



May 1, 2014

Mr. David Boyd  
President  
Taft University System  
3700 South Susan Street  
Santa Ana, CA 92704-6954

Certified Mail  
Return Receipt Requested  
#: 70070710000106762712

RE: **Expedited Final Program Review Determination Letter**  
**OPE ID: 04100400**  
**PRCN: 201420928557**

Dear Mr. Boyd:

From March 24, 2014 through March 28, 2014, Marcia Clark and Adeline Espinosa conducted a review of Taft University System's (Taft's) administration of the programs authorized pursuant to Title IV of the Higher Education Act of 1965, as amended, 20 U.S.C. §§ 1070 et seq. (Title IV, HEA programs). The program reviewed continued off-site until April 4, 2014. The purpose of this Final Program Review Determination Letter is to close the program review.

The focus of the review was to assess Taft's compliance with the statutes and regulations as they pertain to the institution's administration of Title IV programs. A sample of 30 files was identified for review from the 2012-13 and 2013-14 (year to date) award years. The sample included files that were selected randomly from a statistical sample of the total population receiving Title IV, HEA program funds for each award year, including 3 files that were selected in order to review withdrawal and Return to Title IV (R2T4) information reported on the institution's Recipient Data Spreadsheet.

In addition, the review included Taft's compliance with distance education regulations as they pertain to the institution's administration of Title IV programs. Taft offers two distance education programs that are Title IV eligible. From these two programs, five students were interviewed via e-mail from two courses of each program, for a total of 20 students. One faculty member was interviewed on-site during the program review. Three faculty members from different courses were interviewed via e-mail.

Appendix A lists the names and social security numbers of the students whose files were examined during the program review.

**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

**Federal Student Aid**  
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StudentAid.gov

individuals and may lead to identity theft or other fraudulent use of the information. Appendix A was encrypted and sent separately to the institution via e-mail.

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

The San Francisco/Seattle School Participation Division has made a Final Program Review Determination concerning the findings that were identified during the program review. The following is a discussion of the findings identified and the resolution of those findings.

**Program Review Findings and Final Program Review Determinations:**

**Finding #1. Failure to Withdraw Students – No Approved Leave of Absence (LOA)**

**Citation:** Per 34 C.F.R. § 668.22(a), a student is considered to have withdrawn if the student does not complete the period of enrollment that the student was scheduled to complete.

**Noncompliance:** Taft failed to withdraw students who had unscheduled breaks in enrollment. Unscheduled breaks occurred when Taft's students failed to complete program requirements that would have enabled them to progress to their next scheduled distance education courses. As a result, these students had gaps in enrollment exceeding 60 days while they completed course and/or program requirements, and waited to be rescheduled into courses in subsequent time periods.

After discussing the above noncompliance with Taft officials, the reviewers were able to confirm that 60% of the payment period would have been completed prior to the students' failure to complete exams and/or other course requirements that precluded them from sequentially progressing to the next courses in their programs. Consequently, there would have been no R2T4 funds due, and no monetary liability would have resulted from this finding.

**Institutional Action Taken to Resolve Noncompliance:** After discussing the noncompliance above with the reviewers, Taft implemented a leave of absence policy (LOA) and provided this policy and procedure to the reviewers while on-site.

The LOA policy provides students an opportunity to petition for a LOA when there is a gap period longer than 63 days but less than six months. This policy further allows students to remain active between the end of one academic period and the next available start date without withdrawing or affecting Satisfactory Academic Progress (SAP). No additional charges will be incurred during this approved LOA.

**Final Program Review Determination:** Taft has taken the corrective actions necessary to resolve this finding. Therefore, Taft may consider this finding closed, with no further action required.

**Finding #2. Failure to Resolve Institutional Student Information Record (ISIR)  
Comment (C) Code**

**Citation:** The Secretary considers an institution to have administrative capability if, among other factors, the institution develops and applies an adequate system to identify and resolve discrepancies in the information that the institution receives from different sources with respect to a student's application for financial aid under the Title IV, HEA programs. In determining whether an institution's system is adequate, the Secretary considers whether the institution obtains and reviews:

All student aid applications, need analysis documents, Statements of Educational Purpose, Statements of Registration Status, and eligibility notification documents presented by or on behalf of each applicant;

Any documents, including any copies of state and federal income tax returns, that are normally collected by the institution to verify information received from the student or other sources; and

Any other information normally available to the institution regarding a student's citizenship, previous educational experience, documentation of the student's social security number, or other factors relating to the student's eligibility for funds under the Title IV, HEA programs.

34 C.F.R. § 668.16(f)

**Noncompliance:** Taft failed to review and reconcile information on the ISIRs for one student in the selected sample that was flagged with an ISIR comment code (C Code). A staff member wrote on the student's ISIR "Ok," but there was no evidence how this C code was resolved prior to disbursing funds to the student.

Student #10: The ISIR for the award year 2012-2013 had a C code because the National Student Loan Data System (NSLDS) reported that the student had one or more student loans in active bankruptcy status. The ISIR indicated that prior to receiving additional federal student loans, the student must contact the financial aid office. There was no evidence in the file to document that the student contacted the financial aid office to resolve this matter.

**Institutional Action Taken to Resolve Noncompliance:** During the on-site portion of the program review, Taft's Director of Financial Aid, provided a signed written statement to the reviewers confirming that the student's bankruptcy status was in good standing. She also stated that the student is not in "Default" on any student loans represented in NSLDS.

**Final Program Review Determination:** Taft has taken the corrective actions necessary to resolve this finding. Therefore, Taft may consider this finding closed, with no further action required.

**Record Retention:**

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

We would like to express our appreciation for the courtesy and cooperation extended during the review. If you have any questions concerning this report, please call Marcia Clark at (415) 486-5602.

Sincerely,

(b)(6)

Martina Fernandez-Rosario  
Division Director  
San Francisco/Seattle School Participation Division

cc: Ms. Kristen Saxon, Financial Aid Director  
CA Committee of Bar Examiners for the State of California  
Distance Education and Training Council

**Appendix A: Student Sample**

**2012-13 Award Year**

<b>Student #</b>	<b>Student Name</b>	<b>SSN</b>
1	(b)(6),(b)(7)(C)	
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		

**2013-14 Award Year**

<b>Student #</b>	<b>Student Name</b>	<b>SSN</b>
16	(b)(6),(b)(7)(C)	
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
29		
30		