



January 5, 2015

Dr. Barry Maleki, President
Westech College
9460 Sierra Avenue
Fontana, CA 92335-2411

Certified Mail
Return Receipt Requested
#: 7007 0710 0001 0675 8661

RE: **Final Program Review Determination**
OPE ID: 03062300
PRCN: 201420928562

Dear Dr. Maleki:

The U.S. Department of Education's (Department's) San Francisco/Seattle School Participation Division issued a program review report on August 22, 2014 covering Westech College's (Westech's) administration of 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), for the 2012-2013 and 2013-2014 award years. The institution's final response was received on November 18, 2014.

The San Francisco/Seattle School Participation Division has reviewed Westech's response to the Program Review Report. A copy of the program review report (and related attachments) and Westech's response are attached. Any supporting documentation submitted with the response is being retained by the Department and is available for inspection by Westech 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.

Westech's response has resolved all findings. In addition, Westech has provided assurances that the appropriate corrective actions have been taken to resolve and prevent future occurrences of all findings. Therefore, Westech may consider the program review closed with no further action required.

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

Program records relating to the period covered by this program review must be retained until the later of: the resolution of the loan(s), claim(s) or expenditure(s) questioned in the program review [34 C.F.R. § 668.24(e)(3)(i)] or the end of the retention period applicable to the record [34 C.F.R. § 668.24(e)(1) and (e)(2)].

Federal Student Aid

An OFFICE of the U.S. DEPARTMENT of EDUCATION

50 Beale Street, Suite 9800, San Francisco, CA 94105-1863

StudentAid.gov

Westech College
OPE ID: 03062300
PRCN: 201420928562
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If you have any questions please call Pilar M. Diaz, Sr. Institutional Review Specialist,
at (415) 486-5368.

Sincerely,

(b)(6)

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

Enclosures: Program Review Report
Westech's Response to the Program Review Report

cc: Ms. Mary Zad, Financial Aid Administrator
California Bureau of Private Postsecondary Education
Accrediting Council for Independent Colleges and Schools
Department of Defense (sent by e-mail to osd.pentagon.ousd-p-r.mbx.vol-edu-compliance@mail.mil)
Department of Veterans Affairs (sent by e-mail to INCOMING.VBAVACO@va.gov)
Consumer Financial Protection Bureau (sent by e-mail to CFPB_ENF_Students@cfpb.gov)

Appendix A
Student Sample to the Program Review Report

School: Westech College - Fontana, CA
OPEID: 03062300
PRCN: 201420928562

Award Year 2012-2013

Student Number	Last Name	First Name	Full SSN
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			

Award Year 2013-2014

- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25
- 26
- 27
- 28
- 29
- 30



August 22, 2014

Dr. Barry Maleki
President
Westech College
9460 Sierra Avenue
Fontana, CA 92335-2411

Certified Mail
Return Receipt Requested
#: 7003 1680 0005 1119 6967

RE: Program Review Report
OPE ID: 03062300
PRCN: 201420928562

Dear Dr. Maleki:

From March 31, 2014 through April 4, 2014, Glenda Despenza, Anna C. Archila, and Pilar M. Diaz conducted a review of Westech College's (Westech'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 Westech. The response should include a brief, written narrative for each finding that clearly states Westech's position regarding the finding and the corrective action taken to resolve the finding. Separate from the written narrative, Westech must provide supporting documentation as required in each finding.

On January 6, 2014, the Department notified Westech of the denial of the Fitness Training Program due to the high number of findings of non-compliance noted in the institution's Federal Student Aid (FSA) Compliance Audit for the Fiscal Year Ended (FYE) December 31, 2012. As a result of that audit, the institution incurred a significant liability, which it is currently repaying to the Department. Similar findings of noncompliance were noted in the most recent FSA audit for FYE December 31, 2013, which have also resulted in significant liabilities owed to the Department. Westech has provided written assurances to the Department that the liabilities will be satisfactorily addressed via a repayment plan upon receipt of the Final Audit Determination Letter. The educational program has now been approved and is eligible for Title IV funds. Therefore, any previously-discussed findings related to ineligible programs are not included in the Program Review Report. In fact, although award letters had been issued for this ineligible program, no disbursements had been made.

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 report¹ 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 –

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

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50 Beale Street, Suite 9800, San Francisco, CA 94105-1863

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- 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.

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 Westech 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 M. Diaz, Sr. Institutional Review Specialist, of this office within 90 calendar days of receipt of this 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).

We would like to express our appreciation for the courtesy and cooperation extended during the review. Please refer to the above Program Review Control Number (PRCN) in all correspondence relating to this report. If you have any questions concerning this report, please contact Pilar M. Diaz at (415) 486-5368 or Pilar.Diaz@ed.gov.

Sincerely,

(b)(6)

Dyon F. Toney
Compliance Manager
San Francisco / Seattle School Participation Division

cc: Mary Zad, Financial Aid Administrator

Enclosures:
Protection of Personally Identifiable Information
Program Review Report

**Prepared for
Westech College
Fontana, CA**

**OPE ID: 03062300
PRCN: 201420928562**

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

**Program Review Report
August 22, 2014**

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OPE ID: 03062300
PRCN: 201420928562
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A. Institutional Information

Westech College
9460 Sierra Avenue
Fontana, CA 92335-2411

Type: Proprietary

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

Accrediting Agency: Accrediting Commission of Career Schools and Colleges

State Agency: CA Bureau for Private Post-Secondary Education

Current Student Enrollment (per school data): 511

Percentage of Students Receiving Title IV (per school data): 29%

Title IV Participation according to National Student Loan Data System:

	<u>2012 - 2013 Award Year</u>
Federal Pell Grant Program (Pell)	\$2,034,891
William D. Ford Federal Direct Loan Program (FDL)	\$5,424,921
Federal Supplemental Educational Opportunity Grant Program (FSEOG)	\$28,186
Federal Work Study Program (FWS)	\$23,228

Default Rate FFEL/DL:	2011	8.3 %
	2010	14.4 %
	2009	4.6%

B. Scope of Review

The U.S. Department of Education (the Department) conducted an off-site program review of Westech College (Westech) from March 31- June 09, 2014. The review was conducted by Glenda M. Despenza, Anna C. Archila, and Pilar M. Diaz.

The focus of the review was to determine Westech's compliance with the statutes and federal regulations as they pertain to the institution's administration of Title IV programs, the institution's compliance with verification requirements, and the associated reporting requirements. The review consisted of, but was not limited to, an examination of Westech's policies and procedures regarding institutional and student eligibility, individual student financial aid and academic files, attendance records, and student account ledgers.

A sample of 30 files was identified for review from the 2012-2013 and 2013-2014 award years. 30 files were selected randomly from a statistical sample of the total population receiving Title IV, HEA program funds. 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 Westech'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 Westech 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 (FPRD) 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 Westech to bring operations of the financial aid programs into compliance with the statutes and regulations.

Finding 1. Lack of Administrative Capability

Citation: To begin and to continue to participate in any Title IV, HEA program, an institution shall demonstrate to the Secretary that the institution is capable of adequately administering that program under each of the standards established in the federal regulations. The Secretary considers an institution to have that administrative capability if the institution:

- Administers the Title IV, HEA programs in accordance with all statutory provisions of or applicable to Title IV of the HEA, all applicable regulatory provisions prescribed

- under that statutory authority, and all applicable special arrangements, agreements, and limitations entered into under the authority of statutes applicable to Title IV of the HEA;
- Designates a capable individual to be responsible for administering all the Title IV, HEA programs in which it participates and for coordinating those programs with the institution other federal and non-federal programs of student financial assistance. The Secretary considers an individual to be "capable" under this paragraph if the individual is certified by the state in which the institution is located, if the state requires certification of financial aid administrators. The Secretary may consider other factors in determining whether an individual is capable, including, but not limited to, the individual's successful completion of Title IV, HEA program training provided or approved by the Secretary, and previous experience and documented success in administering the Title IV, HEA programs properly;
 - Uses an adequate number of qualified persons to administer the Title IV, HEA programs in which the institution participates.
 - Communicates to the individual designated to be responsible for administering Title IV, HEA programs, all the information received by any institutional office that bears on a student's eligibility for Title IV, HEA program assistance; and
 - Has written procedures for or written information indicating the responsibilities of the various offices with respect to the approval, disbursement, and delivery of Title IV, HEA program assistance and the preparation and submission of reports to the Secretary;
 - Administers the Title IV, HEA programs with adequate checks and balances in its system of internal controls and divides the functions of authorizing payments and disbursing or delivering funds so that no office has responsibility for both functions with respect to any particular student aided under the programs. For example, the functions of authorizing payments and disbursing or delivering funds must be divided so that for any particular student aided under the programs, the two functions are carried out by at least two organizationally independent individuals who are not members of the same family, as defined in 34 C.F.R. § 668.15, or who do not together exercise substantial control, as defined in 34 C.F.R. § 668.15, over 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 Title IV, HEA programs. In determining whether the 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;
 - Provides adequate financial aid counseling to eligible students who apply for Title IV, HEA program assistance. In determining whether an institution provides adequate

counseling, the Secretary considers whether its counseling includes information regarding the source and amount of each type of aid offered; the method by which aid is determined and disbursed, delivered, or applied to a student's account; and the rights and responsibilities of the student with respect to enrollment at the institution and receipt of financial aid. This information includes the institution's refund policy, the requirements for the treatment of Title IV, HEA program funds when a student withdraws under 34 C.F.R. § 668.22, its standards of satisfactory progress, and other conditions that may alter the student's aid package;

- Has provided all program and fiscal reports and financial statements required for compliance with the provisions of this part and the individual program regulations in a timely manner;
- Establishes and maintain records required for administering all the Title IV, HEA programs in which it participates;
- Shows no evidence of significant problems that affect, as determined by the Secretary, the institution's ability to administer a Title IV, HEA program and that are identified in reviews of the institution conducted by the Secretary, the Department of Education's Office of Inspector General, nationally recognized accrediting agencies, the state agency or official by whose authority the institution is legally authorized to provide postsecondary education, or any other law enforcement agency; or any findings made in any criminal, civil, or administrative proceeding. 34 C.F.R. § 668.16

Noncompliance: Westech's failure to comply with various Title IV, HEA federal regulations and requirements is an indication of impaired administrative capability. The following violations are serious and systemic:

- (1) Westech's high number of staff changes in the financial aid office may affect its ability to responsibly administer all the Title IV, HEA programs in which it participates.
- (2) Westech does not have written procedures for or written information indicating the responsibilities of the various offices with respect to the approval, disbursement, and delivery of Title IV, HEA programs.
- (3) Westech does not have adequate written financial aid and institutional policies and procedures. During the Program Review, Westech provided two different versions of copies of financial aid policies and procedures that appear to have been borrowed from another institution, as one of the sets of policies still carry the name of the other institution.
- (4) Westech does not have adequate checks and balances in its system of internal controls. Westech's current system does not divide the functions of authorizing payments and disbursing funds adequately, so that no office has responsibility for both functions. During the Program Review, it was noted that the fiscal office relies on the information provided by the financial aid office in order to make disbursements but does not have an independent method of determining the appropriateness of disbursements prior to posting to student accounts or a system to reconcile Title IV accounts. The reconciliation functions are carried out by the financial aid office.

- (5) The Department conducted prior Program Reviews at Westech. Some of the findings identified here were also cited during those reviews. Repeat findings affect the institution's ability to administer Title IV, HEA programs and may lead to administrative action.
- (6) Westech's Eligibility and Certification Approval Report (ECAR) does not have the appropriate institutional individuals listed, even though schools are required to notify the Department within 10 days when changes to key officials occur. Further, the reviewers noted that individuals who are no longer employed by the school still have access to the Common Origination and Disbursement (COD) System.

Required Action: Westech is required to provide a satisfactory response to each violation listed under this finding with its response to this Program Review Report (PRR) such that there is evidence of improvement in administrative capability. Westech's response must include the following:

- Westech must review its policies and procedures and develop or enhance them, as necessary, to comply with the requirements under 34 C.F.R. Part 668. Westech may use the "Guide to Creating a Policies and Procedures Manual" provided by the Department under the Quality Assurance assessments module located at: <http://ifap.ed.gov/qahome/qaassessments/makingofapandpmanual.html>. Please note that this document has been prepared to provide schools with basic guidance on developing policies and procedures. However, it should not be assumed that this document is all-inclusive. For a more complete explanation of specific program requirements, Westech should refer to the applicable statutes, regulations, and the Federal Student Aid Handbook.
- An adequate system of internal controls must be established and included in the institution's policies and procedures. The system must include procedures whereby the same office (e.g. financial aid office) does not authorize and disburse Title IV, HEA funds but these functions are separated between offices or individuals.
- Westech must establish procedures to notify the Department when key personnel change and to add and remove individual access to the Department's systems.

The revised policies and procedures, and a description of any additional systems and actions taken to resolve this finding must be submitted in response to this PRR. In addition, it is recommended that the owners and financial aid administrator attend "Fundamentals of Title IV Administration" training so they are more aware of requirements to which they must adhere.

Finding 2. Inadequate Verification

Citation: Institutions must require Title IV applicants to verify information used to calculate an applicant's Expected Family Contribution (EFC) in two instances:

1. When the application is selected by the Secretary to be verified; or
2. When an institution has reason to believe that any information on an application used to calculate an EFC is inaccurate. 34 C.F.R. § 668.54(a).

An institution must require each applicant whose application is selected for verification on the basis of edits specified by the Secretary to verify all of the applicable items specified in 34 C.F.R. § 668.56. The institution must require the applicant to submit acceptable documentation as described in 34 C.F.R. § 668.57 that will verify or update the information listed in 34 C.F.R. § 668.56.

If an institution has reason to believe that an applicant's FAFSA information is inaccurate, until the information is verified and any corrections are made in accordance with 34 C.F.R. § 668.59(a), the institution may not—

- Disburse any Federal Pell Grant, FSEOG, or Federal Perkins Loan Program funds to the applicant;
- Employ or allow an employer to employ the applicant in its Federal Work Study (FWS) Program; or
- Originate a Direct Subsidized Loan, or disburse any such loan proceeds for any previously originated Direct Subsidized Loan to the applicant.

If an institution does not have reason to believe that an applicant's FAFSA information is inaccurate prior to verification, the institution may—

- Withhold payment of Federal Pell Grant, Federal Perkins Loan, or FSEOG Program funds for the applicant; or
- Make one disbursement from each of the Federal Pell Grant, Federal Perkins Loan, or FSEOG Program funds for the applicant's first payment period of the award year; employ or allow an employer to employ that applicant, once he or she is an eligible student, under the FWS Program for the first 60 consecutive days after the student's enrollment in that award year; and
- Withhold origination of the applicant's Direct Subsidized Loan; or
- Originate the Direct Subsidized Loan provided that the institution does not disburse Direct Subsidized Loan proceeds.

If, after verification, an institution determines that changes to an applicant's information will not change the amount the applicant would receive under a Title IV, HEA program, the institution—

- Must ensure corrections are made in accordance with 34 C.F.R. § 668.59(a); and
- May, prior to receiving the corrected, valid Student Aid Report (SAR) or valid Institutional Student Information Record (ISIR):

Make one disbursement from each of the Federal Pell Grant, Federal Perkins Loan, or FSEOG Program funds for the applicant's first payment period of the award year; employ or allow an employer to employ the applicant, once he or she is an eligible student, under the FWS Program for the first 60 consecutive days after the student's enrollment in that award year; originate the Direct Subsidized Loan and disburse the Direct Subsidized Loan proceeds to the applicant.

If an institution chooses to make a disbursement under the circumstances listed, the institution will be: liable for any overpayment discovered as a result of verification to the extent that the overpayment is not recovered through reducing subsequent disbursements in the award year or from the student; and must recover the overpayment in accordance with 34 C.F.R. § 668.61. The institution is also liable for any subsidized student financial assistance disbursed if it does not receive the valid SAR or valid ISIR reflecting corrections within the deadlines established under 34 C.F.R. § 668.60, and must recover the funds in accordance with 34 C.F.R. § 668.61(c).

When an institution disburses a Pell Grant, the institution must report through the Common Origination and Disbursement (COD) System the student's verification status even if the student wasn't selected for verification. The applicable verification codes are:

V—The institution verified the student. This includes students selected by the Central Processing System (CPS) and those your institution chooses to verify based on its own criteria.

W—The student was selected for verification by the CPS or your institution, and your institution chose to pay a first disbursement of Pell without documentation. This code must be updated once verification is complete, or COD will reduce the Federal Pell Grant to zero.

S—The CPS selected the student for verification, but your institution did not verify him because he satisfied one of the allowable exclusions (except the post-enrollment exclusion) or because your institution participates in the Quality Assurance Program and the student's application did not meet your institution's verification criteria.

Blank—Report a blank if your institution has not performed verification because neither the CPS nor your institution selected the student or because the student was selected by the CPS after ceasing to be enrolled at your institution and all (including late) disbursements were made.

(Federal Student Aid Handbook, 2013-2014 Application and Verification Guide (AVG), Chapter 4.)

In addition, an institution must establish and use written policies and procedures for verifying an applicant's Free Application for Federal Student Aid (FAFSA) information. These policies and procedures must include:

The time period within which an applicant must provide any documentation requested by the institution in accordance with 34 C.F.R. § 668.57;

The consequences of an applicant's failure to provide the requested documentation within the specified time period;

The method by which the institution notifies an applicant of the results of its verification if, as a result of verification, the applicant's Expected Family Contribution (EFC) changes and results in a change in the amount of the applicant's assistance under the Title IV, HEA programs;

The procedures the institution will follow itself or the procedures the institution will require an applicant to follow to correct FAFSA information determined to be in error;

A clear explanation of the documentation needed to satisfy the verification requirements;
and

The applicant's responsibilities with respect to the verification of FAFSA information, including the deadlines for completing any actions required for verification and the consequences of failing to complete any required action.

An institution's procedures must provide that an applicant whose FAFSA information is selected for verification is required to complete verification before the institution exercises any authority under section 479A(a) of the HEA to make changes to the applicant's cost of attendance or to the values of the data items required to calculate the EFC. 34 C.F.R. § 668.53.

Noncompliance: Several areas of noncompliance were identified during the Program Review in the policies and procedures for verifying students' FAFSA information as follows:

(1) Westech reported to COD that it completed verification for various students selected in the statistical sample for the 2012-2013 and 2013-2014 award years. However, there was no supporting documentation in the files to substantiate that verification was completed. In addition, there was no supporting documentation to substantiate that Westech reported the correct verification status codes for the following students: ## 9, 13, 16, 17, 18, 19, 20, 21, 23, 25, 26, 27, 29, and 30.

(2) Westech systemically used Internal Revenue Service (IRS) Form 4506-T to request transcripts of tax returns for students and/or parents; however, this form had the box checked requesting the *Record of Account* instead of an *IRS Transcript*. Therefore, all of the following students have incorrect documentation to support verification in accordance with the requirements provided by the Department in the regulations: Students ## 2, 3, 5, 8, 9, 13, 14, 16, 17, 18, 19, 20, 21, 23, 25, 26, 27, 29, and 30.

(3) Westech failed to resolve discrepant information for the following students:
Student #1 – The student's marital status on ISIR transaction 02 indicates the student is married/remarried; however, the file does not have the spouse's tax transcript or non-filer statement.

Student #2 – Taxes paid on ISIR transaction 02 indicates \$0; however, the supporting document on file indicates \$1,501 in taxes paid.

Student #4 – Taxes paid on ISIR transaction 02 indicates \$2,624; however, IRS Form 1040X for 2011 indicates \$6,624 in taxes paid.

Student #9 – The student's ISIR transaction 01 was not selected by CPS for verification but this student was reported as selected by Westech. The file contains a 2011 IRS Tax Return Transcript; however the 2012 – 2013 Verification Worksheet is missing and there were no

documents in the file to support either the number in college or the household size reported on the ISIR.

(4) Finally, Westech's Verification Policies and Procedures are missing the required elements as previously described under the Citation section of this Finding.

Required Action: Since this error is systemic, Westech must complete a file review for all students who were selected for verification by the CPS and those files selected by Westech during the 2012-2013 and 2013-2014 award years. Westech must determine if verification requirements have been met for the students selected.

Upon completion of the file review, Westech must prepare a report of its files selected for verification, on an Excel spreadsheet. The following data elements must be included for each student selected for verification:

- 1) Student's Name
- 2) Student's Social Security Number (SSN)
- 3) Tax Return or other appropriate document (e.g., data retrieved from IRS and not changed, or tax transcript) on file (Y/N)
- 4) Verification Worksheet on file (Y/N)
- 5) Verification is complete (Y/N)
- 6) Verification Status Reported to COD Correctly (Y/N)
- 7) Change in EFC, if any, resulting from Verification
- 8) Title IV, HEA Original Disbursed Amount, by Title IV Program and award year
- 9) Title IV, HEA Revised Disbursed Amount, by Title IV Program and award year
- 10) Funds due to the Department, if any, by Title IV program and award year, as a result of changes to EFCs or verification incomplete

The spreadsheet must include an auditor's attestation, as described below, to the accuracy of the information provided.

For any students for whom verification is not completed or where disbursements were made to students with unresolved, inconsistent information on their ISIRs, liabilities to the Department will be identified. Instructions on the repayment of liabilities will be provided in the FPRD.

In addition, Westech must establish and implement written policies and procedures for verifying an applicant's FAFSA information. These policies and procedures must include:

The consequences of an applicant's failure to provide the requested documentation within the specified time period;

The method by which Westech notifies an applicant of the results of verification if, as a result of verification, the applicant's EFC changes and results in a change in the amount of the applicant's assistance under the Title IV, HEA programs;

The procedures Westech will follow itself or the procedures the institution will require an applicant to follow to correct FAFSA information determined to be in error; and

The procedures for making referrals under 34 C.F.R. § 668.16(g).

Finally, Westech's procedures must explain how it will notify each applicant whose FAFSA information is selected for verification of:

The documentation needed to satisfy the verification requirements; and

The applicant's responsibilities with respect to the verification of FAFSA information, including the deadlines for completing any actions required, and the consequences of failing to complete any required action.

Westech's procedures must provide that an applicant whose FAFSA information is selected for verification is required to complete verification before the institution exercises any authority under section 479A(a) of the HEA to make changes to the applicant's cost of attendance or to the values of the data items required to calculate the EFC.

In addition to the audited spreadsheet, Westech must submit a copy of its verification policies and procedures in response to this Program Review Report (PRR).

Independent Public Accountant's (IPA's) Attestation:

Westech must engage an Independent Public Accountant (IPA) to test its file review. The IPA must develop a set of procedures designed for testing the accuracy and completeness of this file review. The suggested procedures must be provided to Pilar M. Diaz within 30 days of the institution's receipt of this Program Review Report (PRR). The IPA's procedures must include a random statistical sampling of the entire universe of Title IV recipients for the 2012-2013 and 2013-2014 award years, using a 95% confidence level and no more than 5% error rate. Pilar M. Diaz will review the procedures, indicate if any changes are needed, and approve the procedures.

The IPA must apply the agreed-upon procedures to test the file reviews completed by Westech, and prepare a report including any exceptions noted during the IPA's testing. The exceptions must be identified, with details of the exception. Exceptions must be reported for all file review elements, as specified in the finding and in the required action, as presented in the PRR. The IPA must prepare the report in accordance with the American Institute of Certified Public Accountants' (AICPA's) Attestation Standards. The IPA's report must be submitted with Westech's response to this PRR.

Finding 3. Return to Title IV (R2T4) Calculation Not Performed

Citation: An institution must return the amount of Title IV funds for which it is responsible, after a student withdraws from school prior to the completion of a payment period, as soon as possible but no later than 45 days after the date of the institution's determination that the student withdrew. 34 C.F.R. § 668.22(j).

For a student who ceases attendance at an institution that is required to take attendance, including a student who does not return from an approved leave of absence, the student's withdrawal date

is the last date of academic attendance as determined by the institution from its attendance records.

An institution is required to take attendance if an outside entity (such as the institution's accrediting agency or a state agency) has a requirement that the institution take attendance; the institution itself has a requirement that its instructors take attendance; or the institution or an outside entity has a requirement that can only be met by taking attendance or a comparable process, including, but not limited to, requiring that students in a program demonstrate attendance in the classes of that program, or a portion of that program.

An institution must document a student's withdrawal date and maintain the documentation as of the date of the institution's determination that the student withdrew.

When a recipient of Title IV grant or loan assistance withdraws from an institution during 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 that the student earned as of the student's withdrawal date. 34 C.F.R. § 668.22.

Noncompliance: Westech failed to perform a R2T4 calculation for the following student who withdrew from the program:

Student #18: The student started attending classes on February 10, 2014. The student's file contains a "Status Change Form" document which indicates the student's Last Date of Attendance (LDA) was on February 21, 2014, and the "Drop Date" was on March 7, 2014. However, there is no evidence that Westech performed an R2T4 Calculation.

Required Action: Westech must submit evidence that a R2T4 calculation was performed, and provide a copy of the R2T4 calculation for this student. In addition, if the R2T4 calculation resulted in Title IV funds being returned to the Department, Westech must also provide evidence that the Title IV funds were returned to the appropriate Title IV, HEA program in response to this PRR.

Finding 4. Missing Entrance/Exit and Inadequate Loan Exit Counseling

Citation: (a) *Entrance counseling.* An institution must ensure that entrance counseling is conducted with each Federal Direct Subsidized Loan or Federal Direct Unsubsidized Loan student borrower prior to making the first disbursement of the proceeds of a loan to a student borrower unless the student borrower has received a prior Federal Direct Subsidized, Federal Direct Unsubsidized, Federal Stafford, or Federal SLS Loan.

Entrance counseling for Federal Direct Subsidized Loan, Federal Direct Unsubsidized Loan's borrowers must provide the borrower with comprehensive information on the terms and conditions of the loan and on the responsibilities of the borrower with respect to the loan. This information may be provided to the borrower—

(i) During an entrance counseling session, conducted in person;

(ii) On a separate written form provided to the borrower that the borrower signs and returns to the school; or

(iii) Online or by interactive electronic means, with the borrower acknowledging receipt of the information.

If entrance counseling is conducted online or through interactive electronic means, the school must take reasonable steps to ensure that each student borrower receives the counseling materials, and participates in and completes the entrance counseling, which may include completion of any interactive program that tests the borrower's understanding of the terms and conditions of the borrower's loans.

Entrance counseling for Federal Direct Subsidized Loan and Federal Direct Unsubsidized Loan borrowers must—

(i) Explain the use of a Master Promissory Note (MPN);

(ii) Emphasize to the borrower the seriousness and importance of the repayment obligation the student borrower is assuming;

(iii) Describe the likely consequences of default, including adverse credit reports, delinquent debt collection procedures under federal law, and litigation;

(iv) Emphasize that the student borrower is obligated to repay the full amount of the loan even if the student borrower does not complete the program, does not complete the program within the regular time for program completion, is unable to obtain employment upon completion, or is otherwise dissatisfied with or does not receive the educational or other services that the student borrower purchased from the school;

(v) Inform the student borrower of sample monthly repayment amounts based on—

(A) A range of student levels of indebtedness of Federal Direct Subsidized Loan and Federal Direct Unsubsidized Loan borrowers, or student borrowers with Federal Direct Subsidized, Federal Direct Unsubsidized, and Federal Direct PLUS Loans depending on the types of loans the borrower has obtained; or

(B) The average indebtedness of other borrowers in the same program at the same school as the borrower;

(vi) To the extent practicable, explain the effect of accepting the loan to be disbursed on the eligibility of the borrower for other forms of student financial assistance;

(vii) Provide information on how interest accrues and is capitalized during periods when the interest is not paid by either the borrower or the Secretary;

- (viii) Inform the borrower of the option to pay the interest on a Federal Direct Unsubsidized Loan while the borrower is in school;
- (ix) Explain the definition of half-time enrollment at the school, during regular terms and summer school, if applicable, and the consequences of not maintaining half-time enrollment;
- (x) Explain the importance of contacting the appropriate offices at the school if the borrower withdraws prior to completing the borrower's program of study so that the school can provide exit counseling, including information regarding the borrower's repayment options and loan consolidation;
- (xi) Provide information on the National Student Loan Data System (NSLDS) and how the borrower can access the borrower's records;
- (xii) Provide the name of and contact information for the individual the borrower may contact if the borrower has any questions about the borrower's rights and responsibilities or the terms and conditions of the loan; and
- (xiii) For first-time borrowers as defined in 34 C.F.R. § 685.200(f)(1)(i), explain the limitation on eligibility for Federal Direct Subsidized Loans and possible borrower responsibility for accruing interest described in 34 C.F.R. § 685.200(f), including—
- (A) The possible loss of eligibility for additional Federal Direct Subsidized Loans;
 - (B) How a borrower's maximum eligibility period, remaining eligibility period, and subsidized usage period are calculated;
 - (C) The possibility that the borrower could become responsible for accruing interest on previously received Federal Direct Subsidized Loans and the portion of a Federal Direct Consolidation Loan that repaid a Federal Direct Subsidized Loan during in-school status, the grace period, authorized periods of deferment, and certain periods under the Income-Based Repayment and Pay As You Earn Repayment plans; and
 - (D) The impact of borrower responsibility for accruing interest on the borrower's total debt.

(b) *Exit counseling.* (1) A school must ensure that exit counseling is conducted with each Federal Direct Subsidized Loan or Federal Direct Unsubsidized Loan borrower and graduate or professional student Federal Direct PLUS Loan borrower shortly before the student borrower ceases at least half-time study at the school.

The exit counseling must be in person, by audiovisual presentation, or by interactive electronic means. In each case, the school must ensure that an individual with expertise in the Title IV programs is reasonably available shortly after the counseling to answer the student borrower's questions. As an alternative, in the case of a student borrower enrolled in a correspondence program or a study-abroad program approved for credit at the home institution, the student

borrower may be provided with written counseling materials within 30 days after the student borrower completes the program.

If a student borrower withdraws from school without the school's prior knowledge or fails to complete the exit counseling as required, exit counseling must be provided either through interactive electronic means or by mailing written counseling materials to the student borrower at the student borrower's last known address within 30 days after the school learns that the student borrower has withdrawn from school or failed to complete the exit counseling as required.

The exit counseling must—

- (i) Inform the student borrower of the average anticipated monthly repayment amount based on the student borrower's indebtedness or on the average indebtedness of student borrowers who have obtained Federal Direct Subsidized Loans and Federal Direct Unsubsidized Loans, student borrowers who have obtained only Federal Direct PLUS Loans, or student borrowers who have obtained Federal Direct Subsidized, Federal Direct Unsubsidized, and Federal Direct PLUS Loans, depending on the types of loans the student borrower has obtained, for attendance at the same school or in the same program of study at the same school;
- (ii) Review for the student borrower, available repayment plan options including the standard repayment, extended repayment, graduated repayment, income contingent repayment plans, and income-based repayment plans, including a description of the different features of each plan and sample information showing the average anticipated monthly payments, and the difference in interest paid and total payments under each plan;
- (iii) Explain to the borrower the options to prepay each loan, to pay each loan on a shorter schedule, and to change repayment plans;
- (iv) Provide information on the effects of loan consolidation including, at a minimum—
 - (A) The effects of consolidation on total interest to be paid, fees to be paid, and length of repayment;
 - (B) The effects of consolidation on a borrower's underlying loan benefits, including grace periods, loan forgiveness, cancellation, and deferment opportunities;
 - (C) The options of the borrower to prepay the loan and to change repayment plans; and
 - (D) That borrower benefit programs may vary among different lenders;
- (v) Include debt-management strategies that are designed to facilitate repayment;
- (vi) Explain to the student borrower how to contact the party servicing the student borrower's Direct Loans;

(vii) Describe the likely consequences of default, including adverse credit reports, delinquent debt collection procedures under federal law, and litigation;

(viii) Provide—

(A) A general description of the terms and conditions under which a borrower may obtain full or partial forgiveness or discharge of principal and interest, defer repayment of principal or interest, or be granted forbearance on a Title IV loan; and

(B) A copy, either in print or by electronic means, of the information the Secretary makes available pursuant to section 485(d) of the HEA;

(ix) Review for the student borrower information on the availability of the Department's Student Loan Ombudsman's office;

(x) Inform the student borrower of the availability of Title IV loan information in NSLDS and how NSLDS can be used to obtain Title IV loan status information;

(xi) Explain to first-time borrowers, as defined in 34 C.F.R. § 685.200(f)(1)(i)—

(A) How the borrower's maximum eligibility period, remaining eligibility period, and subsidized usage period are determined under 34 C.F.R. § 685.200(f);

(B) The sum of the borrower's subsidized usage periods, as determined under 34 C.F.R. § 685.200(f)(1)(iii), at the time of the exit counseling;

(C) The consequences of continued borrowing or enrollment, including--

(1) The possible loss of eligibility for additional Federal Direct Subsidized Loans; and

(2) The possibility that the borrower could become responsible for accruing interest on previously received Federal Direct Subsidized Loans and the portion of a Federal Direct Consolidation Loan that repaid a Federal Direct Subsidized Loan during in-school status, the grace period, authorized periods of deferment, and certain periods under the Income-Based Repayment and Pay As You Earn Repayment plans;

(D) The impact of the borrower becoming responsible for accruing interest on total student debt;

(E) That the Secretary will inform the student borrower of whether he or she is responsible for accruing interest on his or her Federal Direct Subsidized Loans; and

(F) That the borrower can access NSLDS to determine whether he or she is responsible for accruing interest on any Federal Direct Subsidized Loans as provided in 34 C.F.R. § 685.200(f)(3);

(xii) A general description of the types of tax benefits that may be available to borrowers; and

(xiii) Require the student borrower to provide current information concerning name, address, social security number, references, and driver's license number and state of issuance, as well as the student borrower's expected permanent address, the address of the student borrower's next of kin, and the name and address of the student borrower's expected employer (if known). The school must ensure that this information is provided to the Secretary within 60 days after the student borrower provides the information.

If exit counseling is conducted through interactive electronic means, a school must take reasonable steps to ensure that each student borrower receives the counseling materials, and participates in and completes the exit counseling.

The school must maintain documentation substantiating the school's compliance with exit counseling requirements for each student borrower. 34 C.F.R. § 685.304.

Noncompliance: During the Program Review, it was noted that entrance and exit counseling was missing or inadequate for some students in the selected sample as follows: Student #13 did not have documentation to support that entrance counseling was provided. For Students ##1, 8, 9, and 12, the files did not have documentation to support that exit counseling was provided. For Students ##3, 5, 6, 11, and 29, Westech failed to provide adequate exit counseling as indicated by the limited documentation in their files. It was not evident that all exit counseling topics were covered for these students.

Required Action: Westech must provide appropriate entrance counseling to Student #13 and exit counseling to Students ##1, 8, 9, and 12. At the very least, Westech is required to mail exit counseling materials to those student at their last know addresses.

Westech must revise its policies and procedures to ensure that all borrowers are provided with entrance and exit counseling, in accordance with the requirements. Such policies and procedures must also be provided in response to this PRR.

Finding 5. Conflicting Attendance Policy/Failure to Apply Attendance Policy

Citation: An institution shall establish and maintain, on a current basis, any application for Title IV, HEA program funds and program records that document its eligibility to participate in the Title IV, HEA programs; the eligibility of its educational programs for Title IV, HEA program funds; its administration of the Title IV, HEA programs in accordance with all applicable requirements; its financial responsibility; information included in any application for Title IV, HEA program funds; and its disbursement and delivery of Title IV, HEA program funds. In general, an institution shall maintain required records in a systematically organized manner. 34 C.F.R. § 668.24.

Noncompliance: Westech's attendance records contained inconsistent information for Student #7. This student was enrolled in the MEDS program; the attendance record shows that this student had 5 absences for the module with term dates of June 18, 2012 to July 1, 2012. The student received a passing grade of "C." Westech's policy states that "after 4 absent days during any module, the student will automatically fail the module regardless of any makeup hours collected."

Further, in reviewing this file, a form entitled *Westech's Rules and Regulations* (signed by the student on May 18, 2012) states "If in one module, 4 days or more are missed, the student will be put on probation and the missed hours must be made up." These statements contradict each other and, in either case, the rule was not applied to the student.

Required Action: Westech must review and revise its written attendance policies and procedures so they are consistent and ensure the attendance policy and procedures are applied consistently. In addition, the revised attendance policies and procedures must be disclosed to currently enrolled and prospective students. A copy of the revised attendance policy and any related disclosure(s) and form(s) must be provided in response to this PRR.

Finding 6. Failure to Comply with Leave of Absence (LOA) Requirements

Citation: In order for a student to be considered to be on a Leave Of Absence (LOA) for Title IV purposes, the LOA must meet the regulatory definition of an "approved leave of absence."

The following requirements must be met in order for the LOA to be an approved LOA:

- The institution has a formal policy regarding LOAs;
- The student followed the institution's policy in requesting the LOA;
- The institution determined that there is a reasonable expectation that the student will return to the school;
- 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 LOAs, does not exceed 180 days in any 12-month period;
- Upon the student's return from the LOA, the student is permitted to complete the coursework he or she began prior to the LOA; and
- The institution explains to the student, prior to granting the LOA, the effects that the student's failure to return from the LOA 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).

An institution's LOA policy is a "formal policy" if the policy –

- Is in writing and publicized to the students; and
- Requires students to provide a written, signed, and dated request for a LOA prior to the LOA. However, if unforeseen circumstances prevent a student from providing a prior written request, the institution may grant the student's request for a LOA, if the

institution documents its decision and collects the written request at a later date. 34 C.F.R. § 668.22(d)(3)(iii).

Noncompliance: Student #12's records indicate that a LOA was requested and the student's expected return date was May 15, 2013. There is no official documentation in the student's file indicating a request from the student for a LOA. The only documentation in the student's file is a *Student Status Change Form*. On the form under comments, it indicates that the student failed to return from the LOA on May 15, 2013.

Required Action: Westech must review and revise its LOA policies and procedures to ensure that they meet the regulatory requirements as cited, including the requirement that a student's signature is obtained on a LOA request, and the request must be approved by an institutional official in advance of a LOA. A copy of the revised policies and procedures must be submitted in response to this PRR.

Finding 7. Student Credit Balance Not Paid

Citation: Whenever an institution disburses Title IV, HEA program funds by crediting a student's account and the total amount of all Title IV, HEA program funds credited exceeds the amount of tuition and fees, room and board, and other authorized charges the institution assessed the student, the institution must pay the resulting credit balance directly to the student or parent as soon as possible but no later than 14 days after the balance occurred if the credit balance occurred after the first day of class of a payment period; or no later than 14 days after the first day of class of a payment period if the credit balance occurred on or before the first day of class of that payment period.

In order to retain Title IV funds on behalf of a student, institutions must obtain written authorization from a student or parent, as applicable. The institution may use the student's or parent's Title IV, HEA program funds to pay for allowable charges that are included in that authorization. In obtaining the student's or parent's authorization to retain credit balances, an institution may not coerce the student or the parent to provide that authorization; must allow the student or parent to cancel or modify that authorization at any time; and must clearly explain how it will carry out that activity.

A student or parent may authorize an institution to hold credit balances for the period during which the student is enrolled at the institution. If a student or parent modifies an authorization, the modification takes effect on the date the institution receives the modification notice. If a student or parent cancels an authorization to use Title IV, HEA program funds to pay for authorized charges under 34 C.F.R. § 668.164(d)(2), the institution may use Title IV, HEA program funds to pay only those authorized charges incurred by the student before the institution received the notice. If a student or parent cancels an authorization to hold Title IV, HEA program funds, the institution must pay those funds directly to the student or parent as soon as possible but no later than 14 days after the institution receives that notice. 34 C.F.R. § 668.164(e) and 34 C.F.R. § 668.165(b).

Noncompliance: Westech failed to pay the resulting credit balance directly to the student within the 14 days required for Student #13 in the selected sample.

The ledger card for this student indicates that a credit balance in the amount of \$2,290.14 was created on 2/27/14. The school has no record to demonstrate that such credit balance was paid to the student nor is there a credit balance form authorizing Westech to retain the funds.

Required Action: Westech must review the regulatory requirements governing the retention and payment of credit balances. Westech must strengthen its policies and procedures to ensure that Title IV credit balances are paid to a student within the required timeframes and/or implement policies and procedures for retention of student/parent credit balances, in accordance with applicable regulations. A copy of the revised policies and procedures, as well as evidence of payment of the above credit balance in the form of copies of cancelled checks (front and back) or proof of electronic payment, must be submitted in response to this PRR.

Finding 8. Direct Loan 30 Day Delayed Delivery Requirements Not Met

Citation: Federal regulation states that if a student is enrolled in the first year of an undergraduate program of study and has not previously received a Federal Stafford, Federal Supplemental Loans for Students, Direct Subsidized, or Direct Unsubsidized Loan, a school may not disburse the proceeds of a Direct Subsidized or Direct Unsubsidized Loan until 30 days after the first day of the student's program of study. 34 C.F.R. § 685.303(b)(4)(i).

Noncompliance: Westech did not comply with the 30 day delay for first time borrowers for some students in the selected sample as follows:

Student #1 was a first time borrower, who started attending Westech on April 5, 2012. This student received a Direct Subsidized Loan and Direct Unsubsidized Loan on April 19, 2012, 15 days prior to the date the student should have received the disbursements.

Student #3 was a first time borrower, who started attending Westech on August 6, 2012. This student received a Direct Subsidized Loan and Direct Unsubsidized Loan on August 27, 2012, 10 days prior to the date the student should have received these disbursements.

Student #7 was a first time borrower, who started attending Westech on May 23, 2012. On June 12, 2012, this student's DL and PLUS loans were disbursed, 11 days prior to the date the student should have received these disbursements.

Required Action: Westech must follow the regulatory requirements for disbursing loan funds, to ensure that first-time borrowers under the Federal Direct Loan program do not receive their first disbursements prior to 30 days after the first day of the program. Since Students ##1, 3 and 7 continued with the program beyond the 30-day requirement, no further action is required. However, Westech must provide a description of the procedures put in place to ensure adherence to this regulation in response to this PRR.

Finding 9. Consumer Information Requirements Not Met

Citation: Information on financial assistance that the institution must publish and make readily available to current and prospective students under this subpart includes, but is not limited to, a description of all the federal, state, local, private and institutional student financial assistance programs available to students who enroll at that institution.

The institution must describe the terms and conditions of the Title IV, HEA loans students receive under the William D. Ford Federal Direct Student Loan Program.

For each program, the information provided by the institution must include:

- The procedures and forms by which students apply for assistance;
- The criteria for determining the amount of a student's award.

The institution must describe the rights and responsibilities of students receiving financial assistance, to include the following, except where indicated:

- Criteria by which the student who fails to maintain satisfactory progress may re-establish his or her eligibility for financial assistance;
- The method by which financial assistance disbursements will be made to the students and the frequency of those disbursements;
- The terms of any loan received by a student as part of the student's financial assistance package, a sample loan repayment schedule for sample loans and the necessity for repaying loans;
- The general conditions and terms applicable to FWS;
- The entrance and exit counseling information the institution provides and collects as required for borrowers under the William D. Ford Federal Direct Student Loan Program
- Contacts for information on financial assistance and institutional issues Information disclosed to students or parents of students who enter into an agreement regarding a Title IV, HEA loan that the loan will be submitted to National Student Loan Data System (NSLDS) and accessible by authorized agencies, lenders, and institutions.

34 C.F.R. § 668.42(c).

Federal regulations also require that the following information be provided to consumers:

- Information to students or parents of students who enter into an agreement regarding a Title IV, HEA loan that the loan will be submitted to NSLDS and accessible by authorized agencies, lenders, and institutions;
- Availability of a GED program, if the school admits students who do not have a high school diploma or equivalent;
- Refund policy with which the institution is required to comply for return of unearned tuition and fees or other refundable portions of costs paid to the institution;

- Requirements and procedures for officially withdrawing;
- Summary of requirements related to the Return of Title IV funds (grant and loan aid);
- A description of the services and facilities available to students with disabilities, including students with intellectual disabilities. 34 C.F.R §§ 668.42, 668.43, and 668.44.

Noncompliance: Westech's consumer information is inadequate as the institution fails to include the specified required elements listed above.

Required Action: Westech must provide evidence that the required elements are included in their consumer information and distributed to current students. The revised materials must be submitted with the response to this PRR.

Finding 10. Unprotected Personally Identifiable Information (PII)

Citation: Institutions are required to protect the personally identifiable information (PII) of students in accordance with the Family Educational Rights and Privacy Act of 1974 and implementing regulations. 34 C.F.R. Part 99. Additionally, the Secretary considers any breach to the security of student records and information as a potential lack of administrative capability with respect to safeguarding and protecting the confidentiality of customer information. To begin and to continue to participate in any Title IV, HEA program, an institution shall demonstrate to the Secretary that the institution is capable of adequately administering that program. The Secretary considers an institution to have that administrative capability if, among other requirements, the institution administers Title IV, HEA programs with adequate checks and balances in its system of internal controls. 34 C.F.R. § 668.16.

Noncompliance: Westech failed to safeguard the PII for Student #19 in the selected sample, as this file contained a document entitled "Rehabilitation Maintenance Certificate" which includes the name and social security number from another student.

Required Action: Westech must review its PII policies and procedures and ensure all staff is provided with information regarding the proper procedures for maintaining PII. Westech must provide a copy of the revised PII policies and procedures and any information provided to the staff with its response to this PRR.

D. Appendix

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