



March 11, 2015

Ms. Tramy Van, Owner  
Tramy Beauty School  
5911 University Avenue, Suite 318  
San Diego, CA 92115-6347

Certified Mail  
Return Receipt Requested  
#: 7007 0710 0001 0674 3506

**RE: Final Program Review Determination**  
OPE ID: 04169200  
PRCN: 201340928428

Dear Ms. Van:

The U.S. Department of Education's (Department's) San Francisco/Seattle School Participation Division issued a program review report on December 31, 2013 of Tramy Beauty School's (Tramy'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 2011-2012 and 2012-2013 award years. Tramy's final response was received on February 21, 2014. A copy of the program review report (and related attachments) and Tramy's response are attached. Any supporting documentation submitted with the response is being retained by the Department and is available for inspection by Tramy 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 close the review and notify Tramy of a possible adverse action. Due to the serious nature of one or more of the enclosed findings, this FPRD is being referred to the Department's Administrative Actions and Appeals Service Group (AAASG) for its consideration of possible adverse action. Such action may include a fine, or the limitation, suspension or termination of the eligibility of the institution. Such action may also include the revocation of the institution's program participation agreement (if provisional), or, if the institution has an application pending for renewal of its certification, denial of that application. If AAASG initiates any action, a separate notification will be provided which will include information on institutional appeal rights and procedures to file an appeal.

This FPRD contains one or more findings regarding Tramy's failure to comply with the requirements of the Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act (Clery Act) in Section 485(f) of the HEA, 20 U.S.C. § 1092(f), and the Department's regulations at 34 C.F.R. §§ 668.41, 668.46, and 668.49. Because Clery Act findings do not result in financial liabilities, such findings may not be appealed.

**Federal Student Aid**  
An OFFICE of the U.S. DEPARTMENT of EDUCATION  
50 Beale Street, Suite 9800, San Francisco, CA 94105-1863  
StudentAid.gov

If an adverse administrative action is initiated, additional information about Tramy's appeal rights will be provided under separate cover.

**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 Pilar M. Diaz, Senior Institutional Review Specialist, at (415) 486-5368.

Sincerely,

(b)(6)

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

Enclosure:  
Final Program Review Determination

cc: Ms. Karen Gonzalez, Financial Aid Administrator  
National Accrediting Commission of Cosmetology Arts and Sciences  
California Bureau for Private Postsecondary Education  
Department of Defense (via e-mail at [osd.pentagon.ousd-p-r.mbx.vol-edu-compliance@mail.mil](mailto:osd.pentagon.ousd-p-r.mbx.vol-edu-compliance@mail.mil))  
Department of Veterans Affairs (via e-mail at [INCOMING.VBAVACO@va.gov](mailto:INCOMING.VBAVACO@va.gov))  
Consumer Financial Protection Board (via e-mail at [CFPB\\_ENF\\_Students@cfpb.gov](mailto:CFPB_ENF_Students@cfpb.gov))

Prepared for:  
**Tramy Beauty School**

---

OPE ID: 04169200  
PRCN: 201340928428

Prepared by  
U.S. Department of Education  
Federal Student Aid  
San Francisco/Seattle School Participation Division

## **Final Program Review Determination** **March 11, 2015**

## Table of Contents

<b>A.</b>	<b>Institutional Information .....</b>	<b>3</b>
<b>B.</b>	<b>Scope of Review .....</b>	<b>4</b>
<b>C.</b>	<b>Findings and Final Determinations .....</b>	<b>4</b>
	<b>Resolved Findings .....</b>	<b>4</b>
	<b>Findings with Final Determinations .....</b>	<b>4</b>
	Finding 1. Crime Awareness Requirements Not Met - Failure to Publish and Distribute an Annual Security Report .....	4
	Finding 2. Drug and Alcohol Abuse Prevention Program Requirements Not Met .....	9
	<b>Appendix A. Program Review Report .....</b>	<b>14</b>
	<b>Appendix B. Tramy's Response to the Program Review Report .....</b>	<b>45</b>

**A. Institutional Information**

Tramy Beauty School  
5911 University Avenue, Suite 318  
San Diego, CA 92115-6347

Type: Proprietary

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

Accrediting Agency: National Accrediting Commission of Cosmetology Arts and Sciences

State Agency: CA Bureau for Private Post-Secondary Education

Current Student Enrollment: 260 (2012-2013 AY)

Percentage of Students Receiving Title IV: 80.36% (2012-2013 AY)

Title IV Participation according to the National Student Loan Data System:

	<u>2013-2014 Award Year</u>
Federal Pell Grant Program	\$864,583

Default Rate FFEL/DL: 2011 N/A

## **B. Scope of Review**

The U.S. Department of Education (the Department) conducted a program review at Tramy Beauty School (Tramy) from September 21 through September 27, 2013. The review was conducted by Marisol Nealon and Pilar M. Diaz.

The focus of the review was to determine Tramy's compliance with the statues 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 Tramy'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 2011-2012 and 2012-2013 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. A Program Review Report was issued on December 31, 2013. Appendix A, listing the names and social security numbers of the students whose files were examined during the program review, was issued with the Program Review Report.

### **Disclaimer:**

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

Tramy has taken the corrective actions necessary to resolve findings ## 3, 4, 5, 6, 7, 8, 9, 10, 11, and 12 of the Program Review Report. Therefore, these findings may be considered closed. Please refer to the attached document containing the institution's written response related to the resolved findings.

### **Findings with Final Determinations**

#### **Finding 1. Crime Awareness Requirements Not Met - Failure to Publish and Distribute an Annual Security Report**

*Citation Summary: The Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act (Clery Act) and the Department's regulations require that all institutions that receive Title IV, HEA funds must, by October 1 of each year, publish and distribute to its current*

*students and employees, a comprehensive Annual Security Report (ASR) that contains, at a minimum, all of the statistical and policy elements enumerated in 34 C.F.R. § 668.46 (b). With the exception of certain drug and alcohol prevention program information, cross-referencing to other publications is not sufficient to meet the publication and distribution requirements. § 485(f) of the HEA; 34 C.F.R. § 668.46(b).*

*The ASR must be published and actively distributed as a single document. Acceptable means of delivery include U.S. Mail, hand delivery, or campus mail distribution to the individual or posting on the institution's website. If the institution chooses to distribute its report by posting to an internet or intranet site, the institution must, by October 1 of each year, distribute a notice to all students and employees that includes a statement of the report's availability, its exact electronic address, a description of its contents, and an advisement that a paper copy will be provided upon request. 34 C.F.R. § 668.41(e)(1). These regulations also require institutions to provide a notice containing this information to all prospective students and employees. This notice must also advise interested parties of their right to request a paper copy of the ASR and to have it furnished upon request. 34 C.F.R. § 668.41(e)(4).*

*The ASR must include statistics for incidents of crimes reported during the three most recent calendar years. The covered categories include criminal homicide (murder and non-negligent manslaughter), forcible and non-forcible sex offenses, robbery, aggravated assaults, burglary, motor vehicle theft, and arson. Statistics for certain hate crimes, as well as arrest and disciplinary referral statistics for violations of certain laws pertaining to illegal drugs, illegal usage of controlled substances, liquor, and weapons, also must be disclosed in the ASR. These crime statistics must be published for the following geographical categories: 1) on campus; 2) on-campus student residential facilities; 3) certain non-campus buildings and property; and, 4) certain adjacent and accessible public property. 34 C.F.R. § 668.46(c)(1).*

*Additionally, the ASR must include several policy statements. These disclosures are intended to inform the campus community about the institution's security policies, procedures, and the availability of programs and resources as well as channels for victims of crime to seek recourse. In general, these policies include topics such as the law enforcement authority and practices of campus police and security forces, incident reporting procedures for students and employees, and policies that govern the preparation of the report itself. Institutions are also required to disclose alcohol and drug policies and educational programs. Policies pertaining to sexual assault education, prevention, and adjudication must also be disclosed. Institutions also must provide detailed policies on the issuance of timely warnings, emergency notifications, and evacuation procedures. All required statistics and policies must be included in the ASR. § 485(f) of the HEA; 34 C.F.R. § 668.46(b).*

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

**Noncompliance Summary:** *Tramy violated multiple provisions of the Clery Act. Specifically, Tramy failed to distinguish the following categories in the report: (A) Forcible sex offenses and (B) Non-forcible sex offenses. Tramy did not properly report Hate Crimes for Larceny-theft, Simple Assault, Intimidation, and Destruction, Damage, or Vandalism of Property and the revised crime classification for burglary vs. larceny was missing. The crime statistics as described in 34 C.F.R § 668.46(c)(1) was incomplete. A description of any drug and alcohol-abuse education programs, as required under section 120(a) through (d) of the HEA was missing. Further, there was no evidence that suggested the ASR was actively distributed to employees or students for calendar years 2011 and 2012.*

*Additionally, the ASR must include several policy statements that were not available during the program review. These disclosures are intended to inform the campus community about the institution's security policies, procedures, and the availability of programs and resources as well as channels for victims of crime to seek recourse. Tramy failed to provide the required policies for alcohol and drug educational programs, and policies pertaining to sexual assault education, prevention, and adjudication, and the procedures to follow when a sex offense occurs. Tramy did not provide detailed policies on the issuance of timely warnings, emergency notifications, and evacuation procedures. 34 C.F.R. § 668.46(b).*

*Failure to publish an accurate and complete ASR and to actively distribute it to current students and employees in accordance with federal regulations deprives the campus community of important security information that can empower its members to be informed and play an active role in their own safety and security.*

**Required Action Summary:** *As a result of the above violations, Tramy submitted a revised ASR and crime statistics to the Secretary for inclusion in the Department's campus crime statistics database. Tramy was advised that once the comprehensive ASR was evaluated by the review team for accuracy and completeness, Tramy will be required to actively distribute the revised ASR to all current students and employees.*

*In addition, Tramy was required to provide documentation to the Department evidencing the ASR distribution as well as a certification statement attesting to the fact that the materials were distributed in accordance with the Clery Act. This certification must also affirm that the institution understands all of its Clery Act obligations and that it has taken all necessary corrective actions to ensure that these violations do not recur.*

*Tramy officials may wish to review the Department's "Handbook for Campus Safety and Security Reporting" (2011) during the preparation of its response. The handbook is available online at: <http://www2.ed.gov/admins/lead/safety/handbook.pdf>. The regulations governing the Clery Act can be found at 34 C.F.R. §§ 668.14, 668.41, 668.46, and 668.49. This information was also provided to Tramy's administrators during the program review.*

*As noted above, the exceptions identified in this finding constitute serious violations of the Clery Act that, by their nature, cannot be cured. There is no way to truly "correct" a violation of this*

*type once it occurs. Tramy was given an opportunity to develop and distribute an accurate and complete ASR, and in so doing, begin to bring its overall campus security program into compliance with the Clery Act as required by its Program Participation Agreement (PPA). However, the institution is advised that these remedial measures cannot and do not diminish the seriousness of these violations nor do they eliminate the possibility that the Department will impose an adverse administrative action and/or require additional corrective measures.*

**Tramy's Response:** In its official response, Tramy concurred with the finding and stated that remedial action was taken as directed in the Program Review Report. Tramy management submitted a copy of its revised 2012 ASR and a copy of its revised crime statistics that was submitted to the Department. Management characterized these documents as evidence of "Tramy's ongoing efforts to effect compliance going forward." In addition, the institution submitted samples of its new "Campus Security Act Disclosures Statements" form that is used to document that employees received the ASR. Institutional officials also stated that a 2013 ASR was produced in advance of the October 1<sup>st</sup> deadline and was posted to its official website at [http://www.tramybeautyschool.net/pdf/campus\\_security\\_act.pdf](http://www.tramybeautyschool.net/pdf/campus_security_act.pdf). Per the response, Tramy also claimed that the 2013 ASR was distributed to required recipients before the regulatory deadline. The institution conceded that the 2012 ASR did not include all required disclosures and that the report was not distributed properly but pointed out that it was included in new student enrollment packets. Management also asserted that "there were zero crimes reported on its campus or in public areas within the prior three years" and that the identified deficiencies were "an oversight and not reflective of any intention by the school to deceive its current or prospective students."

Finally, Tramy's response stated that the school's Director of Financial Aid has reviewed the Department's "Handbook for Campus Safety and Security Reporting" to help the school to be more complaint going forward.

**Final Determination:** Finding 1 of the program review report cited Tramy for multiple violations of the Clery Act. Specifically, the institution failed to publish accurate and complete ASRs in 2011 and 2012. Several required categories of crime were omitted from the statistical disclosure sections of these reports. In addition, Tramy failed to include several required policy disclosures in the 2011 and 2012 ASRs including information about its drug and alcohol abuse prevention and education programs, its sexual assault awareness and programs, and the procedures that students and employees should follow when a sex offense occurs. Moreover, the institution did not include statements of policy regarding the issuance of timely warnings and emergency notifications or its evacuation procedures in these reports. Moreover, Tramy failed to actively distribute the 2011 and 2012 ASRs to enrolled students and current employees. In its response to the PRR, the institution conceded that the 2012 ASR did not include all required disclosures and that the report was not distributed properly but pointed out that it was included in new student enrollment packets. As a result of these violations, the institution was required to revise and enhance its internal policies to ensure that the 2013 ASR included all required disclosures and was actively distributed to all required recipients. In its response, Tramy

concluded with the finding, stated that remedial action was taken, and submitted documents in support of its claims.

The Department carefully examined Tramy's narrative response and supporting documentation. The review team's examination showed that the identified violations were, for the most part, satisfactorily addressed by the institution's 2013 ASR and supporting documents. Based on that review and Tramy's admission of noncompliance, the Department has determined that all components of the initial finding are sustained. In reaching this determination, the Department took notice of Tramy's representation that no Clery-reportable crimes occurred on the campus during the review period. The institution is reminded that the Clery Act requires that all mandatory statistical and policy disclosures be included in the ASR so that users of the report can easily access campus safety information to which they are entitled. The Department also determined that Tramy's remedial action plan meets minimum requirements. For these reasons, the Department has accepted Tramy's response and considers this finding to be closed for the purposes of this program review; however, the officers and directors of Tramy are put on notice that the institution must take all additional actions that may be necessary to address the deficiencies and weaknesses identified by the Department as well as those that were detected during the preparation of the institution's response and as may otherwise be needed to ensure that these violations do not recur.

Although the finding is now closed, Tramy is reminded that the exceptions identified above constitute serious violations of the Clery Act that by their nature cannot be cured. There is no way to truly "correct" violations of this type once they occur. The requirement to develop and implement a public safety and crime prevention program and to publish and distribute an ASR that contains accurate and complete campus crime statistics and all required campus safety policies and procedures are fundamental goals of the Clery Act regardless of an institution's size. Tramy was required to initiate remedial measures and as a result of its efforts, has begun to address the conditions that led to these violations. Tramy has stated that it has brought its overall campus security program into compliance with the Clery Act as required by its Program Participation Agreement (PPA). Nevertheless, Tramy is advised that its remedial actions, whether already completed or planned for the future, cannot and do not diminish the seriousness of these violations nor do they eliminate the possibility that the Department will impose an adverse administrative action and/or require additional corrective actions as a result.

Because of the serious consequences of such violations, the Department strongly recommends that Tramy officials re-examine its campus security, drug and alcohol, and general Title IV policies and procedures on an annual basis to ensure that they continue to reflect current institutional practices and are compliant with federal requirements. To that end, Tramy officials are encouraged to consult the Department's "Handbook for Campus Safety and Security Reporting" (2013) as a reference guide on Clery Act compliance. The Handbook is online at: [www2.ed.gov/admins/lead/safety/handbook.pdf](http://www2.ed.gov/admins/lead/safety/handbook.pdf). The Department also provides a number of other Clery Act training resources. The institution can access these materials at: [www2.ed.gov/admins/lead/safety/campus.html](http://www2.ed.gov/admins/lead/safety/campus.html). The regulations governing the Clery Act can be found at 34 C.F.R. §§ 668.14, 668.41, 668.46, and 668.49.

Finally, Tramy management is also reminded that Section 304 of the Violence Against Women Reauthorization Act of 2013 (VAWA) amended the Clery Act to require institutions to compile and disclose statistics for incidents of domestic violence, dating violence, sexual assault, and stalking and to include certain policies, procedures, and programs regarding the prevention of sex crimes in their ASRs. All institutions are currently obligated to make a documented good-faith effort to comply with the statutory requirements of VAWA and were required to include all new required content in the 2014 ASR. Please be further advised that Final Rules on the VAWA amendments to the Clery Act were issued on October 20, 2014 and that, as a result, these regulations will go into effect on July 1, 2015, per the Department's Master Calendar. Tramy officials may access the text of the Final Rule at:

<http://ifap.ed.gov/fregisters/attachments/FR102014FinalRuleViolenceAgainstWomenAct.pdf>.

## **Finding 2. Drug and Alcohol Abuse Prevention Program Requirements Not Met**

**Citation Summary:** *The Drug-Free Schools and Communities Act (DFSCA) and Part 86 of the Department's General Administrative Regulations require each institution of higher education (IHE) that receives federal education funding to certify that it has developed and implemented a drug and alcohol abuse prevention program (DAAPP). The program must be designed to prevent the unlawful possession, use and distribution of illicit drugs and alcohol abuse on campus and at recognized events and activities.*

*On an annual basis, each IHE must provide the following information in writing to all current students (enrolled for any type of academic credit except continuing education units) and all current employees:*

- *A written statement about its standards of conduct that clearly prohibits the unlawful possession, use, or distribution of illicit drugs and alcohol by students and employees on its property or as part of any of its activities;*
- *A written description of the applicable legal sanctions under local, state, or federal law for the unlawful possession or distribution of illicit drugs and alcohol;*
- *A description of the health risks associated with the use of illicit drugs and the abuse of alcohol;*
- *A description of any drug or alcohol counseling, treatment, or rehabilitation or re-entry programs that are available to employees or students; and*
- *A clear statement that the institution will impose disciplinary sanctions on students and employees (consistent with federal, state, and local laws and ordinances) and a description of those sanctions, up to and including expulsion or termination of employment and referral for prosecution, for violations of the standards of conduct. For the purpose of this section, please note that a disciplinary sanction may include the required completion of an appropriate treatment program.*

*Moreover, federal regulations require each institution to conduct biennial reviews to measure the effectiveness of its DAAPP and to ensure consistent treatment in its enforcement of applicable drug and alcohol-related statutes, ordinances, and institutional policies against students and employees found to be in violation. The institution must prepare a report of findings and maintain its biennial review report and supporting documents and make them available to the Department upon request. 34 C.F.R. §§ 86.3, 86.100 and 86.103.*

***Noncompliance Summary:*** *Tramy violated multiple provisions of the DFSCA and the Department's Part 86 regulations. Tramy failed to document its implementation of a comprehensive drug and alcohol abuse prevention program (DAAPP) and distribute an accurate and complete DAAPP disclosure to all employees and students enrolled in the program. The review team found that Tramy students were required to sign a "Drug and Alcohol Abuse Policy Statement" upon enrollment; however, there was no indication that employees were required to execute such an agreement. Moreover, the form also does not include all of the content that is required to be disclosed in an annual DAAPP disclosure.*

*Furthermore, Tramy failed to conduct a biennial review and prepare a report of findings as required by the DFSCA. The biennial review measures the effectiveness of an institution's DAAPP as well as assessing the consistency of sanctions imposed for violations of disciplinary standards and codes of conduct.*

*Failure to comply with the DFSCA's DAAPP requirements deprives students and employees of important information regarding the educational, disciplinary, health, and legal consequences of illegal drug use and alcohol abuse. Failure to comply with the biennial review requirements also deprives the institution of important information about the effectiveness of its own drug and alcohol programs. Such failures may contribute to increased drug and alcohol abuse on-campus as well as an increase in drug and alcohol-related violent crime.*

***Required Action Summary:*** *Tramy was required to take all necessary corrective actions to resolve these violations. During the program review, Tramy submitted a revised DAAPP policy and revised emergency response and evacuation procedures to the Secretary. At a minimum, Tramy was required to perform the following:*

- *Develop, implement and document a comprehensive DAAPP that includes all of the required elements found in the DFSCA and the Department's Part 86 regulations.*
- *Develop procedures for ensuring that the DAAPP program materials are documented and distributed to every student who is currently enrolled in the program, and to all employees. Tramy was required to provide a draft copy of its DAAPP and new distribution policy with its response to the Program Review Report. Tramy was informed that once the materials are approved by the Department, the institution would be required to distribute them in accordance with the Part 86 regulations and provide documentation evidencing the distribution as well as a statement of certification attesting to the fact that materials have been distributed in accordance with the DFSCA. This certification must also affirm that the institution understands*

*all of its DFSCA obligations and that it has taken all necessary actions to ensure that these violations do not recur.*

- *Conduct a biennial review to assess the effectiveness of its DAAPP and assess the consistency of sanctions imposed for violations of its disciplinary standards and codes of conduct. Tramy must describe the research methods and data analysis tools that are used to determine the effectiveness of the program and identify the responsible official(s) and office(s) that conducted the biennial review. Finally, the biennial review report must be approved by the institution's chief executive and/or its board.*

*Tramy is reminded that the exceptions identified above constitute serious violations of the DFSCA that, by their nature, cannot be cured. Tramy has indicated its intention to comply and will be required to take corrective action as described above and, in so doing, will finally begin to bring its drug and alcohol programs into compliance with the DFSCA as required by its PPA. However, Tramy is advised that its remedial measures cannot and do not diminish the seriousness of these violations nor do they eliminate the possibility that the Department will impose an adverse administrative action as authorized by the DFSCA and/or other corrective measures.*

**Tramy's Response:** In its official response, Tramy concurred with the finding and stated that remedial action was taken as directed in the program review report. Institutional officials claimed that they now understand the requirements of the DFSCA.

Per the response, management ordered an administrative review to determine if the institution fulfilled its DFSCA obligations. The review was purportedly conducted by a committee consisting of the President, the Director of Education, the Executive Director, and the Director of Financial Aid. Tramy indicated that the review included an examination of incident reports related to infractions of the drug and alcohol policy, the drug and alcohol policies of other institutions, the drug and alcohol information that is provided to current and prospective students, the institution's student catalogs and employee handbook, and other information resources that are made available to students and employees regarding drug and alcohol abuse. Institutional official also stated that new programs were designed and implemented to prevent illicit drug use and distribution and alcohol abuse both by students and employees.

In addition, management represented that the current policy is now distributed to all students and employees online and that new students and employees are now notified of the policy upon enrollment or hiring and by mail every fall.

Finally, Tramy asserted that a biennial review was conducted and a report of findings was produced. As a result of the review, management stated that the DAAPP was revised to add missing required content. The institution's report also included a review summary and plan for future improvements.

**Final Determination:** Finding 2 of the Program Review Report cited Tramy for multiple violations of the DFSCA and Part 86 of the Department's General Administrative Regulations. Specifically, the institution failed to develop and implement a comprehensive DAAPP that included all required components. In addition, Tramy did not produce a DAAPP disclosure that summarized its program and as a result, also failed to actively distribute program materials to required recipients. As a consequence of these failures, Tramy was not able to conduct a biennial review of the DAAPP's effectiveness. These separate and distinct violations necessarily follow from each other because the biennial review is primarily a study of the DAAPP's effectiveness. Therefore, an institution cannot conduct a proper biennial review until it has a fully-functional DAAPP in place and program requirements are communicated to members of the campus community. As a result of these violations, Tramy was required to develop and implement a DAAPP, produce and distribute an annual disclosure, and conduct a substantive review of the new program's effectiveness as soon as initial program data was available. In its response, Tramy concurred with the finding, described the remedial actions taken in an attempt to address the violations, and submitted documents including its first biennial review report in support of its claims.

The Department carefully examined Tramy's narrative response and supporting documentation. The review team's examination showed that the identified violations were, for the most part, satisfactorily addressed by the institution's response including its inaugural biennial review. Based on the Department's review and Tramy's admission of noncompliance, the violations identified in the initial finding are sustained. The Department also determined that the institution's remedial action plan meets minimum requirements. For these reasons, the Department has accepted the response and considers this finding to be closed for purposes of this program review. Notwithstanding this closure, the officials and directors of Tramy are put on notice that the institution must take all other action that may be necessary to address the deficiencies and weaknesses identified by the Department as well as those that were detected during the preparation of the response to the Department's report and as may otherwise be needed to ensure that these violations do not recur.

In this regard, Tramy officials are reminded that the institution must continue to develop its DAAPP and that its next biennial review must be completed on the required schedule and that its report must include substantially more information about the actual conduct of the review including details about the research methods used during the evaluation. The report also must identify the official(s) who conducted the review and address how the institution analyzed whether its disciplinary standards and codes of conduct regarding drug use and alcohol abuse were enforced consistently. Care also must be taken to ensure that all findings and recommendations are supported by valid evidentiary data. Finally, the report must indicate that it was approved by the institution's President and/or its board.

Although this finding is now closed, Tramy is reminded that the exceptions identified above constitute serious and persistent violations of the DFSCA that by their nature cannot be cured. There is no way to truly "correct" violations of this type once they occur. Tramy asserted that it has taken adequate remedial actions and by doing so, has taken steps to finally comply

with the DFSCA as required by its PPA. Notwithstanding the remedial efforts taken thus far, Tramy officials must understand that compliance with the DFSCA is essential to maintaining a safe and healthy learning environment. DFSCA violations deprive students and employees of important information regarding the educational, financial, health, and legal consequences of alcohol abuse and illicit drug use and deprive institutions of important information about the effectiveness of its drug and alcohol programs. For these reasons, Tramy is advised that its remedial measures cannot and do not diminish the seriousness of these violations nor do they eliminate the possibility that the Department will impose an adverse administrative action and/or additional remedial measures as a result.

In light of the serious consequences associated with compliance failures of this type, the Department strongly recommends that Tramy re-examine its DAAPP policies and procedures on at least an annual basis and revise them as needed to ensure that they continue to reflect current institutional policy and are in full compliance with the DFSCA. Please be advised that the Department may request information on a periodic basis to test the effectiveness of the institution's new policies and procedures.

## **Appendix A**

### **Program Review Report**



December 31, 2013

Ms. Tramy Van, Owner  
Tramy Beauty School  
5911 University Avenue, Suite 318  
San Diego, CA 92115-6347

Certified Mail  
Return Receipt Requested  
#: 7007 0710 0001 0675 3598

**RE: Program Review Report**  
OPE ID: 04169200  
PRCN: 201340928428

Dear Ms. Van:

From September 21, 2013 through September 27, 2013, Pilar M. Diaz and Marisol Nealon as representatives of the U.S. Department of Education conducted a review of Tramy Beauty School's (Tramy'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 findings of that review are presented in the enclosed report.

Findings of noncompliance are referenced to the applicable statutes and regulations and specify the action required to comply with the statute and regulations. Please review the report and respond to each finding, indicating the corrective actions taken by Tramy. The response should include a brief, written narrative for each finding that clearly states Tramy's position regarding the finding and the corrective action taken to resolve the finding. Separate from the written narrative, Tramy must provide supporting documentation as required in each finding.

Please note that pursuant to HEA section 498A(b), the Department is required to:

- (1) provide to the institution an adequate opportunity to review and respond to any preliminary program review report<sup>1</sup> and relevant materials related to the report before any final program review report is issued;
- (2) review and take into consideration an institution's response in any final program review report or audit determination, and include in the report or determination –
  - a. A written statement addressing the institution's response;
  - b. A written statement of the basis for such report or determination; and
  - c. A copy of the institution's response.

<sup>1</sup> A "preliminary" program review report is the program review report. The Department's final program review report is the Final Program Review Determination (FPRD).

Tramy Beauty School  
OPE ID: 04169200  
PRCN: 201340928428  
Page 2 of 3

The Department considers the institution's response to be the written narrative (to include e-mail communication). Any supporting documentation submitted with the institution's written response will not be attached to the FPRD. However, it will be retained and available for inspection by Tramy upon request. Copies of the program review report, the institution's response, 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 the FPRD is issued.

The institution's response should be sent directly to Pilar Diaz of this office within 30 calendar days of receipt of this letter.

Please note: The Department is aware that the State Authorizing Agency, the California Bureau for Private Postsecondary Education (BPPE), is currently looking into some issues related to students that enrolled, and received Title IV, HEA funding, for the Cosmetology program. However, some of those students were apparently interested in the Barbering program; a program which is currently not approved by the Department. Although this report does not include this issue as a finding, the Department reserved the right to revisit this issue once a final determination has been made by BPPE. Any additional action required of Tramy will be communicated under separate cover, or in the Final Program Review Determination Letter.

**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. The appendix was encrypted and sent separately to the institution via e-mail. Please see the enclosure Protection of Personally Identifiable Information for instructions regarding submission to the Department of required data / documents containing PII.

**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).