



John McGrath  
President  
Technical Career Institutes  
320 West 31<sup>st</sup> Street  
New York, New York 10001 – 2789

DEC 23 2014

Certified Mail  
Return Receipt Requested  
7006 0810 0004 0470 5794

RE: **Final Program Review Determination**  
OPE ID: 01103100  
PRCN: 201410228481

Dear Mr. McGrath:

The U.S. Department of Education's (Department's) School Participation Team – New York/Boston issued a program review report on September 15, 2014 covering Technical Career Institute's (TCI) administration of programs authorized by Title IV of the Higher Education Act of 1965, as amended, 20 U.S.C. §§ 1070 et seq. (Title IV, HEA programs), for the 2012 – 2013 and 2013 – 2014. TCI's final response was received on October 16, 2014. A copy of the program review report (and related attachments) and TCI's response are attached. Any supporting documentation submitted with the response is being retained by the Department and is available for inspection by TCI 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, and (4) close the 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 individuals and may lead to identity theft or other fraudulent use of the information. To protect PII, the findings in the attached report does not contain any student PII. Instead, each finding references students only by a student number created by Federal Student Aid. The student numbers were assigned in Appendix A, Student Sample. In addition, Appendices A1, A2 and A3 also contain PII.

**Federal Student Aid**

An OFFICE of the U.S. DEPARTMENT of EDUCATION  
School Participation Division – New York/Boston  
Financial Square, 32 Old Slip, 25<sup>th</sup> FL, New York, New York 10005  
StudentAid.gov

**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 Jacqueline Watford at 646 -428 -3782. 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)

Betty Coughlin  
Division Director

**Enclosure:**

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

cc: Cynthia Fekaris, Financial Aid Administrator  
New York State Board of Regents, and the Commissioner on Education  
Middle States Commission on Higher Education

bcc: Reading file, Correspondence file, Chris Curry, Jacqueline Watford, ERM

Prepared for

**Technical Career Institutes**

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**OPE ID** 01103100  
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Prepared by  
U.S. Department of Education  
Federal Student Aid  
School Participation Division – New York/Boston

# Final Program Review Determination

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**A. Institutional Information**

Technical Career Institutes  
320 West 31<sup>st</sup> Street  
New York, New York 10001 - 2789

**Type:** Proprietary

**Highest Level of Offering:** Associate's Degree

**Accrediting Agency:** New York State Board of Regents/ Middle States Commission on Higher Education

**Current Student Enrollment:** 4,634 (2013)

**% of Students Receiving Title IV:** 84% (2013)

**Title IV Participation** - Postsecondary Education Participants System

**2012 – 2013**

Federal Pell Grant	\$17, 441,573
Federal Direct Stafford Subsidized	\$13, 657,415
Federal Direct Stafford Unsubsidized	\$12, 524,591
Federal Direct PLUS	\$ 469,725
Federal Supplemental Educational Opportunity Grant (FSEOG)	\$ 611,120
Federal Work Study	\$ 461,292

Default Rate Direct Loan:	2011 23.2%
	2010 26.9%
	2009 19.8%

## **B. Scope of Review**

The U.S. Department of Education (the Department) conducted a program review at Technical Career Institutes (TCI) from December 11, 2013 to December 17, 2013. The review was conducted by Jacqueline Watford, Ebony Foy and Barbara Wingel.

The focus of the review was to determine TCI'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 TCI'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 2012 – 2013 and 2013 – 2014 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. In addition, 6 files were selected so that the Federal Work – Study program would be reviewed. Appendix A lists the names and partial social security numbers of the students whose files were examined during the program review. A program review report was issued on September 15, 2014.

### **Disclaimer:**

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

## **C. Findings and Final Determinations**

### **Resolved Findings**

TCI has taken the corrective actions necessary to resolve finding I of the program review report. Therefore, this finding may be considered closed. Appendix C contains the institution's written response related to the resolved finding. Findings requiring further action by TCI are discussed below.

### **Resolved Findings with Comments**

The following program review finding has been resolved by the institution, and may be considered closed. This finding is included solely for the purpose of discussing resolution of the finding.

*In addition, the following students had similar instances; 8, 9, 10, 13, 14 and 15 for the 2012 -- 2013 award year. Students 16, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29 and 30 also have similar issues for the 2013 -- 2014 award year.*

*A fiscal review was conducted and confirmed the COD dates do not indicate excess cash.*

**Required Action:**

*COD did not reflect the actual disbursement dates for all students in the sample. As a result, the institution was required to perform a full file review to ensure that COD reflects actual disbursement dates for all students from the 2012 - 2013 and 2013 - 2014 award years. It is very important that COD reflects the actual date the student had access to the funds (the date posted to the student's account), because for Direct Unsubsidized and PLUS loans, interest begins to accrue at the time of disbursement. By not updating the anticipated dates to the actual dates, students could be paying interest on money that they have not yet received.*

*TCI was required to ensure that the disbursement dates in COD and on the students' ledger correspond to guarantee all disbursements are documented accurately.*

*In addition, the institution was required to update their policies and procedures to ensure that COD will be updated with actual disbursement dates within 15 days of the disbursement occurring. A copy of these updated policies and procedures must be provided with the response to this report.*

**TCI's Response Summary:**

TCI reviewed the institutions software (CampusVue) to determine what caused the error and made the determination there was a glitch in the system. TCI has reached out to Campus Management, which is the vendor who provides support to CampusVue to make the adjustments to the system. TCI and Campus Management are currently in the process of making the changes and advised this process will be completed within four weeks. TCI also indicated the institution will need additional time for testing to ensure the process updates COD accurately.

**Final Determination:**

TCI implemented new procedures to ensure that, within 15 days after a disbursement occurs and is posted to a student ledger card, CampusVue updates COD to reflect the accurate dates. TCI must to confirm in its next annual audit that the process has been completed.

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## Appendix C

### TCI's Program Review Report