



Dr. Harry Rodriguez  
MBTI Business Training Institute  
1256 Ponce De Leon Ave.  
San Juan, PR 00907-3917

Certified Mail Return Receipt Requested  
Domestic Return Receipt  
7011 1150 0000 5736 6018

**RE: Final Program Review Determination**  
OPE ID: 026310  
PRCN: 2010-3-02-27234

Dear Dr. Harry Rodriguez:

The U.S. Department of Education's (Department's) School Participation Team – New York/Boston issued a program review report on February 27, 2013 covering MBTI Business Training Institute's (MBTI) 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 2006/07, 2007/08, and 2008/09 award years. MBTI's final response was received on August 11, 2014. A copy of the program review report (and related attachments) and MBTI's response are attached. Any supporting documentation submitted with the response is being retained by the Department and is available for inspection by MBTI upon request. Additionally, this Final Program Review Determination (FPRD), related attachments, and any supporting documentation may be subject to release under the Freedom of Information Act (FOIA) and can be provided to other oversight entities after this FPRD is issued.

**Purpose:**

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

The total liabilities due from the institution from this program review are \$915.96. Since the total liability amount owed to the Department is minimal, a receivable is not being established with the Department's Accounts Receivable Group. However, MBTI remains responsible for \$90.68 liability owed to the student noted in the FPRD.

This final program review determination contains detailed information about the liability determination for all findings.

**Federal Student Aid**

AN OFFICE OF THE U.S. DEPARTMENT OF EDUCATION

School Participation Division – New York - Boston

830 First Street, NE Washington, DC 20202-5430

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 finding in the attached report does not contain any student PII. Instead, the finding references students only by a student number created by Federal Student Aid. The student numbers were assigned in Appendix A, Student Sample.

**Appeal Procedures:**

This constitutes the Department's FPRD with respect to the liabilities identified from the February 27, 2013 program review report. If MBTI wishes to appeal to the Secretary for a review of financial liabilities established by the FPRD, the institution must file a written request for an administrative hearing. Please note that institutions may appeal financial liabilities only. The Department must receive the request no later than 45 days from the date MBTI receives this FPRD. An original and four copies of the information MBTI submits must be attached to the request. The request for an appeal must be sent to:

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

**MBTI's appeal request must:**

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

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

**Record Retention:**

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

The Department expresses its appreciation for the courtesy and cooperation extended during the review. If the institution has any questions regarding this letter, please contact Janelle Jacobs at 202-377-3404. Questions relating to any appeal of the FPRD should be directed to the address noted in the Appeal Procedures section of this letter.

Sincerely,



Betty Coughlin  
Division Director

**Enclosure:**

Protection of Personally Identifiable Information  
Program Review Report (and appendix)  
Final Program Review Determination Report (and appendix)

cc: Vivian Cintron, Financial Aid Administrator  
PR Consejo General de Education  
Accrediting Council for Independent Colleges and Schools  
Department of Defense  
Department of Veterans Affairs  
Consumer Financial Protection Bureau

Prepared for  
**MBTI Business Training Institute**

**Federal Student Aid**  
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**OPE ID** 02063100  
**PRCN** 2010-03-02-27234

**Prepared by**  
**U.S. Department of Education**  
**Federal Student Aid**  
**School Participation Division – New York/Boston**

# Final Program Review Determination

## June 30, 2015

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**A. Institutional Information**

MBTI Business Training Institute  
1256 Ponce de Leon Ave.  
Santurce, PR 00907-3917

Type: Proprietary

Highest Level of Offering: Non-degree, 1 year (900-1,799 hours)

Accrediting Agency: Accrediting Council for Independent Colleges and Schools (ACICS)

Current Student Enrollment: 4,192 (all undergraduate) (2012)

% of Students Receiving Title IV, HEA funds: 100% (2012)

Title IV, HEA Program Participation (PEPS):

2011-2012

Federal Pell Grant (Pell)	\$12,789,333
Federal Supplemental Education Opportunity Grant (FSEOG)	\$ 126,150
Federal Work-Study (FWS)	\$ 106,067

Default Rate FFEL/DL:	2011	13.1%
	2010	14.2%
	2009	12.6%

## B. Scope of Review

The U.S. Department of Education (the Department) conducted a program review at MBTI Business Training Institute (MBTI) from June 21, 2010 to June 25, 2010. The review was conducted by Janelle Jacobs, Nancy Rosario-Velez, and Stephen Podeszwa.

The focus of the review was to determine MBTI's compliance with the statutes and Federal regulations as they pertain to the institution's administration of Title IV programs. The review consisted of an examination of MBTI's student records, forms, and procedures. In addition, interviews were conducted with several school officials.

A sample of 40 files was identified for review from the 2006/07, 2007/08, and 2008/09 award years. The files were selected randomly from a statistical sample of the total population receiving Title IV, HEA program funds for each award year. Appendix A lists the names and social security numbers of the students whose files were examined during the program review. A program review report was issued on February 28, 2013.

### Disclaimer:

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

### **C. Findings with Final Determinations**

The program review report finding requiring further action is summarized below. At the conclusion of each finding is a summary of MBTI's response to the finding, and the Department's final determination for that finding. A copy of the program review report issued on February 28, 2013 is attached as Appendix B.

#### ***Finding 1 – Inadequate Monitoring of Federal Work Study (FWS) Employment***

***Citation:*** *To participate in the FWS program an institution of higher education shall enter into a participation agreement with the Secretary. 34 C.F.R. § 675.8 The Federal Work Study (FWS) program provides part-time employment to students attending an institution of higher education who need the earnings to help meet their cost of postsecondary education and encourages students receiving FWS assistance to participate in community service activities. 34 C.F.R. § 675.1 (a)*

*In addition, regulations require that an institution maintain fiscal records that include a certification by the supervisor that each student has worked and earned the amount being paid, and the certification must include or be supported by a time record showing the hours each student worked. 34 C.F.R. § 675.19(b)(2)*

*An institution must follow the disbursement procedures in this section for paying a student his or her wages under the FWS Program instead of the disbursement procedures in 34 C.F.R. 668.164(a), (b),(d) through (g), and 34 C.F.R. 668.165. The institution must follow 34 C.F.R. 668.164(c) on making direct FWS payments to students and 34 C.F.R. 668.164(h) on handling the return of FWS funds that are not received or negotiated by a student. An institution must pay a student FWS compensation at least once a month.34 C.F.R. § 675.16*

***Noncompliance:*** *The reviewers found instances of conflicts between "Nomina de FWS" form information, FWS hours worked, and actual hours paid. Additionally, MBTI did not provide all required documentation to support FWS wages paid.*

#### **Student 31 –**

*The student's file contained two "Trajeta De Control De Nomina" forms containing contradictory dates and wages earned per the student's FWS contract. This file also contained a timesheet with erroneous work dates.*

- 1. The institution did not provide the reviewers with timesheet(s) that supports the \$234.00 paid for time worked during March 10, 2008 through March 21, 2008. Therefore, the reviewers were unable to confirm whether the student was paid for appropriate time worked.*
- 2. The institution did not provide the reviewers with timesheet(s) that supports the \$234.00 paid for time worked during April 7, 2008 through April 18, 2008. Therefore, the reviewers were unable to confirm whether the student was paid for appropriate time worked.*
- 3. The Tarjeta De Control De Nomina form indicates the student was paid \$46.80 for 8 hours worked at a hourly rate of \$5.85. However, the April 21, 2008 through May 2, 2008 timesheet certified on May 1, 2008 shows the student worked 20*

hours and should have been paid \$117.00 resulting in an underpayment of \$70.20.

4. The Tarjeta De Control De Nomina form indicates this student was paid \$234.00 for 40 hours worked; however, the March 7, 2008 through March 18, 2008 time sheet certified on April 28 also indicated 40 hours worked but these dates run from Friday through Tuesday over the course of a weekend when students are not permitted to work.

**Student 32-**

We noted two infractions concerning Federal Work Study time card certification as well as the time and wages recorded in the documentation provided. Therefore, the reviewers were unable to confirm whether the student was paid for appropriate time worked:

1. The Nómina de FWS form dated February 4, 2008 through February 8, 2008 shows the student worked 23.5 hours at an hourly rate of \$5.85 and should have been paid \$137.48. The Nómina de FWS only recorded 20 hours and the student received \$117.00. The total hours were incorrectly calculated and paid, resulting in an underpayment of \$20.48. We noted this discrepancy in the March 6, 2008 payment (check number 011286).
2. The student was paid \$234.00 for 40 hours worked (check number 011396). This payment corresponds to Nómina de FWS form dated April 14, 2008 through April 25, 2008. We received a Nómina de FWS form for April 14, 2008 through April 18, 2008 for 20 hours worked totaling \$117.00. The institution did not provide the reviewers with timesheet(s) that supports the additional \$117.00 paid for time worked during April 19, 2008 through April 25, 2008 as indicated on the check. Therefore, the reviewers were unable to confirm whether the student was paid for appropriate time worked.
3. We requested the timesheets to support the checks provided (numbers 011286 and 011396). However, because MBTI did not provide us with these timesheets, we have not confirmed the accuracy of payments.

**Required Action Summary:** The reviewers noted two of seventeen files sampled contained FWS payment discrepancies. As a result, an error rate of 11.76% has resulted which we consider to be systemic. Therefore, MBTI must conduct a file review of its 2007/08 award year to determine if additional FWS payment discrepancies are present. MBTI must review and submit the timesheets and payroll checks for all FWS recipient students pertaining to this file review. In addition to the file review results, MBTI must provide all FWS related documents to substantiate the number of hours and wages earned by students 31 and 32.

MBTI must also devise procedures to insure the proper monitoring of student hours and accurate payments of wages to students. The newly devised procedures must be submitted to this office for review and approval.

**MBTI's Response:** MBTI has invested \$1M in a proprietary platform (MBTI Campus) which will provide automatic controls, a module for the FWS program timesheets payment in which the Financial Aid Officers enter the hours and the system automatically calculates the amount to be paid and does not allow errors in the payment period dates. This platform was implemented on January 14, 2013 and is currently in use.

**Final Determination:**

MBTI was required to submit payroll checks and timesheets for each Federal Work Study student for the file review. The Department reviewed each record submitted as part of the file review and determined that the institution failed to correctly administer the Federal Work-study program for the two students identified below.

**Student 31's** file contained forms with contradictory dates and wages earned as well as timesheets with erroneous work dates. In response to this finding:

1. MBTI responded, "*The timesheet for the time worked during March 10, 2008 through March 21, 2008 is in the student file and the amount paid was \$210.60. (See attach)*". However, no attachment was submitted. MBTI did provide within the documentation submitted a payroll printout for the student but the timeframe in question was not included. MBTI did not provide the required timesheet as stated in its response. Instead, it submitted incomplete payroll documentation. Therefore, conflicting information found in the student's file remains unresolved and FWS funds disbursed concerning this issue have become a liability. Since MBTI's response indicated that the amount of \$210.60 was paid, that amount is due for repayment. Payment instructions are included in Section E of this letter.
2. MBTI responded, "*The timesheet for the time worked during April 7, 2008 through April 18, 2008 is in the student file and the amount paid was \$234.00. (See attach)*". MBTI provided the requested timesheet as well as the account ledger indicating payment on May 1, 2008.
3. For the incorrect timesheet dated April 21, 2008 through May 2, 2008, MBTI accepted this finding as a miscalculation and confirms the underpayment of \$70.20. MBTI must pay \$ 70.20 in FWS funds to student 31. Therefore, the liability due the Department for this portion of the finding is for interest only. Payment instructions are included in Section E of this letter.
4. MBTI responded, "*There was an error in the timesheet dates. The correct dates are April 7, 2008 through April 18, 2008 (See attach)*." The attached document MBTI supplied with the response was the original timesheet that was corrected by whiting out and changing the month from March to April. As a result, the timesheet is deemed invalid. MBTI is liable for \$234.00 in FWS funds. Payment instructions are included in Section E of this letter.

During the review of MBTI's Program Review Report response, the department found discrepancies with three (3) timesheets for student 31:

- 2/04 – 2/08/08 -- certified on **2/5/08** prior to the end/completion of the work period
- 2/11 – 2/22/08 – certified on **2/5/08** prior to the beginning of the work period
- 3/24 – 4/04/08 – certified on **3/9/08** prior to the beginning of the work period

3/07 – 3/18/08 – certified on **4/28/08** indicated 40 hours worked but these dates run from Friday through Tuesday over the course of a weekend when students are not permitted to work.

MBTI reviewed student 31's file and responded by indicating:

- *"The signature of the Supervisor in the Time Sheets mentioned above is congruent to the signature of the same supervisor in other official documents."*
- *"It seems that the supervisor inadvertently repeated the date in the two Time Sheets, signed as February 8, 2008. Please note that these Sheets were paid in a check dated March 6, 2008 in the amount of \$450.45, thus, MBTI believes that they were signed together, when the employer was followed-up for furnishing signed Time Sheets. MBTI pays Time Sheets bi-weekly, and the payment of two Sheets in one check seems to result from our follow-up to the employer."*
- *"The Time Sheet signed as March 9, 2008, was paid on April 17, 2008, in the amount of \$204.75. In this case, it also seems that this resulted from an inadvertently human error."*

For the three periods in question, MBTI's response validates its understanding that timesheets are signed by the employer to certify times recorded as time worked. Signing timesheets prior to the completion of the student's pay period (i.e. on the second day of the period; 6 days before the pay period begins; and 15 days before another) evidences that that work was not being monitored and the timesheets were not certified as required by regulation. As a result, the following work dates/periods are invalid:

2/6/08 – 3 hours - \$17.55  
2/7/08 – 3 hours - \$17.55  
2/8/08 – 8 hours – \$ 46.80  
2/11/08 – 2/22/08 - 37 hours - \$216.45  
3/24/08 – 4/4/08 – 35 hours - \$204.75

Payment instructions for this liability are stated in Section E of this letter.

**Student 32's** file noted two infractions concerning Federal Work Study time card certification as well as the time and wages recorded in the documentation provided. In response to this finding:

1. MBTI accepts and confirms the payment of \$234.00 for payment period January 28, 2008 through February 8, 2008 (check #011286). MBTI also acknowledges the student had an underpayment of \$20.48. Payment instructions (to the student) are included in Section E of this letter.
2. MBTI responded: *The correct payment period is April 7, 2008 through April 18, 2008; indicated on the timesheet not the check voucher. The amount paid was \$234.00 (check #011396).* MBTI also acknowledges the student had an overpayment of \$23.40. Payment instructions are included in Section E of this letter.

3. MBTI provided all timesheets and documentation requested: April 7, 2008 through April 18, 2008 for \$234.00 (check num. 011396); January 28, 2008 through February 8, 2008; and February 11, 2008 through February 22, 2008 for \$444.60 (check number 011286).

All payment instructions concerning student 32 are included at the end of this report.



Current Year (funds returned via G5)											
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\* Includes FWS Federal and Institutional shares.

**E. Payment Instructions**

**1. Liabilities Owed to the Department**

Finding: 1  
 Appendix: A: Student Sample

<b>Student #31</b>	
Amount	Award Year
\$894.00	2007/08
<b>Total</b>	<b>\$894.00</b>

<b>Student #32</b>	
Amount	Award Year
\$21.96	2007/08
<b>Total</b>	<b>\$21.96</b>

MBTI owes to the Department \$915.96 (*Federal share and related interest only*).

**. Liabilities Owed to Students**

Finding: 1  
 Appendix: A: Student Sample

<b>Student #31</b>	
Amount	Award Year
\$90.68	2007/08
<b>Total</b>	<b>\$90.68</b>

MBTI must make a good faith effort to pay the amount listed above to the student listed in the above Appendix.

If MBTI cannot locate a student, payment must be made to the account of the program from which the award was made (FWS).

MBTI must provide proof of payment to the student by submitting a copy of the front and back of the canceled check to Janelle Jacobs within 45 days of the date of this letter.

In the event the student cannot be located, does not cash a check that has been mailed, and the institution is unable to initiate an EFT to the student's or parent's bank account, MBTI must return the funds to the appropriate Title IV program account via G5 and make the corresponding downward adjustments to the applicable disbursements in COD. MBTI must document its attempts to contact the student and provide proof of payment and COD adjustments to the

applicable Title IV program to Janelle Jacobs. The Department will not consider this program review closed until the information requested has been received.

Since the total liability amount owed to the Department is minimal (less than \$1,000), a receivable is not being established with the Department's Accounts Receivable Group. However, MBTI remains responsible, in its role as a fiduciary for Title IV, HEA federal funds, for making restitution to the appropriate account in the amounts indicated in the applicable finding and must satisfy all program reporting requirements in making any required adjustments in COD. Upon making any necessary adjustments in COD, any funds owed must be returned to the Department via G5. In addition, MBTI must ensure that it has corrected its procedures so that this type of finding does not recur or is not repeated. A copy of the adjustment to each student's COD record, as well as proof that the funds were returned through G5, if applicable, must be sent to Janelle Jacobs within 45 days of the date of this letter.

## F. Appendices

- Appendix A: Student Sample is attached to this report.
- Appendix B: Program Review Report (PPR)
- Appendix C: School's Responses to PPR
- Appendix D: Cost of Funds and Administrative Cost Allowance

Prepared for  
MBTI Business Training Institute

**Federal Student Aid**  
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**OPE ID** 02063100  
**PRCN** 2010-3-02-272634

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

Program Review Report  
February 27, 2013

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**A. Institutional Information**

MBTI Business Training Institute  
1256 Ponce de Leon Ave.  
Santurce, PR 00907-3917

Type: Proprietary

Highest Level of Offering: Non- Degree 1 year (900-1799 hours)

Accrediting Agency: Accrediting Council for Independent Colleges and Schools

Current Student Enrollment: 1,935 (all undergraduate) (2010)

% of Students Receiving Title IV: 99% (2010)

Title IV Participation (PEPS):

2010-2011

Federal Pell Grant (Pell)	\$8,468,290
William D. Ford Federal Direct Loan Program (Direct Loan)	\$ 24,461
Federal Supplemental Education Opportunity Grant (FSEOG)	\$ 118,200
Federal Work-Study (FWS)	\$ 106,716

Default Rate FFEL/DL:	2009	12.6%
	2008	6.4%
	2007	2.8%

## **B. Scope of Review**

The U.S. Department of Education (the Department) conducted a program review at MBTI Business Training Institute (MBTI) from June 21, 2010 to June 25, 2010. The review was conducted by Janelle Jacobs, Nancy Rosario-Velez, and Stephen Podeszwa.

The focus of the review was to determine MBTI's compliance with the statutes and Federal regulations as they pertain to the institution's administration of Title IV programs. Records, forms, and procedures at the institution were examined. In addition, interviews were conducted with several school officials.

A sample of 40 student files was identified for review from the 2006/07, 2007/08, and 2008/09 award years. The sample was drawn from a list of students who, in reviewing our database of MBTI's student aid recipients, all appeared to have withdrawn from the institution prior to the end of the payment period or period of enrollment. The files were selected randomly from a statistical sample of the total population receiving Title IV, HEA program funds for each award year. The student files were reviewed in detail, including academic, admissions, financial aid, and fiscal records. The student numbers used throughout this report refer to the students identified in Appendix A (attached). Appendix A lists the names and social security numbers of all the students in the sample.

During the visit, some areas of non-compliance were noted. Throughout this report, findings of non-compliance include references to the applicable statutes and regulations, and specify the actions to be taken by the institution to bring operations of the financial aid programs into compliance with regulations and statutes.

### **Disclaimer:**

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

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

## **C. Findings**

### **Finding 1 – Inadequate Monitoring of Federal Work Study (FWS) Employment**

**Citation:** To participate in the FWS program an institution of higher education shall enter into a participation agreement with the Secretary. 34 C.F.R. § 675.8 The Federal Work Study (FWS) program provides part-time employment to students attending an institution of higher education who need the earnings to help meet their cost of postsecondary education and encourages students receiving FWS assistance to participate in community service activities. 34 C.F.R. § 675.1 (a)

In addition, regulations require that an institution maintain fiscal records that include a certification by the supervisor that each student has worked and earned the amount being paid, and the certification must include or be supported by a time record showing the hours each student worked. 34 C.F.R. § 675.19(b)(2)

**Noncompliance:** The reviewers found instances of conflicts between “Nomina de FWS” form information, FWS hours worked, and actual hours paid. Additionally, MBTI did not provide all required documentation to support FWS wages paid.

### **Student # 31 –**

The student’s file contained two “Trajeta De Control De Nomina” forms containing contradictory dates and wages earned per the student’s FWS contract. This file also contained a timesheet with erroneous work dates.

1. The institution did not provide the reviewers with timesheet(s) that supports the \$234.00 paid for time worked during March 10, 2008 through March 21, 2008. Therefore, the reviewers were unable to confirm whether the student was paid for appropriate time worked.
2. The institution did not provide the reviewers with timesheet(s) that supports the \$234.00 paid for time worked during April 7, 2008 through April 18, 2008. Therefore, the reviewers were unable to confirm whether the student was paid for appropriate time worked.
3. The Tarjeta De Control De Nomina form indicates the student was paid \$46.80 for 8 hours worked at a hourly rate of \$5.85. However, the April 21, 2008 through May 2, 2008 timesheet certified on May 1, 2008 shows the student worked 20 hours and should have been paid \$117.00 resulting in an underpayment of \$70.20.

4. The Tarjeta De Control De Nomina form indicates this student was paid \$234.00 for 40 hours worked; however, the March 7, 2008 through March 18, 2008 time sheet certified on April 28 also indicated 40 hours worked but these dates run from Friday through Tuesday over the course of a weekend when students are not permitted to work.

**Student # 32-**

We noted two infractions concerning Federal Work Study time card certification as well as the time and wages recorded in the documentation provided. Therefore, the reviewers were unable to confirm whether the student was paid for appropriate time worked:

1. The Nómina de FWS form dated February 4, 2008 through February 8, 2008 shows the student worked 23.5 hours at an hourly rate of \$5.85 and should have been paid \$137.48. The Nómina de FWS only recorded 20 hours and the student received \$117.00. The total hours were incorrectly calculated and paid, resulting in an underpayment of \$20.48. We noted this discrepancy in the March 6, 2008 payment (check number 011286).
2. The student was paid \$234.00 for 40 hours worked (check number 011396). This payment corresponds to Nómina de FWS forms dated April 14, 2008 through April 25, 2008. We received a Nómina de FWS form for April 14, 2008 through April 18, 2008 for 20 hours worked totaling \$117.00. The institution did not provide the reviewers with timesheet(s) that supports the additional \$117.00 paid for time worked during April 19, 2008 through April 25, 2008 as indicated on the check. Therefore, the reviewers were unable to confirm whether the student was paid for appropriate time worked.
3. We requested the timesheets to support the checks provided (numbers 011286 and 011396). However, because MBTI did not provide us with these timesheets, we have not confirmed the accuracy of payments.

**Required Action:**

The reviewers noted two of seventeen files sampled contained FWS payment discrepancies. As a result, an error rate of 11.76% has resulted which we consider to be systemic. Therefore, MBTI must conduct a file review of its 2007/08 award year to determine if additional FWS payment discrepancies are present. MBTI must review and submit the timesheets and payroll checks for all FWS recipient students pertaining to this file review. The results of this file review must be forwarded to this office in the following Excel spreadsheet format:

- (1) Student's Name
- (2) Social Security Number
- (3) Total FWS awarded to student
- (4) Hourly wage
- (5) Pay Period Start Date
- (6) Pay Period End Date
- (7) Hours Worked
- (8) Amount Earned during Pay Period
- (9) Amount Paid
- (10) Date Paid
- (11) Check Number
- (12) Amount overpaid/due FWS Program
- (13) Amount underpaid/due to Student

This information must be provided to this office within sixty (60) days of receipt of this letter to the address below:

Janelle Jacobs – 71B3  
Institutional Review Specialist  
U.S. Department of Education  
830 First Street, NE  
Washington, DC 20202-5430

In addition to the file review results, MBTI must provide all FWS related documents to substantiate the number of hours and wages earned by students #31 and #32.

MBTI must also devise procedures to insure the proper monitoring of student hours and accurate payments of wages to students. The newly devised procedures must be submitted to this office for review and approval.

Upon review of this information, in the event that FWS payments cannot be fully substantiated, the unsubstantiated FWS funds will become institutional liabilities. Repayment instructions, if any, will be provided in our Final Program Review Determination letter (FPRD).

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

PII being submitted electronically or on media (examples are CD-rom, floppy disk, DVD) must be encrypted. The data must be submitted in a .zip file encrypted with Advanced Encryption Standard (AES) encryption (256-bit is preferred). The Department uses WinZip; however, files created with

other encryption software are also acceptable, provided that they are compatible with WinZip and are encrypted with AES encryption.

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

Hard copy files and media containing PII must be:

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

PII data cannot be sent via fax.



August 11, 2014

Ms. Janelle Jacobs  
Institutional Review Specialist  
New York/Boston School Participation Division  
U.S. Department of Education  
Financial Square Building  
32 Old Slip, Floor 25, Room 2521  
New York, NY 10005-3534

VIA E-MAIL ONLY

RE: MBTI Business Training Institute (OPE ID 02063100)  
PRCN 2010-3-02-27234

Dear Ms. Jacobs:

Thank you for your e-mail dated August 6, 2014. We have been waiting for your instructions for closing out the program review conducted at MBTI more than three years ago. It is our pleasure to address your concerns.

Specifically, you asked for a justifiable reason for the signature of Mrs. Susana Ayala Valdés, Supervisor at the Antonio B. Calmary Community School, certifying the hours worked in three (3) Time Sheets, prior to the completion of the work period (in one case); and before the beginning of the work period (in two cases).

We reviewed the student # 31's file, noting the following:

- The signature of the Supervisor in the Time Sheets mentioned above is congruent to the signature of the same supervisor in other official documents.
- It seems that the supervisor inadvertently repeated the date in the two Time Sheets, signed as February 8, 2008. Please note that these Sheets were paid in a check dated March 6, 2008 in the amount of \$450.45, thus, we believe that they were signed together, when the employer was followed-up for furnishing signed Time Sheets. We pay Time Sheets bi-weekly, and the payment of two Sheets in one check seems to result from our follow-up to the employer.
- The Time Sheet signed as March 9, 2008, was paid on April 17, 2008, in the amount of \$204.75. In this case, it also seems that this resulted from an inadvertently human error.

Please note that as part of our review of work-study attendance sheets, we review accuracy of dates and hours worked, approval of student's supervisor, and corroborate mathematical accuracy of total works and amount to be paid.

We are aware that the Department is handling many other matters. We trust that ~~this response help~~  
~~in providing you all the~~ details that you need for closing this program review.

We would ~~greatly~~ appreciate ~~the~~ assistance ~~of your team in~~ closing and ~~conclude the~~ program review.

~~If you have any other questions,~~ please let me know at your convenience.

Sincerely,



Vivian Cintrón  
Fiscal Officer  
MBTI Business Training Institute

**Ineligible Disbursements (Non-Loan) - Cost of Funds and Administrative Cost Allowance**

Name of Institution: MBTI Business Training Institute - 02063100

No.	Description/Name	Ineligible Disbrsmnt	Program	Disburseme nt Date	Return Paid Date	No. of Days	Imputed CVFR	Federal Share	To ED	To Inst Accounts	
Finding 1	Student #31	\$210.60	FWS	3/21/2008	5/9/2013	1875	5.00%	\$ 157.95	\$ 40.57	\$ -	
		\$70.20	FWS	5/2/2008	5/9/2013	1833	5.00%	\$ 52.65	\$ 13.22	\$ -	
		\$234.00	FWS	3/22/2008	5/9/2013	1874	5.00%	\$ 175.50	\$ 45.05	\$ -	
		\$17.55	FWS	2/6/2008	5/9/2013	1919	5.00%	\$ 13.16	\$ 3.46	\$ -	
		\$17.55	FWS	2/7/2008	5/9/2013	1918	5.00%	\$ 13.16	\$ 3.46	\$ -	
		\$46.80	FWS	2/8/2008	5/9/2013	1917	5.00%	\$ 35.10	\$ 9.22	\$ -	
		\$216.45	FWS	2/22/2008	5/9/2013	1903	5.00%	\$ 162.34	\$ 42.32	\$ -	
		\$204.75	FWS	4/4/2008	5/9/2013	1861	5.00%	\$ 153.58	\$ 39.15	\$ -	
	Student #32	\$23.40	FWS	5/1/2008	5/9/2013	1834	5.00%	\$ 17.55	\$ 4.41	\$ -	
		\$20.48	FWS	2/8/2008	5/9/2013	1917	5.00%	\$ 15.36	\$ 4.03	\$ -	

Total Ineligible \$1,061.78

Totals \$ 204.89 \$ -

**Campus-Based Amounts Spent (from FISAP, Part VI, Section B)**

Federal FWS	
Federal SEOG	
Federal Perkins	

Total C-B Spent \$ -  
 ACA Percentage

	Total	Federal Share
Pell	\$ -	\$ -
ACG	\$ -	\$ -
SMART	\$ -	\$ -
TEACH	\$ -	\$ -
FWS	\$ 1,061.78	\$ 796.34
FSEOG	\$ -	\$ -
Perkins	\$ -	\$ -
FWS-50% Match	\$ -	\$ -
FWS-No Match	\$ -	\$ -
FSEOG-No Match	\$ -	\$ -
Perkins-No Match	\$ -	\$ -

Total Campus-Based \$ 1,061.78 \$ 796.34

**Interest Breakdown**

Pell Grants	\$ -	\$ -
ACG	\$ -	\$ -
SMART	\$ -	\$ -
TEACH	\$ -	\$ -
FWS	\$ 204.89	\$ -
FSEOG	\$ -	\$ -
Perkins	\$ -	\$ -
FWS-50% Match	\$ -	\$ -
FWS-No Match	\$ -	\$ -
FSEOG-No Match	\$ -	\$ -
Perkins-No Match	\$ -	\$ -

**ACA Breakdown**

FWS	
FSEOG	
Perkins	
FWS-50% Match	
FWS-No Match	
FSEOG-No Match	
Perkins-No Match	