



February 27, 2015

Martin J. Calihan
President
International Business College
5699 Coventry Lane
Fort Wayne, IN 46804-1298

Certified Mail
Return Receipt Requested
7012 1640 0000 0216 1191

RE: **Final Program Review Determination**
OPE ID: 00457900
PRCN: 201340528364

Dear Mr. Calihan:

The U.S. Department of Education's (Department's) School Participation Team – Chicago/Denver issued a program review report on January 23, 2014 covering International Business College's (IBC's) 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. IBC's final response was received on February 19, 2014 (the Biennial Review Report dated April 11, 2014 was also received). A copy of the program review report (and related attachments) and IBC's response are attached. Any supporting documentation submitted with the response is being retained by the Department and is available for inspection by IBC upon request. Additionally, this Final Program Review Determination (FPRD), related attachments, and any supporting documentation may be subject to release under the Freedom of Information Act (FOIA) and can be provided to other oversight entities after this FPRD is issued.

Purpose:

Final determinations have been made concerning all of the outstanding findings of the program review report. The purpose of this letter is to: (1) identify liabilities resulting from the findings of this program review report, (2) provide instructions for payment of liabilities to the Department (if applicable), (3) close the review, and (4) notify IBC of a possible adverse action. Due to the serious nature of one or more of the enclosed findings, this FPRD is being referred to the Department's Administrative Actions and Appeals Service Group (AAASG) for its consideration of possible adverse action. Such action may include a fine, or the limitation, suspension or termination of the eligibility of the institution. Such action may also include the revocation of the institution's program participation agreement (if provisional), or, if the institution has an application pending for renewal of its certification, denial of that application. If AAASG initiates any action, a separate notification will be provided which will include information on institutional appeal rights and procedures to file an appeal.

Federal Student

AN OFFICE OF THE U.S. DEPARTMENT OF EDUCATION

School Participation Division – Chicago/Denver

500 West Madison Street, Room 1576, Chicago, Illinois 60661

StudentAid.gov

This FPRD contains a finding regarding IBC's failure to comply with the Drug-Free Schools and Communities Act (*DFSCA*) and Part 86 of the Department's General Administrative Regulations. Because this *DFSCA* finding will not result in the assessment of financial liabilities, such a finding may not be appealed. If an adverse administrative action is initiated, additional information about IBC's appeal rights will be provided under separate cover.

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 of the findings references students only by a student number created by Federal Student Aid. The student numbers were assigned in Appendix A, Student Sample. This appendix was encrypted and sent separately to the institution 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).

If the institution has any questions regarding this letter, please contact Mark Kreutzer at 312-730-1722.

Sincerely,

(b)(6)

Douglas Parrott
Division Director

Enclosure:
Final Program Review Determination Report (and appendicies)

cc: Roxanna Shull, Financial Aid Administrator
Indiana Commission on Proprietary Education
Accrediting Council for Independent Colleges and Schools
Department of Defense
Department of Veteran Affairs
Consumer Financial Protection Bureau

Prepared for
International Business College

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

Final Program Review Determination February 27, 2015

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A. Institutional Information

International Business College
5699 Coventry Lane
Fort Wayne, IN 46804-1298

Type: Proprietary

Highest Level of Offering: Bachelor's Degree

Accrediting Agency: Accrediting Council for Independent Colleges and Schools

Current Student Enrollment: 1,052 (2012-2013)

% of Students Receiving Title IV: 93% (2012-2013)

Title IV Participation (Source: PCNet):

2011-2012 Award Year

Federal Pell Grant Program	\$2,776,136.00
William D. Ford Federal Direct Loan (Direct Loan) Program (Subsidized)	\$3,909,011.00
Federal Direct Loan (Unsubsidized)	\$3,196,748.00
Federal Direct Loan (PLUS)	\$3,182,603.00
Federal Perkins Loan Program	\$462,219.00
Federal Supplemental Educational Opportunity Grant (FSEOG) Program	\$93,826.00

Default Rate (Source: Postsecondary Education Participants System):

Federal Direct Loan Program	2011: 5.7%
	2010: 3.2%
Federal Family Education Loan (FFEL) Program	2009: 8.8%

Default Rate: Federal Perkins Loan	2011: 14.2%
	2010: 11.1%
	2009: 12.0%

B. Scope of Review

The U.S. Department of Education (the Department) conducted a program review at International Business College (IBC) from July 23, 2013 to July 25, 2013. The review was conducted by Joseph Massman and Mitch Cary.

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

A sample of 15 files was identified for review from the 2012-2013 award year. The student files were selected randomly from the list of students who 1) withdrew or ceased attendance for any reason other than graduation; 2) were selected for verification; and 3) received all non-passing grades ("0" GPA) for any term within the award year being reviewed. Appendix A identifies 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 IBC'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 IBC of its obligation to comply with all of the statutory or regulatory provisions governing the Title IV, HEA programs.

C. Findings and Final Determinations

Findings with Final Determinations

The program review report findings requiring further action are summarized below. At the conclusion of each finding is a summary of IBC's response to the finding, and the Department's final determination for that finding. A copy of the program review report issued on January 23, 2014 is attached as Appendix B.

Finding #1: Return of Title IV Funds Made Late

Citation Summary: 34 C.F.R. § 668.22(j) mandates that Title IV funds be returned to the appropriate program accounts within 45 days of the date that the student officially withdrew, was expelled, or the institution determined that the student unofficially withdrew.

Noncompliance Summary: IBC's date of determination for student #15 was August 14, 2012; however, the institution did not return Title IV funds until December 18, 2012. Consequently, the funds were returned 65 days late.

Required Action Summary: As part of its response to this program review report IBC must provide evidence that it has procedures in place to ensure future compliance with returning Title IV funds within the required timeframe.

IBC's Response: The response submitted on February 19, 2014 (see Appendix C) indicates that the institution concurs with the finding that Federal Title IV funds were not returned within the mandated 45 days for the one student identified (see Appendix A). IBC asserts that this was an isolated incident, which was discovered during an internal review and disclosed to the program reviewers. IBC explained that the Return of Title IV (R2T4) calculation was performed in a timely manner, but the funds were not returned timely. R2T4 procedures were submitted as part of IBC's response to the Program Review Report (PRR) and the institution affirms that – as a result of a self-audit – no other non-compliance was found.

Final Determination: The Department reviewed the R2T4 procedures IBC submitted in its response and concludes that they are sufficient. An institution that does not return Title IV, HEA funds to the appropriate programs in the designated timeframe has improperly retained federal funds to which it was not entitled. IBC's improper retention of federal funds represents a financial loss to the federal programs for which the institution is liable. The Department extrapolated the cost of these funds to be *de minimis*, so no demand for payment is made at this time. Should this finding appear in future audits or program reviews, the Department may reinstate this liability amount.

Finding #2: Drug and Alcohol Abuse Prevention Program Requirements Not Met – Failure to Conduct a Biennial Review

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 and ordinances 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 alcohol abuse;*
- 4) A description of any drug or alcohol counseling, treatment, and rehabilitation/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. The biennial review materials must be maintained by the IHE and made available to the Department upon request. 34 C.F.R. §§ 86.3 and 86.100.

Noncompliance Summary: *IBC failed to conduct a biennial review of the effectiveness of its Drug and Alcohol Abuse Prevention Program and of the consistency of sanctions imposed for violations of its disciplinary standards and codes of conduct. As a result of this violation, the College also failed to produce a biennial review report of findings and recommendations for improvement of the program.*

Failure to comply with the DFSCA's requirements deprives students and employees of important information regarding the educational, disciplinary, health, and legal consequences of illegal drug use and alcohol abuse. More specifically, a 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 the possibility of increased drug and alcohol abuse on-campus as well as an increase in drug and alcohol-related violent crime.

Required Action Summary: *As a result of this violation, IBC is required to take all necessary corrective actions to resolve these violations. At a minimum, the College must*

- *Conduct a substantive biennial review to assess the effectiveness of its DAAPP. IBC must describe the research methods and data analysis tools that will be used to determine the effectiveness of the program and identify the responsible official(s) and office(s) that conducted the biennial review. Finally, the biennial review report must be approved by the College's President/Chief Executive and/or its board. The biennial review and must be completed by April 15, 2014. IBC's report must be submitted to the review team by April 30, 2014; and.*
- *IBC must establish policies and procedures ensure that all subsequent biennial reviews are conducted in a timely manner and are fully documented. The College also must take all other necessary action to ensure that these violations do not recur.*

As noted above, the exceptions identified in this finding constitute serious violations of the DFSCA that by their nature cannot be cured. There is no way to truly "correct" a violation of this type once it occurs. IBC will be given an opportunity to implement a substantive DAAPP, publish and distribute an accurate and complete DAAPP disclosure, conduct a biennial review and to otherwise bring operations into compliance with the DFSCA, as required by its Program Participation Agreement (PPA).

IBC's Response: In its response, IBC concurred with the finding and conceded that it was unable to document that any biennial reviews were conducted during or prior to the review period. Nevertheless, IBC asserted that its drug and alcohol policies and procedures were reexamined periodically and that such a review was last conducted in February, 2011 at which time, some policies were revised although no formal documentation of the review was retained. Pursuant to the requirements of the program review report, IBC management claimed a procedure was established for conducting and documenting future biennial reviews. A copy of the new procedure was submitted with the IBC pledged that the first biennial review conducted in conformity with its new policy would be completed by April 15, 2014.

Final Determination: Finding #2 of the program review report cited IBC for its failure to conduct a biennial review to assess the effectiveness of its DAAPP and to produce a report of findings, recommendations, and supporting documentation. As a result of this violation, IBC was required to conduct a substantive biennial review and produce a detailed report. In its response, IBC concurred with the finding although it asserted that informal policy reviews were conducted from time-to-time. IBC also developed new policies and procedures that will direct future reviews. IBC also submitted its initial biennial review report dated April 11, 2014 to the Department, as directed.

The Department carefully examined IBC's narrative response and supporting documentation. The review team's examination showed that the identified violations were, for the most part, satisfactorily addressed by IBC response and its inaugural biennial review report and new policies and procedures. Based on that review and IBC's admission of noncompliance, the violations identified in the finding are sustained. The Department also determined that IBC'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 IBC are put on notice that IBC 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 finding is now closed, IBC officials are reminded that they must initiate any additional remedial actions that may be necessary to ensure that the identified deficiencies do not recur. Moreover, IBC is specifically reminded that the exceptions identified above constitute very 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. IBC asserted that it has taken adequate remedial actions and by doing so, has taken steps to finally comply with the *DFSCA* as required by its Program Participation Agreement (PPA). Notwithstanding the remedial efforts taken thus far, IBC officials must understand that compliance with the *DFSCA* is essential to maintaining a safe and healthy learning environment. Data compiled by the Department shows that the use of illicit drugs and alcohol abuse is highly correlated to increased incidents of violent crime on campus. *DFSCA* violations deprive students and employees of important information regarding the educational, financial, health, and legal consequences of alcohol abuse and illicit drug use and deprive institutions of important information about the effectiveness of their drug and alcohol programs. For these reasons, IBC is advised that any remedial measures, whether already completed or planned for the future, 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 remedial measures as a result.

In light of the serious consequences associated with compliance failures of this type, the Department strongly recommends that IBC re-examine its drug and alcohol policies.

procedures, and programs on at least an annual basis and revise them as needed to ensure that they continue to reflect current institutional policy and are in full compliance with the *DFSCA*. Please be advised that the Department may request information on a periodic basis to test the effectiveness of the institution's new policies and procedures.

Finding #3: Fire Awareness Requirements Not Met – Multiple Violations

Citation Summary: As of October 1, 2010, the Clery Act and the Department's regulations require that all institutions that receive Title IV, HEA 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 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 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 Summary: *IBC violated multiple provisions of the Clery Act fire safety requirements. The most serious of these violations pertain to the College's persistent failure to publish an AFSR and actively distribute such a report to enrolled students and current employees. The Department's review indicates that this compliance failure has persisted since the fire safety requirements were added to the Clery Act in 2010.*

Failure to publish an accurate and complete AFSR and to actively distribute it to students and employees deprives interested persons of important fire safety information to which they are entitled. Access to this information permits campus community members, especially those who live in campus housing, 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, IBC must develop and implement internal policies and procedures that will govern the preparation, publication, and distribution of the AFSR and that will otherwise ensure that all fire safety operations at IBC 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 AFSR's availability.*

Using its new and revised policies as a guide, IBC must prepare and publish an accurate and complete AFSR that includes all of the statistical disclosures and policy, procedure and programmatic information required by 34 C.F.R. § 668.49(b). A copy of the College's new and revised policies and procedures and its draft AFSR must accompany IBC's response to this program review report. Once the new AFSR is evaluated by the review team for accuracy and completeness, IBC will be required to actively distribute it to all current students and employees in accordance with 34 C.F.R. § 668.41(e).¹¹¹

Finally, IBC 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

¹¹¹ *As a result of these violations, IBC will be required to distribute a materially-complete AFSR immediately upon approval of the draft report in the manner required by Federal regulations, notwithstanding the fact that this distribution will occur after the deadline of October 1, 2013 and in advance of the next deadline of October 1, 2014. Please note that IBC will still be required to prepare and publish a 2014 AFSR and distribute it no later than October 1, 2014.*

that the College understands its Clery Act fire safety 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's fire safety requirements that by their nature cannot be cured. There is no way to truly "correct" a violation of this type once it occurs. IBC will be given an opportunity to publish and distribute an accurate and complete AFSR and in doing so; the College will begin to bring its overall fire safety program into compliance with the Clery Act as required by its PPA. While enhanced safety is the Department's primary focus, we note that such improvements will likely result in a better risk management environment for the College as well. Nevertheless, the College 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.

IBC's Response: In its official response, IBC concurred with the finding and summarized discussions between IBC and Department officials about the nature and location of its student housing units and the applicability of the *Clery Act's* definition of an on-campus student residential facility. Because the facility was determined to be an on-campus student residential facility, IBC was required to comply with the fire safety requirements. Per the response, IBC management stated that all necessary steps were taken to develop and implement a compliant fire safety program. IBC officials also claimed that an initial AFSR was produced and all statistical and policy disclosures were incorporated into a combined 2013 ASR/AFSR publication. IBC also stated that this report was distributed to all required recipients in October 2013. Finally, IBC submitted a statement stipulating that it understands its obligations under the *Clery Act*.

Final Determination: Finding #3 of the program review report cited IBC for its failure to produce a 2012 AFSR and therefore, also failed to distribute such a report to its students and employees. As a result of these violations, IBC was required to review and revise its internal policies and procedures related to *Clery Act* compliance and develop and implement new policies and procedures to ensure that these violations do not recur. In its response, IBC concurred with the finding but claimed that it was previously unaware that its student housing units met the definition of an on-campus student residential facility and as a result, believed that the College was exempt from this requirement. The College also asserted that all necessary action was taken to address the deficiency once it was identified and submitted documents in support of its claims.

The Department carefully reviewed all available documentation including IBC's response and supporting documents. The review team's examination showed that the identified violations were, for the most part, satisfactorily addressed by IBC's inaugural AFSR and new fire safety program. Based on that review and IBC's admission of noncompliance, the violations identified in the finding are sustained. The Department also determined that IBC's remedial action plan met minimum requirements. For these reasons, the

Department has accepted IBC's response and considers this finding to be closed for the purposes of this program review. For the record, the Department takes notice of IBC's representation that IBC was not aware that it had to comply with the fire safety requirement prior to the program review. Nevertheless, IBC is advised that it must continue to develop its fire safety program and must also take any additional action that may be needed to fully address the deficiencies and weaknesses identified by the Department as well as any deficiencies that were detected during the preparation of the IBC's response to the Department's report and as may otherwise be needed to ensure that these violations do not recur.

Although the finding is now closed, IBC 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" violations of this type once they occur. The requirement to develop and implement a comprehensive fire safety program and to publish and distribute an AFSR containing accurate and complete fire statistics, policies and procedures are fundamental goals of the *Clery Act*. IBC was required to initiate remedial measures and as a result of its efforts, has begun to address the conditions that led to these violations. IBC has stated that it has brought its overall campus fire safety program into compliance with the *Clery Act* as required by its PPA. Nevertheless, IBC is advised that its remedial actions, whether already completed or planned for the future, 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 IBC officials re-examine its campus and fire security, drug and alcohol, and general Title IV policies and procedures on an annual basis to ensure that they continue to reflect current institutional practices and are compliant with Federal requirements. To that end, College officials are encouraged to consult the Department's "Handbook for Campus Safety and Security Reporting" (2013) 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 College 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.

Finding # 4: Crime Awareness Requirements Not Met - Required Missing Persons Notification Policy Disclosure Omitted from Annual Security Report

Citation Summary: *The Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act (Clery Act) and the Department's regulations require that all institutions that receive Title IV, HEA funds must, by October 1 of each year, publish and distribute to its current students and employees, 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). 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 § 485(f) of the HEA; 34 C.F.R. § 668.46(b).

The ASR must be published and actively distributed as a single document. 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 students and employees that includes a statement of the report's availability and its exact electronic address, a description of its contents, as well as an advisement that a paper copy will be provided upon request. 34 C.F.R. § 668.41(e)(1). These regulations also require institutions to provide a notice containing this information to all prospective students and employees. This notice must also advise interested parties of their right to request a paper copy of the ASR and to have it furnished upon request. 34 C.F.R. § 668.41(e)(4).

An institution's ASR must include statistics for incidents of crimes reported during the three most recent calendar years. The covered categories include criminal homicide (murder and non-negligent manslaughter), forcible and non-forcible sex offenses, robbery, aggravated assaults, 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; 3) certain non-campus buildings and property; and 4) certain adjacent and accessible public property. 34 C.F.R. § 668.46(c)(1). When applicable, an institution must also compile, and publish separate crime statistic disclosures for each of its campuses. 34 C.F.R. § 668.46(d).

Also, institutions with a police or campus security department must maintain a written, easily understood daily crime log listing all crimes that occurred in the above geographical areas as well as those that occur within the campus police or security department's patrol area that it either becomes aware of or are reported to it. This reporting requirement applies to all crimes, not merely those crimes listed in 34 C.F.R. § 668.46(c)(1) and (3). The log must include the nature, date, time, general location, and disposition of each offense. The crime log must be kept up to date and be freely accessible to any requestor. 34 C.F.R. § 668.46(f).

The ASR also 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 ASR 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, emergency notifications, and evacuation procedures. As noted above, all required statistics and policies must be included in a single comprehensive document. 34 C.F.R. § 668.46(b)(2).

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

Noncompliance Summary: *IBC failed to develop and implement a substantive statement of policy regarding missing student notification procedures. As a result of this violation, the College also failed to include this required policy disclosure in its 2012 ASR in violation of 34 C.F.R. § 668.46(h).*

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

Required Action Summary: *As a result of this violation, IBC must review and revise its existing policies and develop and implement new policies and procedures as needed to ensure that all aspects of the preparation, publication, and distribution of the ASR and all other aspects of the College's campus safety program are carried out in accordance with the Clery Act. Using its new and revised policies as a guide, IBC must prepare and publish a modified 2013 ASR that includes all of the statistical disclosures and policy, procedure, and programmatic information required under 34 C.F.R. § 668.46(b) including the missing persons notification provisions.*

Specifically, IBC must take immediate action to address its failure to develop and implement a compliant missing persons notification procedure and to publish it in the 2012 ASR. Specifically, the Clery Act requires all institutions that operate an on-campus student residential facility to develop and implement a comprehensive missing persons notification policy that includes the following components and to publish the policy in the ASR:

- *Indicate the person or organization (a list of titles of the persons or organization) to which students and employees should report that a student has been missing for 24 hours;*
- *Require that any official missing person report must be referred immediately to the institution's police or campus security department, or, in the absence of a*

sworn law enforcement officer, to a local law enforcement agency that has jurisdiction in the area:

- *Advise students that, regardless of whether they name a contact person, unless the local law enforcement agency was the entity that made the determination that a student is missing, the institution will notify the local law enforcement agency that the student is missing:*
- *The procedures that the institution will follow when a student is determined to have been missing for 24 hours include:*
 - *If the student has designated a contact person, the institution will notify that contact person within 24 hours;*
 - *If the student is under 18 years of age and is not emancipated, the institution will notify the student's custodial parent or guardian within 24 hours; and,*
 - *Regardless of whether the student has identified a contact person, is above the age of 18, or is an emancipated minor, the institution will inform the local law enforcement agency that has jurisdiction in the area within 24 hours.*

If IBC can produce a copy of its original 2013 ASR and show that the report was materially-complete and can substantiate that the 2013 report was actively distributed in the required manner, no further action will be required. Alternatively, the Department will permit IBC to distribute an addendum containing only the new missing student notification policies and procedures if the College can produce a 2013 ASR wherein the only missing element is the missing student information. Once again, the College would have to provide documentation showing that the 2013 ASR was distributed, as required for the addendum option to apply. IBC's new policies and procedures and all other documents referenced above must accompany its response to this program review report. Once the modified 2013 ASR or new policy materials are approved by the review team, the College will be required to actively distribute the modified 2013 ASR or new policy materials to all enrolled students and current employees in accordance with 34 C.F.R. § 668.41(e)(1). Finally, IBC will be required to submit a statement of certification that affirms that the College 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, this finding constitutes a very serious violation of the Clery Act that cannot be cured. There is no way to truly "correct" a violation of this type once it occurs. IBC will be given an opportunity to develop and distribute an accurate and complete ASR including a comprehensive missing persons notification policy and in doing so, will begin to bring its campus safety program into compliance with the Clery

Act as required by its PPA. Nevertheless, IBC 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.

IBC's Response: IBC's response to this finding was very similar to its response to Finding #3. As noted under Finding #3, IBC concurred with the finding and summarized discussions between the College and Department officials about the nature and location of its student housing units and the applicability of the *Clery Act's* definition of an on-campus student residential facility. Because the facility was determined to be an on-campus student residential facility, IBC was required to develop and implement a missing student notification policy. Per the response, IBC management stated that all necessary steps were taken to develop and implement an adequate missing persons policy and that it was included in the combined 2013 ASR/AFSR. IBC also stated that this report was distributed to all required recipients in October 2013. Finally, IBC submitted a statement stipulating that it understands all aspects of its obligations under the *Clery Act*.

Final Determination: Finding #4 of the program review report cited IBC for its failure to develop and implement a missing persons notification policy and include it in the 2012 ASR. As a result of this violation, IBC was required to develop such a policy to take all other necessary steps to ensure that this violation does not recur. In its response, IBC concurred with the finding but claimed that it was previously unaware that its student housing units met the definition of an on-campus student residential facility and as a result, believed that IBC was exempt from this requirement. IBC also asserted that all necessary action was taken to address the deficiency once it was identified and submitted documents in support of its claims.

The Department carefully reviewed all available documentation including IBC's response and supporting documents. The review team's examination showed that the identified violations were, for the most part, satisfactorily addressed by the IBC's new missing persons notification policy. Based on that review and IBC's admission of noncompliance, the violations identified in the finding are sustained. The Department also determined that IBC's remedial action plan meets minimum requirements. For these reasons, the Department has accepted IBC's response and considers this finding to be closed for the purposes of this program review. For the record, the Department takes notice of IBC's representation that IBC was not aware that it had to comply with the fire safety requirement prior to the program review.

Although the finding is now closed, IBC 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" violations of this type once they occur. The requirement to develop and implement a comprehensive public safety and crime prevention program and to publish and distribute an ASR containing accurate and complete campus crime statistics and campus safety policies and procedures are fundamental goals of the *Clery*.

IBC was required to initiate remedial measures and as a result of its efforts, has begun to address the conditions that led to these violations. IBC has stated that it has brought its overall campus security program into compliance with the *Clery Act* as required by its PPA. Nevertheless, IBC is advised that its remedial actions, whether already completed or planned for the future, 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.

D. Appendices

Appendix A, Student Sample, contains personally identifiable information and will be emailed to IBC 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.

Appendices B, C, and D are attached to this report.

Appendix A: Student Sample

Appendix A. contains personally identifiable information and will be emailed to IBC 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.

**Appendix B:
Program Review Report, Dated January 23, 2014**

Note: Appendix A was removed from the program review report (PRR). For a list of students in the program review sample see Appendix A in this final program review determination (FPRD).

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

Program Review Report

January 23, 2014

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