

Index Sheet

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March 7, 2013

Jack Takahashi
President
Milwaukee Career College
3077 North Mayfair Road
Suite 300
Milwaukee, Wisconsin 53222-4305

Certified Mail
Return Receipt Requested
7012 0470 0001 4703 9597

RE: **Final Program Review Determination**
OPE ID: 041174 00
PRCN: 2011 205 27438

Dear Mr. Takahashi:

The U.S. Department of Education's (Department's) Chicago / Denver School Participation Team issued a program review report on July 2, 2012 covering Milwaukee Career College'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 2009/2010 and 2010/2011 award years. Milwaukee Career College's response to the program review report was received on July 30, 2012. A copy of the program review report and Milwaukee Career College's response are attached. Any supporting documentation submitted with the response is being retained by the Department and is available for inspection by Milwaukee Career College 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 and (3) notify the institution of its right to appeal.

The total liabilities due from the institution from this program review are \$2,922. 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

Chicago / Denver School Participation Division
500 W. Madison St., Ste. 1576, Chicago, IL 60661
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. Appendix A was encrypted and sent separately to the institution via e-mail.

Appeal Procedures:

This constitutes the Department's FPRD with respect to the liabilities identified from the July 2, 2012 program review report. If Milwaukee Career College wishes to appeal to the Secretary of Education for a review of monetary liabilities established by the FPRD, the institution must file a written request for an administrative hearing. The Department must receive the request no later than 45 days from the date Milwaukee Career College receives this FPRD. An original and four copies of the information Milwaukee Career College submits must be attached to the request. The request for an appeal must be sent to:

Ms. Mary E. Gust, 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

Milwaukee Career College'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

Milwaukee Career College
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followed with respect to Milwaukee Career College's appeal will be those provided at 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 William Johnson at (312) 730-1526. Questions relating to any appeal of the FPRD should be directed to the address noted in the Appeal Procedures section of this letter.

Sincerely

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

Douglas Parrott
Division Director

Enclosure:
Final Program Review Determination
Protection of Personally Identifiable Information

cc: Maria Santiago, Financial Aid Administrator
Accrediting Bureau of Health Education Schools
Wisconsin Education Approval Board

PROTECTION OF PERSONALLY IDENTIFIABLE INFORMATION

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

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

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

Hard copy files and media containing PII must be:

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

PII data cannot be sent via fax.

Prepared for
Milwaukee Career College

Federal Student Aid
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OPE ID 001694 00
PRCN 2011 405 27751

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

Final Program Review Determination March 7, 2013

500 West Madison Street, Suite 1576
Chicago, Illinois 60661
StudentAid.gov

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B. Scope of Review

The U.S. Department of Education (the Department) conducted a program review at Milwaukee Career College from February 28, 2011 to March 4, 2011. The review was conducted by William Johnson and Nicholas Koulermos.

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

A sample of 30 files was identified for review from the 2009/2010 and 2010/2011 (year to date) award years. The files were selected randomly from a statistical sample of the total population receiving Title IV, HEA program funds for each award year. Appendix A lists the names and 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 Milwaukee Career College'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 Milwaukee Career College of its obligation to comply with all of the statutory or regulatory provisions governing the Title IV, HEA programs.

C. Findings and Final Determinations

The program review report findings are shown below. At the conclusion of each finding is a summary of Milwaukee Career College's response to the finding and the Department's final determination for the finding.

A copy of the program review report issued on July 2, 2012 is included as Appendix PRR. A copy of the institution's response to the program review report, Appendix RESP, follows.

Finding 1. Improper Federal Pell Grant Disbursement

Citation: The amount of a student's Federal Pell Grant for an academic year is based upon the payment and disbursement schedules published by the Secretary for each award year. An institution may pay a Federal Pell Grant to an eligible student only after it determines that the student is enrolled in an eligible program as an undergraduate student. [34 C.F.R. §§ 690.62(a) and 690.75(a)(2)]

A. Institutional Information

Milwaukee Career College
3077 North Mayfair Road
Milwaukee, Wisconsin 53222-4305

Type: Proprietary

Highest Level of Offering: Non-Degree Certificate

Accrediting Agency: Accrediting Bureau of Health Education Schools

Current Student Enrollment: 91 (IPEDS)

% of Students Receiving Title IV: 90% (2011)

Title IV Participation (from National Student Loan Data System (NSLDS)):

	<u>2010/2011</u>
Federal Family Education Loan (FFEL)	\$ 34,359
William D. Ford Federal Direct Loan (Direct Loan)	\$ 2,764,624
Federal Pell Grant	\$ 1,685,562
Federal Supplemental Education Opportunity Grant (FSEOG)	\$ 30,651

Default Rate FFEL/Direct Loan: (cohort year)	2010: 21.1%
	2009: 32.7%
	2008: 4.1%

A student who is not enrolled in an eligible program as an undergraduate student during the award year is not eligible to receive a Federal Pell Grant for that award year. An institution that disburses a Federal Pell Grant to a student who is not enrolled in an eligible program as an undergraduate student during the award year, improperly disburses those funds to an ineligible recipient. An improper disbursement to an ineligible recipient represents financial loss to the Federal Pell Grant program for which the institution is liable.

Noncompliance: *Milwaukee Career College disbursed 2010/2011 Federal Pell Grant funds for a student's period of enrollment that occurred in the 2009/2010 award year.*

On January 4, 2010 Student #29 entered the thirty week Medical Assistant program, an academic program consisting of two 360 clock hour payment periods, 720 total clock hours. On July 30, the student graduated from the program. Institutional records indicate that as of May 4, 2010, the student had completed ten courses of thirty clock hours each and one sixty clock hour course, or 360 total clock hours. Thus, the first payment period of the student's program of study occurred only within the 2009/2010 award year.

On August 8, 2010, after the student had graduated, the institution credited the student's institutional account with 2010/2011 Federal Pell Grant program funds in the amount of \$4,440, \$2,220 for the first payment period and \$2,220 for the second payment period. This represents an improper disbursement to an ineligible student in the amount of \$2,220. The student was not eligible to receive 2010/2011 Federal Pell Grant funds for the first payment period because the first payment period did not occur within the 2010/2011 award year.

Required Action: *The institution is prohibited from disbursing a student's Federal Pell Grant award for an award year to cover an academic period that does not occur in that award year. Milwaukee Career College must provide its assurance that this finding will not recur.*

Instructions for repayment of the improper disbursement will be provided in the final program review determination letter.

Milwaukee Career College's Response: *Milwaukee Career College concurs with the finding and characterizes it as an isolated incident. The response reports that the cited student was not eligible for the first disbursement of 2010/2011 Federal Pell Grant funds in the amount of \$2,200. The response also asserts that the ineligible disbursement was refunded.*

The institution's response indicates that the Director of Financial Aid conducts monthly internal audits for students who are eligible for cross-over award year financial aid. Further, the third-party servicer produces a scheduled award report to close-out the award year in order to ensure that awards are cancelled for students who are no longer enrolled.

Final Determination:

Student #29 (Appendix A) received Federal Pell Grant funds from the 2010/2011 award year in the amount of \$4,400 for both payment periods of the student's academic program. However, only the second payment period occurred in the 2010/2011 award year. Consequently, the student was eligible for Federal Pell Grant funds from the 2010/2011 award year in the amount of \$2,200.

Milwaukee Career College improperly disbursed Federal Pell Grant funds from the 2010/2011 award year in the amount of \$2,200 to an ineligible recipient and is liable for the financial loss to the Title IV programs. Milwaukee Career College is also liable for the excessive financing costs in the amount of \$43.52. This represents the cost of funds associated with the improper disbursement from the disbursement date to the program review report response date. The cost of funds was calculated using the 1% Current Values of Funds Rate (CVFR) in effect over that period. Payment instructions are provided in Section E of this letter.

The total liability associated with this finding is \$2,244 (rounded), of which \$2,200 must be adjusted in the COD record of student #29 (Appendix A), as noted in Section E (2) of this letter.

Please note. Repayment of the liability is demanded notwithstanding the response's assertion that the disbursement has been repaid because there is no record of the payment in COD. As noted in the payment instructions, payments made in the G5 system cannot be accepted as payment of this liability.

Finding 2. Return to Title IV (R2T4) Error – Incorrect Withdrawal Date

Citation: When a recipient of Title IV grant or loan assistance withdraws from an institution within a payment period or period of enrollment in which the recipient began attendance, the institution must determine the amount of Title IV grant or loan assistance the student earned as of the student's withdrawal date. If the total amount of Title IV grant or loan assistance, or both, that the student earned is less than the amount of Title IV grant or loan assistance that was disbursed to the student (or on behalf of the student in the case of a PLUS loan), the difference between these amounts must be returned to the Title IV programs. [34 C.F.R. § 668.22 (a)] This determination is commonly referred to as R2T4.

In general, the amount of Title IV grant or loan assistance that is earned by the student is determined by determining the percentage of the payment period that the student completed as of the student's withdrawal date and applying this percentage to the total of Title IV grant and loan assistance that was disbursed, and that could have been disbursed, as of the student's withdrawal date. [34 C.F.R. § 668.22 (e)] For a student who ceases attendance at an institution that is required to take attendance, the student's withdrawal date is the last date of academic attendance as determined by the institution from its attendance records. [34 C.F.R. § 668.22 (b)]

Therefore, an institution that does not properly determine a student's withdrawal date cannot accurately calculate the amount of Title IV aid the student has earned. This may result in an incorrect calculation of the required return amount. An institution that fails to return the required return amount improperly retains federal funds, thereby causing financial loss to the Title IV programs for which the institution is liable.

Noncompliance: *The institution's detail attendance records indicate that Student #3 started the Pharmacy Technician program on June 29, 2009 and attended through July 2, 2009; a total of four days, sixteen scheduled clock hours of instruction. The student is recorded in the detail attendance records as absent for the next two weeks and then as having attended two scheduled clock hours on July 17, 2009 in one course. July 17, 2009 was used as the student's withdrawal date.*

The instructors' attendance rosters for the student's scheduled classes were also examined and found to be consistent with the student's detail attendance records through July 16, 2009. An attendance roster could not be produced for July 17, 2009. It was explained that there is no record of the student's attendance because the institution was closed on that date for mandatory training offsite.

Evidently, the institution recorded the student to be in attendance at a scheduled class session that was cancelled. Since the student was not in attendance on July 17, 2009, that date should not have been used as the withdrawal date. The student's last date of academic attendance was July 2, 2009. Therefore student's withdrawal date is July 2, 2009.

A student may not be considered in attendance on a date that the institution does not provide a student's scheduled instruction. A student may not be considered in attendance on a date that the institution has no valid record of attendance. Furthermore, a student may not be considered in attendance after exceeding the institution's consecutive absence limit. The student should have withdrawn for excessive absenteeism before July 17, 2009.

On July 22, 2009 the institution determined that the student withdrew from the institution. The R2T4 calculation reflects total aid disbursed in the amount of \$5,883 (\$3,743 FFEL and \$2,140 Federal Pell Grant). Because fifty-four (54) was used as the number of clock hours scheduled to have been completed as of the withdrawal date, the R2T4 calculation reflects 15% as the percentage of aid earned by the student ($54/360 = 15\%$). Thus, the institution determined that the student earned \$882.45 (15% of \$5,883 = \$883.45) and returned \$5,000.55 ($\$5,883 - \$883.45 = \$5,000.55$) of the total Title IV received.

As previously noted, the correct withdrawal date is July 2, 2009. Using the scheduled clock hours associated with the accurate withdrawal date, the percentage of aid earned by the student is 4.4% ($16/360 = 4.4\%$) instead of 15%. Accordingly, the institution should have retained only \$258.85 (4.4% of \$5,883 = \$258.85) and returned \$5,624.15 ($\$5,883 - \$258.85 = \$5,624.15$). The correct R2T4 calculation indicates that addition funds are due from the institution in the amount of \$623.60 ($\$5,624.15 - \$5,000.55 = \623.60).

Required Action: *The institution failed to take the recourse that its attendance policy dictates for a student with excessive absences. The institution created a false record of class attendance for a class that did not take place. And, notwithstanding the false record of attendance, the institution used as a student's withdrawal date a date for which no attendance record exists. This is not consistent with a participating institution's fiduciary standard of conduct or the standards of administrative capability that a participating institution must at all times demonstrate. Milwaukee Career College must improve its system of internal controls concerning monitoring and recording attendance and provide its assurance that this finding will not recur.*

Instructions for repayment of the additional return amount identified above will be provided in the final program review determination letter.

Milwaukee Career College's Response: Milwaukee Career College concurs with the finding and characterizes it as an isolated incident. The response reports that the cited student's return (R2T4) was recalculated with the correct withdrawal date of July 2, 2009 and asserts that \$623.60 in 2009/2010 Federal Pell Grant funds were refunded.

The institution's response indicates that the system it uses for recording attendance, Campus Vue, is updated with all holidays and campus closure dates, and the system will not allow attendance to be changed on those particular dates. Further, the financial aid department reviews all attendance for each student who withdraws and the Financial Aid Director audits files monthly to ensure that R2T4 calculations are accurate.

Final Determination:

Milwaukee Career College improperly determined the withdrawal date of student #3 (Appendix A). As a result, Milwaukee Career College failed to properly calculate the required R2T4 amount, thereby retaining Federal Pell Grant program funds that should have been returned in the amount of \$623.60.

Milwaukee Career College improperly retained Federal Pell Grant funds from the 2009/2010 award year in the amount of \$623.60 and is liable for the financial loss to the Title IV programs. Milwaukee Career College is also liable for the excessive financing costs in the amount of \$54.59. This represents the cost of funds associated with the improper retention from the return due date to the program review report response date. The cost of funds was calculated using the 3% Current Values of Funds Rate (CVFR) in effect over that period. Payment instructions are provided in Section E letter.

The total liability associated with this finding is \$678 (rounded), of which \$624 must be adjusted in the COD record of student #3 (Appendix A), as noted in Section E (2) of this letter.

Please note. Repayment of the liability is demanded notwithstanding the response's assertion that the under-return amount has been paid because there is no record of the payment in COD.

As noted in the payment instructions, payments made in the G5 system cannot be accepted as payment of this liability.

Finding 3. Improper Leave of Absence (LOA) Administration

Citation: *An institution does not have to treat a leave of absence as a withdrawal if the leave of absence is an approved leave of absence. A leave of absence is an approved leave of absence if-*

- *The institution has a formal policy regarding leaves of absence. The institution's LOA policy is a "formal policy" if the policy-*
 - *Is in writing and publicized to students; and*
 - *Requires students to provide a written, signed, and dated request that includes the reason for the request, for a leave of absence prior to the leave of absence. However, if unforeseen circumstances prevent a student from providing a prior written request, the institution may grant the student's request for a leave of absence, if the institution documents its decision and collects the written request at a later date.*
- *The student followed the institution's policy in requesting the leave of absence;*
- *The institution determines that there is a reasonable expectation that the student will return to the institution;*
- *The institution approved the student's request in accordance with the institution's policy;*
- *The LOA does not involve additional charges by the institution;*
- *The number of days in the approved LOA, when added to the number of days in all other approved LOA's, does not exceed 180 days in any 12-month period;*
- *The institution explains prior to granting the LOA the effects that the student's failure to return may have on the student's loan repayment terms, including the exhaustion of some or all of the student's grace period;"*

[34 C.F.R. § 668.22(d)]

Noncompliance: *Milwaukee Career College placed two students on leaves of absence who should have been withdrawn. Neither student returned from LOA. Their enrollments were artificially extended because the institution abused its LOA authority.*

Students #2 and #14 completed the clinical portions of their academic programs. But because they did not have the required immunizations for placement on externship sites and/or because they had balances on their institutional accounts, they were prohibited from continuing into the externship portions of their programs. Notwithstanding the signed LOA forms in the students' files, the LOA's are not considered to be approved LOA's. They were put on LOA's because the students failed to prepare for their externships and the institution could not or would not

permit them to continue. Neither student requested the LOA because an unexpected obstacle had been encountered.

Required Action: *The institution is prohibited from offering an approved LOA to a student who would otherwise be withdrawn for noncompliance with institutional rules or policies. Milwaukee Career College must provide its assurance that it has discontinued this practice and all LOA's will comport to the definition of approved leaves of absence as described above. In the alternative, Milwaukee must consider students on LOA to have withdrawn from the institution.*

Milwaukee Career College's Response: Milwaukee Career College concurs with the finding. The response states that the institution has a revised LOA request form to include the reason for the leave of absence. The response also states that students are given Health Forms and due dates that the forms need to be completed in the first phase of the program.

Final Determination:

Milwaukee Career College failed to administer its leave of absence policy in a manner consistent with an approved leave of absence, as defined in the program regulations. The institution's response to this finding fails to provide any assurance that its administration of leaves of absence will be consistent with the provisions of the program regulations. To report that a form has been revised is inadequate and unconvincing that the noncompliance has been addressed.

The response also suggests that Milwaukee Career College may be unable or unwilling to accept its responsibility to ensure that each Federal Student Aid (FSA) applicant meets the definition of "regular student", a fundamental student eligibility criterion. A regular student is a person who is enrolled or accepted for enrollment at an institution for the purpose of obtaining a degree, certificate, or other recognized educational credential offered by that institution. [34 C.F.R. § 600.2] Thus, in order to receive assistance under the FSA programs, a student must be able to complete his or her academic program.

Milwaukee Career College is reminded the responsibility lies with the institution to ensure that students are adequately prepared to invest the time and effort that it takes to **complete** the educational program before the institution commits FSA program funds for that purpose. If an educational program's requirements include an activity outside of the classroom, it is the responsibility of the institution to ensure that students are capable of satisfying that requirement, and of satisfying the requirement timely. It is also the responsibility of the institution to monitor the students until they do so.

A financial aid recipient who must withdraw from the Milwaukee Career College because he or she was not adequately prepared to invest the necessary time and effort to complete the educational program may not have been enrolled as a regular student and thus, not eligible for FSA program assistance. Consequently, Milwaukee Career College's failure to ensure that the

student was adequately prepared to complete the program, or failure to ensure that the student timely satisfied any external requirements of the academic program, may result in a substantial financial exposure for which Milwaukee Career College will be held accountable.

Milwaukee Career College is prohibited from “putting” a student on leave of absence. The institution may only approve a student’s request for an “approved leave of absence”, as defined in the program regulations and only if Milwaukee Career College has a “formal leave of absence policy”, which is also as defined in the program regulations. In addition, a leave of absence may not be administered for the purpose of delaying a student’s withdrawal or for the purpose of extending a missed deadline of an academic program requirement.

Milwaukee Career College must take corrective action to ensure this finding does not recur. Milwaukee Career College is directed to study the regulatory authority concerning an approved leave of absence and a formal leave of absence policy if the institution anticipates that it will continue to allow for the extension of any student’s enrollment under the leave of absence provisions. Milwaukee Career College is advised that a repeat finding in a future compliance examination (i.e. program review, audit) may lead to an adverse administrative action. An adverse action may include the imposition of a fine, or the limitation, suspension, or termination of the eligibility of the institution pursuant to 34 C.F.R. Part 668 Subpart G.

Finding 4. Improper Disbursement – After Withdrawal

Citation: In order to receive assistance under the Title IV, HEA programs a student must meet the student eligibility criteria found at 34 C.F.R. § 668.32 of the Student Assistance General Provisions. These requirements include the provision that the student be enrolled as a regular student in an eligible program offered by the institution.

An otherwise eligible student becomes ineligible to receive a loan under the Federal Direct Loan program (or Federal Family Educational Education Loan program when FFEL program loans were available) on the date that the student is no longer enrolled at the institution as at least a half-time student for the period of enrollment for which the loan was intended. For awards made under most of the other Title IV, HEA programs, including the Federal Pell Grant and Federal Supplemental Educational Opportunity Grant (FSEOG) programs, an otherwise eligible student becomes ineligible on the date that the student is no longer enrolled at the institution for the award year. [C.F.R. § 668.164(g)(1)]

A student who becomes ineligible to receive assistance under the Title IV, HEA programs because of a change in enrollment status may qualify for a late disbursement provided that the Department processed a Student Aid Report (SAR) or Institutional Student Information Record (ISIR) for the student before the student became ineligible. In addition, the institution must have certified or originated a loan under the FFEL or Federal Direct Loan program and made an award under the FSEOG program to the student before the student became ineligible in order to receive late disbursements under those programs. [C.F.R. § 668.164(g)(2)]

However, if the student withdrew from the institution during a payment period or period of enrollment, the late disbursement must be made in accordance with the provisions of a post-withdrawal disbursement found at 34 C.F.R. § 668.22(a)(5) of the Student Assistance General Provisions and the late disbursement cannot be made later than 180 days after the date of the institution's determination that the student withdrew. An institution may not make a late disbursement of a second or subsequent installment of a FFEL or Federal Direct Loan to a student who did not complete the period of enrollment for which the loan was intended. [C.F.R. § 668.164(g)(3)(4)]

Noncompliance: *Student #20 officially withdrew from the institution by letter dated August 12, 2010. On August 31 and September 2, 2010, the institution disbursed Federal Pell Grant, FSEOG and FFEL program awards totaling \$6,039 for the first payment period to the student's institutional account. On September 7, 2010, the institution calculated the required return amount to be \$5,700.82. Soon thereafter the return of funds was initiated. Of the disbursed awards totaling \$6,039, \$338.18 was retainable.*

Student #9 last attended a class session on June 23, 2009 and was withdrawn from the institution on July 6, 2009 for excessive absences. On July 21, 2009 the institution disbursed a Federal Pell Grant award in the amount of \$2,140 to the student's institutional account. On July 22, 2009, the change of status form was prepared and circulated. Soon thereafter, the institution calculated the required return amount and initiated the return of funds. Of the disbursed \$2,140 Federal Pell Grant award, \$1,694.70 was retainable.

The cited students became ineligible for the funds they were awarded because they withdrew from the institution, or were withdrawn from the institution, before those awards were disbursed. The institution should have cancelled the awards scheduled for disbursement and recalculated their eligible disbursement amounts under the post-withdrawal disbursement provisions of the Return to Title IV process. Because the funds that the institution ultimately returned should not have been disbursed, the institution is liable for the financial loss to the Title IV programs resulting from its improper receipt and retention of those funds.

Required Action: *This finding represents a serious weakness in the institution's system of internal controls. The institution's controls must provide for the confirmation of student eligibility factors when funds are disbursed. Milwaukee Career College must provide its assurance that controls are in place and rigorously enforced to ensure that it disburses Title IV funds only to students who are eligible for the amounts they receive.*

Milwaukee Career College's Response: *Milwaukee Career College concurs with the finding. The response states that the financial aid department audits R2T4 monthly to ensure accuracy and the Financial Aid Director runs weekly reports to ensure that Title IV funds are disbursed in a timely manner for enrolled students.*

Final Determination:

Milwaukee Career College disbursed Title IV funds to students who had previously become ineligible for the funds because their enrollments had ended. Both students had withdrawn from the institution before the funds were disbursed; one, officially, by letter; the other, administratively, by the institution. Consequently, the students became ineligible for any scheduled or pending disbursements. At that time, any Title IV funds that the students could have received before they became ineligible should only have been disbursed by means of the post-withdrawal disbursement process.

Milwaukee Career College should have cancelled the pending or scheduled disbursements and recalculated the students' eligible disbursement amounts under the post-withdrawal disbursement provisions of the R2T4 process. The post-withdrawal disbursement amount represents the maximum that that an institution is authorized to disburse after a student has withdrawn, or was withdrawn, from the institution.

As a result of this violation, Milwaukee Career College disbursed \$6,146.12 (5,700.82+445.30) in excess of its disbursement authority and was unjustly enriched by this amount from the date that it disbursed the funds to the date that the funds were returned. In addition, financial loss to the Title IV programs resulted from the institution's improper disbursements over the period that those funds were retained, and Milwaukee Career College is liable for that loss.

However, since the periods of retention of the unauthorized disbursement amounts were relatively short, the financial loss to the Title IV programs, if quantified, would be considered to be minimal. Accordingly, no demand for repayment of that amount is made in this final determination.

Notwithstanding the minimal liability amount, as stated in the program review report, this violation represents a serious weakness in the institution's system of internal controls. The institution was aware of the cited students' withdrawals and yet Title IV funds were disbursed without consideration of that fact. The institution's control structure must provide for the confirmation of student eligibility factors when funds are disbursed. Milwaukee Career College must implement and rigorously enforce internal controls to ensure that it disburses Title IV funds only to students who are eligible for the amounts they receive.

D. Summary of Liabilities

The total amount calculated as liabilities from the findings in the program review determination is as follows.

Established Liabilities					
	Pell	Cost of Funds	EALF DL	EALF FFEL	
Finding 1	\$2,200.00	\$43.52			
Finding 2	\$ 623.60	\$54.59			
Finding					
Finding					
Subtotals	\$2,823.60	\$98.11			
TOTAL	\$ 2,921.71				
Payable To:					Totals
Department	\$ 2,921.71				\$ 2,922.00 (rounded)
Students					\$
Lenders					\$
Inst Accounts					\$

E. Payment Instructions

1. Liabilities Owed to the Department

Milwaukee Career College owes to the Department **\$2,922.00**. Payment must be made by forwarding a check made payable to the U.S. Department of Education to the following address within 45 days of the date of this letter:

U.S. Department of Education
 P.O. Box 979026
 St. Louis, MO 63197-9000

Remit checks only. Do not send correspondence to this address.

Payment must be made via check and sent to the Post Office Box. Payment and/or adjustments made via the Department's G5 system will not be accepted as payment of this liability. Instead, the school must first make any required adjustments in the Department's Common Origination and Disbursement system known as "COD", as required by the applicable findings and Liabilities Owed to the Department in the case of Title IV Grants (below), remit payment, and upon receipt of payment the Department will apply the funds to the appropriate G5 awards.

The following identification data must be provided with the payment:

Amount:	\$2,922.00
DUNS:	118308936
TIN:	300128225
PRCN:	2011 205 27438

Terms of Payment

As a result of this final determination, the Department has created a receivable for this liability and payment must be received by the Department within **45 days of the date of this letter**. If payment is not received within the 45-day period, interest will accrue in monthly increments from the date of this determination, on the amounts owed to the Department, at the current value of funds rate in effect as established by the Treasury Department, until the date of receipt of the payment. Milwaukee Career College is also responsible for repaying any interest that accrues. If Milwaukee Career College has any questions regarding interest accruals or payment credits, contact the Department's Accounts Receivable Group at (202) 245-8080 and ask to speak to Milwaukee Career College's account representative.

If full payment cannot be made within **45 days** of the date of this letter, please contact the Department's Accounts Receivable Group at the address below to apply for a payment plan. Interest charges and other conditions apply.

U.S. Department of Education
OCFO Financial Management Operations
Accounts Receivable Group
550 12th Street, S.W., Room 6114
Washington, DC 20202-4461

If within 45 days of the date of this letter, Milwaukee Career College has neither made payment in accordance with these instructions nor entered into an arrangement to repay the liability under terms satisfactory to the Department, the Department intends to collect the amount due and payable by administrative offset against payments due Milwaukee

Career College from the Federal Government. **Milwaukee Career College may object to the collection by offset only by challenging the existence or amount of the debt.** To challenge the debt, Milwaukee Career College must **timely appeal** this determination under the procedures described in the "Appeal Procedures" section of the cover letter. The Department will use those procedures to consider any objection to offset. **No separate appeal opportunity will be provided.** If a timely appeal is filed, the Department will defer offset until completion of the appeal, unless the Department determines that offset is necessary as provided at 34 C.F.R. § 30.28. This debt may also be referred to the Department of the Treasury for further action as authorized by the Debt Collection Improvement Act of 1996.

2. Liabilities Owed to the Department in the case of Title IV Grants

Federal Pell Grant – Closed Award Years

The total liability amount owed to the Department (\$2,922) is the Federal Pell Grant liability that Milwaukee Career College must repay. That includes \$2,824 in Federal Pell Grant principal that Milwaukee Career College must adjust in COD:

Pell ACG SMART or TEACH Closed Award Year			
Amount (Principal)	Amount (Interest)	Title IV Grant	Award Year
\$2,200	\$ 44	Federal Pell Grant	2010/2011
\$ 624	\$ 54	Federal Pell Grant	2009/2010
Total Principal	Total Interest		
\$2,824	\$ 98		

The disbursement record for the two Federal Pell Grant recipients cited in the program review findings must be adjusted (reduced) in the COD system based on the ineligible amounts identified in the final determinations, shown above as principal. (Student #29: \$2,200 Pell 2010/2011; Student #3: \$624 Pell 2009/2010) Refer to Appendix A for the identities of the recipients.

These adjustments in COD must be completed prior to remitting payment to the Department. As previously stated, payment cannot be accepted via G5. Once the Department receives payment, the Department will apply the principal payment to the applicable G5 award. The interest will be applied to the general program account.

A copy of the adjustment to both students' COD records must be sent to William Johnson within 45 days of the date of this letter.

F. Appendices

Appendix A (Student Sample) contains Personally Identifiable Information (PII). To ensure the protection of that PII, Appendix A was encrypted and sent separately via e-mail. Appendix PRR and Appendix RESP follow.

Appendix PRR
(Pages 19-28)

Program Review Report

Appendix A - Student Sample

*to be sent
by email, encrypted.*

School: Milwaukee Career College
OPEID: 041174 00
PRCN: 2011 205 27438

Student Award

No. Year Last Name First Name Full SSN

- 1 2009/2010
- 2 2009/2010
- 3 2009/2010
- 4 2009/2010
- 5 2009/2010
- 6 2009/2010
- 7 2009/2010
- 8 2009/2010
- 9 2009/2010
- 10 2009/2010
- 11 2009/2010
- 12 2009/2010
- 13 2009/2010
- 14 2009/2010
- 15 2009/2010
- 16 2010/2011
- 17 2010/2011
- 18 2010/2011
- 19 2010/2011
- 20 2010/2011
- 21 2010/2011
- 22 2010/2011
- 23 2010/2011
- 24 2010/2011
- 25 2010/2011
- 26 2010/2011
- 27 2010/2011
- 28 2010/2011
- 29 2010/2011
- 30 2010/2011

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

[Redacted]		
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Finding 2

Finding 1

Milwaukee Career College
OPE ID 041174 00
PRCN 2011 205 27438

Page 19



START HERE: 
GO FURTHER: 
FEDERAL STUDENT AID

Prepared for

Milwaukee Career College

OPE ID 041174 00
PRCN 2011 205 27438

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

Program Review Report

July 2, 2012

500 West Madison Street, Suite 1576
Chicago, Illinois 60661
www.FederalStudentAid.ed.gov

Appendix PRR
(Pages 19-28)

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A. Institutional Information

Milwaukee Career College
3077 North Mairfair
Milwaukee, Wisconsin 53222-4305

Type: Proprietary

Highest Level of Offering: Non-Degree Certificate, less than one year

Accrediting Agency: Accrediting Bureau of Health Education Schools

Current Student Enrollment: 374 (2011)

% of Students Receiving Title IV: 90% (2011)

Title IV Participation (NSLDS): 2009/2010

Federal Family Educational Loan (FFEL)	\$2,535,508
William D. Ford Federal Direct Loan (Direct Loan)	\$1,000,874
Federal Pell Grant	\$2,290,744
Federal Supplemental Educational Opportunity Grant (FSEOG)	\$14,495

Default Rate FFEL/DL:	2009 16.1%
	2008 4.1%

B. Scope of Review

The U.S. Department of Education (the Department) conducted a program review at Milwaukee Career College from February 28, 2011 to March 4, 2011. The review was conducted by William Johnson and Nicholas Koulermos.

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

A sample of 30 files was identified for review from the 2009/2010 and 2010/2011 (year to date) award years. The files were selected randomly from a statistical sample of the total population receiving Title IV, HEA program funds for each award year. Appendix A lists the names and partial social security numbers of the students whose files were examined during the program review.

Disclaimer:

Although the review was thorough, it cannot be assumed to be all-inclusive. The absence of statements in the report concerning Milwaukee Career College'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 Milwaukee Career College 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

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 Milwaukee Career College to bring operations of the financial aid programs into compliance with the statutes and regulations.

Finding 1. Improper Federal Pell Grant Disbursement

Citation: The amount of a student's Federal Pell Grant for an academic year is based upon the payment and disbursement schedules published by the Secretary for each award year. An institution may pay a Federal Pell Grant to an eligible student only after it determines that the student is enrolled in an eligible program as an undergraduate student. *[34 C.F.R. §§ 690.62(a) and 690.75(a)(2)]*

A student who is not enrolled in an eligible program as an undergraduate student during the award year is not eligible to receive a Federal Pell Grant for that award year. An institution that disburses a Federal Pell Grant to a student who is not enrolled in an eligible program as an undergraduate student during the award year, improperly disburses those funds to an ineligible recipient. An improper disbursement to an ineligible recipient represents financial loss to the Federal Pell Grant program for which the institution is liable.

Noncompliance: Milwaukee Career College disbursed 2010/2011 Federal Pell Grant funds for a student's period of enrollment that occurred in the 2009/2010 award year.

On January 4, 2010 Student #29 entered the thirty week Medical Assistant program, an academic program consisting of two 360 clock hour payment periods, 720 total clock hours. On July 30, the student graduated from the program. Institutional records indicate that as of May 4, 2010, the student had completed ten courses of thirty clock hours each and one sixty clock hour course, or 360 total clock hours. Thus, the first payment period of the student's program of study occurred only within the 2009/2010 award year.

On August 8, 2010, after the student had graduated, the institution credited the student's institutional account with 2010/2011 Federal Pell Grant program funds in the amount of \$4,440, \$2,220 for the first payment period and \$2,220 for the second payment period. This represents an improper disbursement to an ineligible student in the amount of \$2,220. The student was not eligible to receive 2010/2011 Federal Pell Grant funds for the first payment period because the first payment period did not occur within the 2010/2011 award year.

Required Action: The institution is prohibited from disbursing a student's Federal Pell Grant award for an award year to cover an academic period that does not occur in that award year. Milwaukee Career College must provide its assurance that this finding will not recur.

Instructions for repayment of the improper disbursement will be provided in the final program review determination letter.

Finding 2. Return to Title IV (R2T4) Error – Incorrect Withdrawal Date

Citation: When a recipient of Title IV grant or loan assistance withdraws from an institution within a payment period or period of enrollment in which the recipient began attendance, the institution must determine the amount of Title IV grant or loan assistance the student earned as of the student's withdrawal date. If the total amount of Title IV grant or loan assistance, or both, that the student earned is less than the amount of Title IV grant or loan assistance that was disbursed to the student (or on behalf of the student in the case of a PLUS loan), the difference between these amounts must be returned to the Title IV programs. [34 C.F.R. § 668.22 (a)] This determination is commonly referred to as R2T4.

In general, the amount of Title IV grant or loan assistance that is earned by the student is determined by determining the percentage of the payment period that the student completed as of the student's withdrawal date and applying this percentage to the total of Title IV grant and loan assistance that was disbursed, and that could have been disbursed, as of the student's withdrawal date. [34 C.F.R. § 668.22 (e)] For a student who ceases attendance at an institution that is required to take attendance, the student's withdrawal date is the last date of academic attendance as determined by the institution from its attendance records. [34 C.F.R. § 668.22 (b)]

Therefore, an institution that does not properly determine a student's withdrawal date cannot accurately calculate the amount of Title IV aid the student has earned. This may result in an incorrect calculation of the required return amount. An institution that fails to return the required return amount improperly retains federal funds, thereby causing financial loss to the Title IV programs for which the institution is liable.

Noncompliance: The institution's detail attendance records indicate that Student #3 started the Pharmacy Technician program on June 29, 2009 and attended through July 2, 2009; a total of four days, sixteen scheduled clock hours of instruction. The student is recorded in the detail attendance records as absent for the next two weeks and then as having attended two scheduled clock hours on July 17, 2009 in one course. July 17, 2009 was used as the student's withdrawal date.

The instructors' attendance rosters for the student's scheduled classes were also examined and found to be consistent with the student's detail attendance records through July 16, 2009. An attendance roster could not be produced for July 17, 2009. It was explained that there is no record of the student's attendance because the institution was closed on that date for mandatory training offsite.

Evidently, the institution recorded the student to be in attendance at a scheduled class session that was cancelled. Since the student was not in attendance on July 17, 2009, that date should not have been used as the withdrawal date. The student's last date of

academic attendance was July 2, 2009. Therefore student's withdrawal date is July 2, 2009.

A student may not be considered in attendance on a date that the institution does not provide a student's scheduled instruction. A student may not be considered in attendance on a date that the institution has no valid record of attendance. Furthermore, a student may not be considered in attendance after exceeding the institution's consecutive absence limit. The student should have withdrawn for excessive absenteeism before July 17, 2009.

On July 22, 2009 the institution determined that the student withdrew from the institution. The R2T4 calculation reflects total aid disbursed in the amount of \$5,883 (\$3,743 FFEL and \$2,140 Federal Pell Grant). Because fifty-four (54) was used as the number of clock hours scheduled to have been completed as of the withdrawal date, the R2T4 calculation reflects 15% as the percentage of aid earned by the student ($54/360 = 15\%$). Thus, the institution determined that the student earned \$882.45 (15% of \$5,883 = \$883.45) and returned \$5,000.55 ($\$5,883 - \$883.45 = \$5,000.55$) of the total Title IV received.

As previously noted, the correct withdrawal date is July 2, 2009. Using the scheduled clock hours associated with the accurate withdrawal date, the percentage of aid earned by the student is 4.4% ($16/360 = 4.4\%$) instead of 15%. Accordingly, the institution should have retained only \$258.85 (4.4% of \$5,883 = \$258.85) and returned \$5,624.15 ($\$5,883 - \$258.85 = \$5,624.15$). The correct R2T4 calculation indicates that additional funds are due from the institution in the amount of \$623.60 ($\$5,624.15 - \$5,000.55 = \623.60).

Required Action: The institution failed to take the recourse that its attendance policy dictates for a student with excessive absences. The institution created a false record of class attendance for a class that did not take place. And, notwithstanding the false record of attendance, the institution used as a student's withdrawal date a date for which no attendance record exists. This is not consistent with a participating institution's fiduciary standard of conduct or the standards of administrative capability that a participating institution must at all times demonstrate. Milwaukee Career College must improve its system of internal controls concerning monitoring and recording attendance and provide its assurance that this finding will not recur.

Instructions for repayment of the additional return amount identified above will be provided in the final program review determination letter.

Finding 3. Improper Leave of Absence (LOA) Administration

Citation: An institution does not have to treat a leave of absence as a withdrawal if the leave of absence is an approved leave of absence. A leave of absence is an approved leave of absence if-

- The institution has a formal policy regarding leaves of absence. The institution's LOA policy is a "formal policy" if the policy-
 - Is in writing and publicized to students; and
 - Requires students to provide a written, signed, and dated request that includes the reason for the request, for a leave of absence prior to the leave of absence. However, if unforeseen circumstances prevent a student from providing a prior written request, the institution may grant the student's request for a leave of absence, if the institution documents its decision and collects the written request at a later date.
- The student followed the institution's policy in requesting the leave of absence;
- The institution determines that there is a reasonable expectation that the student will return to the institution;
- The institution approved the student's request in accordance with the institution's policy;
- The LOA does not involve additional charges by the institution;
- The number of days in the approved LOA, when added to the number of days in all other approved LOA's, does not exceed 180 days in any 12-month period;
- The institution explains prior to granting the LOA the effects that the student's failure to return may have on the student's loan repayment terms, including the exhaustion of some or all of the student's grace period;"

[34 C.F.R. § 668.22(d)]

Noncompliance: Milwaukee Career College placed two students on leaves of absence who should have been withdrawn. Neither student returned from LOA. Their enrollments were artificially extended because the institution abused its LOA authority.

Students #2 and #14 completed the clinical portions of their academic programs. But because they did not have the required immunizations for placement on externship sites and/or because they had balances on their institutional accounts, they were prohibited from continuing into the externship portions of their programs. Notwithstanding the signed LOA forms in the students' files, the LOA's are not considered to be approved LOA's. They were put on LOA's because the students failed to prepare for their externships and the institution could not or would not permit them to continue. Neither student requested the LOA because an unexpected obstacle had been encountered.

Required Action: The institution is prohibited from offering an approved LOA to a student who would otherwise be withdrawn for noncompliance with institutional rules or policies. Milwaukee Career College must provide its assurance that it has discontinued

this practice and all LOA's will comport to the definition of approved leaves of absence as described above. In the alternative, Milwaukee must consider students on LOA to have withdrawn from the institution.

Finding 4. Improper Disbursement – After Withdrawal

Citation: In order to receive assistance under the Title IV, HEA programs a student must meet the student eligibility criteria found at 34 C.F.R. § 668.32 of the Student Assistance General Provisions. These requirements include the provision that the student be enrolled as a regular student in an eligible program offered by the institution.

An otherwise eligible student becomes ineligible to receive a loan under the Federal Direct Loan program (or Federal Family Educational Education Loan program when FFEL program loans were available) on the date that the student is no longer enrolled at the institution as at least a half-time student for the period of enrollment for which the loan was intended. For awards made under most of the other Title IV, HEA programs, including the Federal Pell Grant and Federal Supplemental Educational Opportunity Grant (FSEOG) programs, an otherwise eligible student becomes ineligible on the date that the student is no longer enrolled at the institution for the award year. [C.F.R. § 668.164(g)(1)]

A student who becomes ineligible to receive assistance under the Title IV, HEA programs because of a change in enrollment status may qualify for a late disbursement provided that the Department processed a Student Aid Report (SAR) or Institutional Student Information Record (ISIR) for the student before the student became ineligible. In addition, the institution must have certified or originated a loan under the FFEL or Federal Direct Loan program and made an award under the FSEOG program to the student before the student became ineligible in order to receive late disbursements under those programs. [C.F.R. § 668.164(g)(2)]

However, if the student withdrew from the institution during a payment period or period of enrollment, the late disbursement must be made in accordance with the provisions of a post-withdrawal disbursement found at 34 C.F.R. § 668.22(a)(5) of the Student Assistance General Provisions and the late disbursement cannot be made later than 180 days after the date of the institution's determination that the student withdrew. An institution may not make a late disbursement of a second or subsequent installment of a FFEL or Federal Direct Loan to a student who did not complete the period of enrollment for which the loan was intended. [C.F.R. § 668.164(g)(3)(4)]

Noncompliance: Student #20 officially withdrew from the institution by letter dated August 12, 2010. On August 31 and September 2, 2010, the institution disbursed Federal Pell Grant, FSEOG and FFEL program awards totaling \$6,039 for the first payment period to the student's institutional account. On September 7, 2010, the institution

calculated the required return amount to be \$5,700.82. Soon thereafter the return of funds was initiated. Of the disbursed awards totaling \$6,039, \$338.18 was retainable.

Student #9 last attended a class session on June 23, 2009 and was withdrawn from the institution on July 6, 2009 for excessive absences. On July 21, 2009 the institution disbursed a Federal Pell Grant award in the amount of \$2,140 to the student's institutional account. On July 22, 2009, the change of status form was prepared and circulated. Soon thereafter, the institution calculated the required return amount and initiated the return of funds. Of the disbursed \$2,140 Federal Pell Grant award, \$1,694.70 was retainable.

The cited students became ineligible for the funds they were awarded because they withdrew from the institution, or were withdrawn from the institution, before those awards were disbursed. The institution should have cancelled the awards scheduled for disbursement and recalculated their eligible disbursement amounts under the post-withdrawal disbursement provisions of the Return to Title IV process. Because the funds that the institution ultimately returned should not have been disbursed, the institution is liable for the financial loss to the Title IV programs resulting from its improper receipt and retention of those funds.

Required Action: This finding represents a serious weakness in the institution's system of internal controls. The institution's controls must provide for the confirmation of student eligibility factors when funds are disbursed. Milwaukee Career College must provide its assurance that controls are in place and rigorously enforced to ensure that it disburses Title IV funds only to students who are eligible for the amounts they receive.

D. Appendices

Appendix A (Student Sample) contains personally identifiable information and will be emailed to Milwaukee Career College as an encrypted WinZip file using Advanced Encryption Standard, 256-bit. The password needed to open the encrypted WinZip file(s) will be sent in a separate email.

Appendix RESP
(Pages 30 & 31)

Milwaukee Career College's
Response to the Program Review Report

Milwaukee Career College Corrective Action Plan

FINDING 1: Improper Federal Pell Grant Disbursement

We concur with the finding and agree it is an isolated incident.

The 1st disbursement of PELL 2010-2011 for Student # 29 was refunded in the amount of \$2220. Student # 29 was not eligible for the first disbursement.

Currently, the Director of Financial Aid conducts monthly internal audits for students that are eligible for Cross Over year financial aid.

Our Third Party Servicer "FAME" composes a scheduled award report for the close out award year. This particular report is run to ensure that Title IV funds are cancel for students that are not enrolled.

FINDING 2: Return to Title IV (R2T4) Error- Incorrect Withdrawal Date

We concur with the finding and agree it is an isolated incident.

The R2T4 was recalculated with the correct withdrawal date of July 2, 2009 for Student #3. The amount of \$623.60 was refunded for PELL 2009/2010.

Milwaukee Career College uses the Campus Vue system which is updated with all holidays and campus closing dates. These dates are placed in the system and will not allow attendance to be changed on those particular dates.

The financial aid department reviews all attendance for each student that withdrawal.

The Financial Aid Director completes monthly file audits reviews to ensure that R2T4 are accurate.

FINDING 3: Improper Leave of Absence (LOA) Administration)

We concur with the findings.

Milwaukee Career College has a revised LOA request form to include the reasons for the leave of absence.

Students are given Health Forms and due dates that the forms need to be completed in the first phase of their program.

Finding 4: Improper Disbursement

We occur with these findings

The Financial Aid Department internal audits are completed on a monthly basis for R2T4 to insure accuracy.

The Director of Financial Aid runs weekly reports to ensure that Title IV funds are disbursed in a timely manner for enrolled students.

Signed by: Jack Takahashi

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

Signature

N

Accounting Document – Prior Year Monetary Recovery (AD-PYMR)

DC

Institution: Milwaukee Career College

City, State: Milwaukee, Wisconsin

PRCN: 120527438

TIN: 300128225

DUNS: 118308936

Reviewer: William Johnson

Region: Chicago

Date: March 7, 2013

Section A - Use if no adjustments are being made in COD

Programs	Type	Amount	Funding Code	Object Class
Federal Pell Grant (Closed AY)	Principal		3220RNOYR	69017
	Interest		1435RNOYR	64020
ACG	Principal		3220RNOYR	69017
	Interest		1435RNOYR	64020
National SMART	Principal		3220RNOYR	69017
	Interest		1435RNOYR	64020
FSEOG (No FISAP Corrections)	Principal		3220RNOYR	69017
	Interest		1435RNOYR	64020
FWS (No FISAP Corrections)	Principal		3220RNOYR	69017
	Interest		1435RNOYR	64020
Direct Loan and Direct Loan EAL	Principal		4253XNOYR	53020 or 53010
	Interest		4253XNOYR	53040
FFEL and FFEL EAL	Interest/ SA/EAL		4251XNOYR	53020
Federal Perkins	Principal		2915RNOYR	53054

Section B: Use if the Institution is instructed to make adjustments in COD

Add rows if necessary			Amount			G5 Program Award # *
Pell, ACG, SMART, TEACH	Pell 2010/2011	Principal	2,200	3875FNOYR	69020	P063P105889
	Pell 2010/2011	Imputed Interest	44	1435RNOYR	64020	P063P105889
Pell, ACG, SMART, TEACH	Pell 2009/2010	Principal	624	3875FNOYR	69020	P063P095889
	Pell 2009/2010	Imputed Interest	54	1435RNOYR	64020	P063P095889

Comments:



* G5 Award # (P063P104306, first 5 digits = program, next 2 digits = award year, next 4 digits = code unique to school). Note: It is important that the year in the G5 award number correspond to the award year for which any adjustments are being made, or for which the balance has been incurred (in the case of an unsubstantiated cash or negative cash balance). If the reviewer is unsure after looking in G5, contact Susan Lewey for Pell or DL, or Tremia Haythe for FWS or FSEOG.

Example of G5 award numbers for a single school for the 2009-2010 award year, Pell vs. DL:

Pell is designated by "P063P" and DL is designated by "P268K"

P063P091445 (Pell 2009-2010 award - Pell uses the final two digits of the leading award year in the award number)

P268K101445 (Direct Loan 2009-2010 award - DL uses the final two digits of the trailing award year in the award number)

Example of G5 award number for FWS and FSEOG

FWS is designated by "P033A" and FSEOG is designated by "P007A"

P033A092121 (FWS 2009-2010 award - FWS uses the final two digits of the leading award year in the award number)

P007A092121 (FSEOG 2009-2010 award - FSEOG uses the final two digits of the leading award year in the award number)

See FPRD Distribution Form for distribution information for this form and related program review documents.