: GBC must conduct a file review to determine if the enrollment status in NSLDS is accurate for all students who received Title IV loan funds during the 2012-2013 award year. GBC must update NSLDS as appropriate for any student identified with an inaccurate reported enrollment status. The institution must prepare a spreadsheet with the results of its file review and include the following data elements:

1. Student Name;
2. Social Security Number;
3. Current Enrollment Status; and
4. Revised Enrollment, if applicable.

In addition, GBC must update NSLDS and report accurately the enrollment status for Students # 2 and 14.

GBC must submit the completed spreadsheet in both electronic and hardcopy form with its response to the program review report. The institution must also review and revise its reporting policies and procedures to ensure that they are sufficient to prevent a recurrence of this finding. Finally, GBC must submit the changes to its policies and procedures with the response.

Finding # 2: Inaccurate Common Origination and Disbursement (COD) System Reporting

Citation: 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 directly with funds received from the Secretary. 34 C.F.R. § 668.164(a).

An institution may receive either a payment from the Secretary for an award to a Federal Pell Grant recipient, or a corresponding reduction in the amount of Federal funds received in advance for which it is accountable, if among other requirements, the Secretary accepts a student's Payment Data that is submitted (presently through the Common Origination and Disbursement (COD) System) in accordance with procedures established through publication in the Federal Register, and that contains information the Secretary considers to be accurate in light of other available information including that previously provided by the student and the institution. 34 C.F.R § 690.83(a)(1).

For Federal Pell Grant and Federal Direct Loan Program disbursements and adjustments made on or after April 1, 2013, the deadline for reporting to COD was reduced from 30 days to 15 days. Federal Register (February 28, 2013), Volume 78, Number 40, Pages 13651 to 13656.

Noncompliance: GBC failed to report accurately the 2012-2013 Federal Pell Grant Program payment data for Students # 1 and 8 to COD.

For Student # 1, it was reported in COD that \$2,300 was disbursed to the student on September 12, 2012; however, the institution's student account record shows the actual posting of the disbursement on November 20, 2012.

For Student # 8, it was reported in COD that \$2,775 was disbursed on September 12, 2012; however, the institution's student account record shows the actual posting of the disbursement on September 19, 2012.

GBC's failure to report accurate information may cause additional expense for students and the Department.

Required Action: GBC must update and report accurately the disbursement dates in COD for Students # 1 and 8 and provide confirmation of the updates to the Department with its response to the program review report. Further, GBC should review its policies and procedures to ensure that Federal Direct Loan and Federal Pell Grant disbursement dates are reported accurately to COD. If GBC revises its policies and procedures as a result of this finding, a copy of the updated policies and procedures must be included with the response to this report.

Finding # 3: Exit Loan Counseling Not Documented

Citation: An institution that participates in the Title IV loan programs is required to ensure that exit loan counseling is conducted with each student borrower shortly before the student ceases at least half-time study at the institution. If the student withdraws without the institution's prior knowledge, or fails to complete exit loan counseling as required, the institution must provide the exit loan counseling materials to the student through interactive electronic means or by mailing the materials within 30 days after learning that the student has withdrawn. 34 C.F.R. § 685.304(b)(1).

The institution must maintain documentation substantiating compliance with this requirement for each student. 34 C.F.R. § 685.304(b)(7).

Noncompliance: GBC failed to document exit loan counseling for Students # 3 and 10. Also, the institution did not have a formal process in place to ensure that students receive exit loan counseling.

For Student # 3, there was a note in the student's file indicating that the student notified GBC that she would not be attending the Spring 2013 semester and the financial aid administrator advised her to complete exit loan counseling. However, there was no documentation that counseling was provided.

Student # 10 withdrew from GBC on December 15, 2012 and exit loan counseling was not provided.

An institution's failure to conduct and document exit loan counseling may result in increased student loan defaults and may cause increased expense for the Department.

Required Action: GBC must send the appropriate exit loan counseling material to Students # 3 and 10 and provide sufficient documentation to the Department that counseling was sent with the institution's response to the program review report. Additionally, GBC must update its policies and procedures to ensure that exit loan counseling is provided and documented for all students who receive Title IV loan funds. The revised policies and procedures must be sent with the institution's response.

Finding # 4: Late Delivery of Title IV Credit Balance

Citation: The funds received by an institution under the Title IV, HEA programs are held in trust for the intended student beneficiaries. Thus, Federal regulations require that whenever the amount of Title IV program funds credited to a student's account exceeds the allowable charges the institution assessed to the student, the institution must pay the resulting credit balance directly to the student or parent, as soon as possible, but no later than 14 days after the balance occurred if the credit balance occurred after the first day of class of a payment period. If the credit balance occurred from funds paid to a student account before the first day of class, then the credit balance is due no later than 14 days after the first day of class of that payment period. 34 C.F.R. § 668.164(e)(1)(2).

An institution is permitted to hold credit balance funds if it obtains written authorization from a student or parent. Because the Title IV program funds are awarded to students to pay current year charges, notwithstanding any authorization obtained from the student or parent, the institution must pay any remaining balance on loans funds by the end of the loan period and any remaining other Title IV program funds by the end of the last payment period in the award year for which they were awarded. 34 C.F.R. § 668.165 (b)(iii).

Noncompliance: GBC failed to pay a Title IV credit balance to Student # 6 within the required timeframe.

The student account record indicated that the student received an unsubsidized Federal Direct Loan disbursement on November 14, 2012 for \$6,765, resulting in a credit balance on the account in the amount of \$4,413. A copy of the credit balance check in the student's file indicated that that the institution paid the credit balance to the student on December 6, 2012, which was nine days late.

An institution's failure to properly deliver student credit balances timely deprives the students of funds needed to pay for living expenses they incur while attending school.

Required Action: GBC must review its policies and procedures regarding Title IV credit balances to ensure timely delivery of funds to students. If GBC revises its policies and

procedures as a result of this finding, a copy of the updated policies and procedures must be included with the response to this program review report.

Finding # 5: Incomplete Verification

Citation: An institution must require an applicant selected for verification to submit acceptable documentation that will verify or update the information used to determine the applicant's estimated family contribution (EFC). The acceptable documentation to be verified for all applicants includes: (a) Household size; (b) Number in college; (c) Supplemental Nutrition Assistance Program (SNAP); Child support paid. For non-tax filers; (a) Income earned from work; and for tax filers; (a) AGI and U.S. income tax paid; (b) education credits; (c) Untaxed IRA distributions; (d) Untaxed pensions; and (e) IRA deductions and tax-exempt interest. The verification documentation must be secured and retained in the student's file. 34 C.F.R. § 668.56(a). Federal Register, Vol. 76, # 134.

An applicant who is selected for verification of the number of persons in his or her household (household size) or the number of those in the household who are attending postsecondary institutions (number in college) must update those items to be correct as of the date of verification, except when the update is due to a change in his or her marital status. 34 C.F.R. § 668.55(b)(1).

Noncompliance: GBC failed to complete verification for Student # 14.

Student # 14, a dependent student, was selected for verification for the 2012-2013 award year. The number of family members listed on the ISIR was different than the number of family members listed on the dependent verification worksheet. The number of family members listed on the ISIR was three. The number of family members listed on the dependent verification worksheet was five.

An institution's failure to properly complete verification could result in the improper use of Title IV program funds.

Required Action: GBC must provide a 2012-2013 needs analysis for Student # 14 to determine if the number of household members reported on the dependent verification worksheet will impact the student's Title IV eligibility. A copy of the need analysis or corrected ISIR must be submitted with the response to this program review report. In addition, GBC must review its policies and procedures to ensure that verification is completed properly. If the institution revises its policies and procedures as a result of this finding, a copy of the revised policies must be included with the response to this program review report.

Finding # 6: Overaward - Financial Need Exceeded

Citation: Federal regulations at 34 C.F.R. § 685.301(a)(4) state that an institution may not originate a Direct Subsidized, Direct Unsubsidized, or Direct PLUS Loan, or a combination of

loans, for an amount that exceeds the student's estimated cost of attendance (COA) less the student's estimated financial assistance for that period; and in the case of a Direct Subsidized Loan, the borrower's EFC for that period.

Before the disbursement of any Federal Direct Subsidized, Direct Unsubsidized, or Direct PLUS Loan proceeds, if an institution learns that the borrower will receive or has received financial aid for the period of enrollment for which the loan was intended that exceeds the amount of assistance for which the student is eligible (except for Federal Work-Study Program funds up to \$300), the institution shall reduce or eliminate the overaward by either using the student's Direct Unsubsidized, Direct PLUS, or State-sponsored or another non-Federal loan to cover the EFC, if not already done; or reducing one or more subsequent disbursements to eliminate the overaward. 34 C.F.R. § 685.303(e).

Noncompliance: Student # 13 received \$4,456 in subsidized 2012-2013 Federal Direct Loan Program funds even though the student was not eligible to receive any Title IV need based aid for the award year.

Student # 13's 2012-2013 COA was \$32,387 and his EFC was \$24,153. The student's eligibility for need based aid was \$8,234. According to GBC's COA worksheet and "Student Account Printout," Student # 13 received \$11,425 in non-Title IV need based aid - \$6,425 in institutional funds (GBC Grant and Loyalty Credit) and \$5,000 in outside funds (Pencader Charter High School Scholarship). The subsidized Federal Direct Loan Program funds were disbursed to the student on September 12, 2012 and February 6, 2013 (the same days as the GBC Grant and Pencader Charter High School Scholarship funds).

An institution that fails to properly award Title IV program funds to students deprives other needy students of assistance and creates a financial burden for the Department.

Required Action: GBC must re-originate the 2012-2013 \$4,456 subsidized Federal Direct Loan as an unsubsidized loan. In its response to the program review report, the institution must provide confirmation that the loan has been reclassified.

Payment instructions for any determined liability will be provided in the Department's FPRD letter.

Finding # 7: Federal Perkins Loan Default Rate Exceeds 15 Percent/Impaired Administrative Capability

Citation: To begin and to continue to participate in any Title IV, HEA program, an institution must demonstrate to the Secretary that the institution is capable of adequately administering that program. 34 C.F.R. § 668.16. The Secretary considers an institution to have that administrative capability if the institution has a cohort default rate on loans made under the Federal Perkins Loan Program to students for attendance at that institution that does not exceed 15 percent. 34 C.F.R. § 668.16 (m)(1)(iii).

An institution may submit a defaulted loan note to the Secretary for assignment to the United States if the institution has been unable to collect on the loan despite complying with the diligence procedures, including at least a first level collection effort as described in 34 § C.F.R. 674.45(a) and litigation, if required under 34 C.F.R § 674.46(a), to the extent these actions were required by regulations in effect on the date the loan entered default. 34 C.F.R. § 674.50(a)(1).

Noncompliance: GBC's default rate for the Federal Perkins Loan Program is 43.48 percent (20 of 46) for the 2012-2013 award year. The Secretary considers a Federal Perkins Loan default rate in excess of 15 percent to be an indication of impaired administrative capability.

The high default rate indicates the institution's failure to properly administer the Federal Perkins Loan program. Federal Perkins Loans that go into default status create increased expense for the Department.

Required Action: GBC must implement measures to reduce default rates under the Federal Perkins Loan program. While on-site, GBC shared with the review team, a default management plan that outlined the steps it will take to lower its Federal Perkins Loan default rates. These outlined steps include enhancing communications to Perkins Loan borrowers entering repayment in the upcoming months by the Business office staff, preparing handouts on Perkins Loans to be handed out by the Business office at the time of registration, adding ECSI service "Grace Soon Ending" to reach out to Perkins Loan borrowers about to enter repayment, updating Perkins Loan webpages on the institution's website, and expanding the Default Management Task Force to include Student Affairs and Career Services staff.

If GBC determines that its Federal Perkins Loans remain in default despite due diligence on the part of the institution in collecting the loans, GBC may assign its rights to the loans to the Department without recompense. Lastly, GBC must submit any changes to its policies with its response to this program review report.

Finding # 8: Crime Awareness Requirements Not Met - Required Policy Disclosures Omitted from Annual Security Report (ASR) and Failure to Distribute the ASR as a Comprehensive Document

Citation: The Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act (Clery Act) and the Department's regulations require that all institutions that receive Title IV, HEA program 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 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). The regulations also require institutions to provide a notice containing this information to all prospective students and employees. This notice must also inform interested parties about how to obtain a paper copy of the ASR. 34 C.F.R. § 668.41(e)(4).

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

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

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

Noncompliance: GBC failed to prepare and publish an accurate and complete 2012 ASR as a comprehensive document and as a result, also failed to actively distribute a materially-complete 2012 ASR to all current students and employees, as required. Specifically, GBC's 2012 ASR did not contain the following required policy disclosures:

- A statement of policy regarding the institution's campus safety programs designed to prevent sex offenses, including:

- A description of educational programs to promote the awareness of rape, acquaintance rape, and other forcible and non-forcible sex offenses;
 - Procedures students should follow if a sex offense occurs, including procedures concerning who should be contacted, the importance of preserving evidence for the proof of a criminal offense, and to whom the alleged offense should be reported; and
 - Notification to students of existing on- and off-campus counseling, mental health, or other student services for victims of sex offenses.
- A statement advising the campus community where law enforcement agency information provided by a State under section 170101(j) of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. § 14071(j)), concerning registered sex offenders may be obtained, such as the law enforcement office of the institution, a local law enforcement agency with jurisdiction for the campus, or a computer network address.
 - Plans for the conduct of annual tests of the institution's emergency response and evacuation procedures, specifically the processes for documenting the results of the tests (date, time and whether the tests are announced or unannounced).
 - A statement advising the campus community that the institution will make an entry to its fire log within two business days and the fire log will be kept for three years following publication of the last annual report to which it applies (in effect, seven years).

In addition to the above violations, the 2012 ASR did not specifically identify the institutional officials to whom students and employees should report criminal incidents. The policy does state that GBC encourages all students and staff to report crimes and emergencies to the Office of the Dean of Students but that information does not match the guidance that appears in other publications including those that are linked to the online version of the 2012 ASR, such as the Student Handbook and the Code of Conduct for 2012-2013 (wherein the campus community is instead instructed to contact Campus Security, the Student Affairs Office or the Business Office in case of a crime or an emergency).

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

Required Action: As a result of this violation, GBC must demonstrate that its 2013 ASR does in fact contain all of the statistical, policy, procedure and programmatic disclosures required by 34 C.F.R. § 668.46(b). In addition, the institution must be able to produce supporting documentation that substantiates that the ASR was actively distributed to all current students and employees.

If GBC cannot demonstrate its compliance by producing these records, the institution must review and revise its existing internal policies and procedures that govern the preparation, publication, and distribution of the ASR and develop and implement any new policies and procedures as needed to ensure that all campus security operations at GBC will be carried out in accordance with the Clery Act going forward. The new procedures also must articulate how prospective students and employees will be notified of the ASR's availability.

Using its new and revised policies as a guide, GBC must then prepare and publish an accurate and complete modified 2013 ASR in draft and submit it along with a copy of the institution's new and revised policies and procedures as part of GBC's response to the program review report. GBC is strongly advised to ensure that its campus sexual assault policies and programs are accurate and complete and are published as part of the modified 2013 ASR.

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

As noted above, the exceptions identified in this finding constitute serious violations of the Clery Act that by their nature cannot be cured. There is no way to truly "correct" a violation of this type once it occurs. GBC will be given an opportunity to develop and implement a comprehensive sexual assault prevention and response program and to otherwise address all weaknesses in its Clery Act compliance program and in so doing, will begin to bring its overall campus security program into compliance with the Clery Act as required by its Program Participation Agreement (PPA). However, the institution is advised that these remedial measures cannot and do not diminish the seriousness of these violations nor do they eliminate the possibility that the Department will impose an adverse administrative action and/or require additional corrective measures as a result.

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

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

Finding # 9: Fire Safety Requirements Not Met – Reporting Discrepancies in Fire Statistics Published in the Annual Security Report and those Reported to the Department’s Online Fire Statistics Database

Citation: As of October 1, 2010, the Clery Act and the Department’s regulations require that all institutions that receive Title IV, HEA program funds and maintain an on-campus student housing facility must, by October 1 of each year, prepare, publish and distribute to its current students and employees through appropriate publications and mailings, an Annual Fire Safety Report (AFSR) that contains, at a minimum, all of the statistical and policy elements described in 34 C.F.R. § 668.49(b). These institutions must disclose fire statistics for each on-campus student residential facility for the three most-recent calendar years. An institution’s statistics must accurately and completely identify the number of on-campus fires and the cause of each fire, the number of persons who sustained fire-related injuries that resulted in treatment at a medical facility (including on-campus health centers), the number of fire-related deaths, and the dollar value of property damage caused by such fires. 34 C.F.R. § 668.49(c).

In addition, the AFSR must include several fire safety information disclosures covering topics such as the type(s) of fire safety systems that are used in each student housing facility, the number of fire drills that were conducted during the previous calendar year, any institutional policies, procedures, and programs regarding: 1) the use and/or possession of portable electrical appliances; 2) smoking and the use/presence of open flames in student housing facilities; 3) evacuation procedures to be followed in the case of a fire; 4) fire safety education and training programs; 5) the institutional official(s) and departments to whom students and employees should report the occurrence of fires so that those incidents can be included in the institution’s annual fire statistics; and, 6) any plans for future improvements to the institution’s fire safety program. 34 C.F.R. § 668.49(b).

The AFSR must each be published and distributed as a materially-complete, comprehensive publication. If an institution chooses to combine the ASR and AFSR and publish them as a single document then the title of both reports must conspicuously appear of the cover page. Acceptable means of delivery include 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 current students and employees that includes a direct link to each report (exact electronic address), a description of its contents, as well as an advisement that a paper copy will be provided upon request. The Department’s regulations also require participating institutions to provide a notice to all prospective students and employees that includes a statement about the AFSR’s availability, the content of each report, and the exact electronic address of each report, if posted to an internet or intranet site. This notice must also advise interested parties how to obtain a paper copy of the AFSR.

Finally, an institution is required to submit its campus crime and fire statistics to the Secretary on an annual basis. 34 C.F.R. § 668.41(e)(1)-(6).

Noncompliance: GBC failed to resolve a discrepancy between the fire statistics included in the 2012 ASR and the statistics that were submitted to the Department's online fire statistics database. Specifically, the institution's 2012 AFSR disclosed that one intentional fire occurred in Leach Hall dormitory in 2009; however, this incident was not included in GBC's submission to the Department's online database.

Any failure to disclose accurate and complete fire statistics in the AFSR or to submit such statistics to the CSSDACT violates the Clery Act. Such discrepancies in an institution's fire statistics confuses users of the AFSR and the Department's online database and deprives the campus community and the public of important fire safety information to which they are entitled.

Required Action: As a result of this violation, GBC is required to review and improve its existing internal policies, procedures, internal controls, and training programs to ensure that all crime and fire statistics are disclosed accurately and completely, both in its ASR, AFSR, and in its data submission to the Department's CSSDACT. In addition, GBC must develop and implement any new policies and procedures that are needed to ensure that all of the institution's fire safety operations will be carried out in accordance with the Clery Act going forward. As part of this internal review, GBC must review the fire statistics that were included in its 2012 ASR and its corresponding CSSDACT data submissions as well as those statistics that were published in the 2013 ASR, AFSR, and CSSDACT submission and verify that all statistics are accurate and complete. If additional reporting errors are identified during this internal review, GBC must take immediate action to correct those data discrepancies by amending its ASR, AFSR, and/or its CSSDACT data submission. Finally, GBC must submit a copy of all of its new and revised policies and procedures as well as a list of any additional statistical discrepancies that were identified during the internal review with its response to this program review report.

As noted above, the exceptions identified in this finding constitute serious violations of the Clery Act fire safety requirements that by their nature cannot be cured. GBC will be given an opportunity to re-examine and revise its fire safety statistics and in doing so, will begin to bring its overall campus safety program into compliance with the Clery Act as required by its PPA. Nevertheless, the institution is advised that these remedial measures cannot and do not diminish the seriousness of these violations nor do they eliminate the possibility that the Department will impose an adverse administrative action and/or require additional corrective measures as a result.

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

**Finding # 10: Drug and Alcohol Abuse Prevention Program Requirements Not Met -
Failure to Conduct Biennial Reviews**

Citation: The Drug-Free Schools and Communities Act (DFSCA) and Part 86 of the Department's General Administrative Regulations require each institution of higher education (IHE) to certify that it has developed and implemented a drug and alcohol abuse prevention program (DAAPP). 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, each IHE must provide the following information in writing to all current students (enrolled for any type of academic credit except for continuing education units) and all current employees:

- 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.

The distribution plan must make provisions for providing the DAAPP disclosure annually to students who enroll at a date after the initial distribution and for employees who are hired at different points throughout the year.

In addition, each IHE must conduct a biennial review to determine the effectiveness of its DAAPP and to ensure consistent enforcement of applicable drug and alcohol-related statutes, ordinances, and institutional policies against students and employees found to be in violation. All biennial review materials (referred to as "the biennial review report") must be organized and maintained by the IHE and made available to the Department upon request. 34 C.F.R. §§ 86.3 and 86.100.

Noncompliance: GBC violated the DFSCA by persistently failing to conduct biennial reviews to: 1) assess the effectiveness of its DAAPP; 2) evaluate the consistency of sanctions imposed for violations of its disciplinary standards and codes of conduct related to drugs and alcohol; and, 3) identify areas requiring improvement or modification. Finally, as a consequence of its failure to conduct a review, GBC also failed to produce a report documenting the findings of the review.

Failure to comply with the biennial review requirements 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 on-campus as well as an increase in drug and alcohol-related violent crime.

Required Action: GBC is required to take all necessary corrective actions to resolve this violation. At a minimum, the institution must:

- Conduct a biennial review to measure the effectiveness of its existing drug and alcohol programs and its new DAAPP. GBC must describe the research methods and data analysis tools that will be used to determine the effectiveness of the program. In addition, the report must identify the responsible official(s) who conducted the review. Finally, the report must be approved by GBC's President and/or its Board;
- Submit copies of the two most-recent biennial review reports that GBC has produced (if any) with its response to this program review report. If no such reports were ever produced, institutional officials must clearly state that fact. In this context, GBC officials are advised that no new documents are to be created for the purpose of demonstrating compliance with the biennial review report requirement for past periods; and,
- Establish policies and procedures to ensure that all subsequent biennial reviews are conducted in a timely manner and are fully documented and to take all other necessary action to ensure that this violation does not recur. A copy of these policies and procedures must accompany the institution's submission of its biennial review report.

Because the DFSCA went into effect in 1990, longstanding practice dictates that the biennial review is normally conducted in even-numbered years. However, given GBC's longstanding failures in this regard, the Department must require that a biennial review be initiated immediately. Therefore, GBC's biennial review must begin immediately upon receipt of this program review report and be completed by February 15, 2014 and its biennial review report of findings must be submitted to the Department by March 1, 2014.

As noted above, the exceptions identified in this finding constitute serious violations of the DFSCA that by their nature cannot be cured. By conducting a substantive biennial review and producing a comprehensive report, the institution will take the first steps toward full compliance with the DFSCA and the terms and conditions of its PPA. Nevertheless, GBC 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 additional corrective measures as a result.

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

D. Appendices

Appendix A contains personally identifiable information. As a result, the program review report will be e-mailed to GBC as an encrypted WinZip file using Advanced Encryption Standard, 256-bit. The password needed to open the encrypted WinZip file will be sent in a separate email.