



March 4, 2019

Mr. Brian Kim
President/CEO
ATI College
12440 Firestone Boulevard, Suite 2001
Norwalk, CA 90650-4374

UPS 2nd Day Air
#: 1Z A87 964 02 9475 6205

RE: **Final Program Review Determination**
OPE ID: 03740400
PRCN: 201840929888

Dear Mr. Kim:

The U.S. Department of Education's (Department's) San Francisco/Seattle School Participation Division issued a Program Review Report (PRR) on October 11, 2018, covering ATI College's (ATI'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 2016-17 and 2017-18 award years. The Department received ATI's response on November 15, 2018.

Copies of the PRR and ATI's response are attached. The Department has retained any supporting documentation submitted with the response and will make it available to ATI for inspection 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 may 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 PRR. The purpose of this letter is to close the program review.

Protection of Personally Identifiable Information (PII):

PII is any information about an individual that can be used to distinguish or trace an individual's identity (e.g., 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, Program Review Student Sample.

Federal Student Aid

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Record Retention:

Program records relating to the period covered by the program review must be retained until the later of: the 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 DeNise L. McMillian, Senior Institutional Review Specialist, at 206-615-3638 or at denise.l.mcmillian@ed.gov.

Sincerely,



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

Enclosure: Final Program Review Determination

cc: Mr. Israel Rodriguez, Financial Aid Officer
Ms. Lisa Jee, School Director
California Bureau for Private Postsecondary Education
Accrediting Commission of Career Schools and Colleges
Department of Defense (via e-mail at osd.pentagon.ousd-p-r.mbx.vol-edu-compliance@mail.mil)
Department of Veterans Affairs (via e-mail at INCOMING.VBAVACO@va.gov)
Consumer Financial Protection Bureau (via e-mail at CFPB_ENF_Students@cfpb.gov)

Prepared for
ATI College

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OPE ID: 00377900
PRCN: 201840929888

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

Final Program Review Determination
March 4, 2019

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OPE ID: 03740400
PRCN: 201840929888
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A. Institutional Information

ATI College
12440 Firestone Boulevard, Suite 2001
Norwalk, California 90650-4374

Type: Proprietary

Highest Level of Offering: Non-Degree, Two Years (1800-2699)

Accrediting Agency: Accrediting Commission of Career Schools and Colleges

Student Enrollment: 74 (as of July 5, 2018)

Percentage of Students Receiving Title IV: 52% (as of July 5, 2018)

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

	<u>2016-17 Award Year</u>
Federal Pell Grant Program	\$ 160,947
Federal Supplemental Educational Opportunity Grant Program	\$ 8,799
Federal Work Study Program	\$ 83,447
William D. Ford Federal Direct Loan Program	\$ 341,761

Default Rate Direct Loans:	2015	14.9%
	2014	5.1%
	2013	7.2%

B. Scope of Review

The U.S. Department of Education (the Department) conducted a program review at ATI College (ATI) from July 23, 2018 through July 27, 2018. The review was conducted by Pilar Diaz and Patricia McAuley, Institutional Review Specialists.

The focus of the review was to determine ATI's compliance with the statutes and federal regulations as they pertain to the institution's administration of the programs authorized under Title IV of the Higher Education Act of 1965, as amended (Title IV, HEA programs). The review consisted of, but was not limited to, an examination of ATI's policies and procedures regarding institutional and student eligibility, individual student financial aid and academic files, attendance records, student account ledgers, and distance education policies, procedures, and systems.

The Department identified a sample of 30 files for review from the 2016-17 and 2017-18 award years. The Department selected the files randomly from a statistical sample of the total population receiving Title IV, HEA program funds for each award year. Appendix A lists the names and partial social security numbers of the students whose files were examined during the program review.

The Department issued its Program Review Report (PRR) on October 11, 2018, included in Appendix B to this Final Program Review Determination (FPRD). ATI submitted its official, narrative response to the PRR on November 15, 2018. Appendix C contains ATI's response to the PRR.

Disclaimer:

Although the review was thorough, it cannot be assumed to be all-inclusive. The absence of statements in the report concerning ATI's specific practices and procedures must not be construed as acceptance, approval, or endorsement of those specific practices and procedures. Furthermore, the review does not relieve ATI of its obligation to comply with all of the statutory or regulatory provisions governing the Title IV, HEA programs.

C. Final Determinations

Resolved Findings

- Finding #1. Inadequate Satisfactory Academic Progress Policy and Monitoring
- Finding #2. Late/Unpaid Credit Balances and Inadequate Credit Balance Authorization
- Finding #3. Verification Violations
- Finding #4. Revised Award Letters Not Issued to Students
- Finding #5. Failure to Provide Adequate Consumer Information
- Finding #6. Data Release Numbers in Student Files

ATI resolved Finding #1 on July 28, 2018 while reviewers were still on-site by correcting Satisfactory Academic Progress (SAP) calculations for all affected students. In addition, ATI provided training to staff responsible for recording student grades into the RGM system. A copy of the training materials was provided in response to the PRR.

ATI resolved Finding #2 on August 2, 2018 when the Department was provided with ATI's revised credit balance procedures. ATI also provided a copy of a system generated Title IV Credit Balance Report, dated November 11, 2018.

ATI resolved Finding #3 by providing documentation verifying student #15's information related to income tax status and income. A copy of the revised policies and procedures which specifically address the receipt of corrected Institutional Student Information Records (ISIRs) was also provided.

ATI resolved Finding #4 by describing how it has improved its student ledger recordkeeping system and its timeline for implementation. ATI also submitted a copy of a student account ledger card under the new system. The new Student Account Report summarizes the student's account, listing all fees, payments and balances.

ATI resolved Finding #5 by disseminating a Consumer Information Disclosure Statement to students and staff disclosing how ATI will gather consumer information and ensure that it remains current and further specified how the Notice will be provided, in the future, to enrolled students and staff. ATI updated its consumer information to include annual graduation, retention, transfer-out, and Federal Pell Grant Recipient rates.

ATI resolved Finding #6 by establishing policies and procedures to ensure that ATI will no longer request proof of Free Application for Federal Student Aid (FAFSA) confirmation that contains DRN numbers. Personally Identifiable Information (PII) has been removed from all student files and will be destroyed. The Financial Aid Director and Office Administrator have undergone training accessible through the U.S. Department of Education website on the topic of ensuring that PII is protected.

ATI has taken the corrective actions necessary to resolve the PRR findings identified above. Therefore, these findings are closed. Please refer to Appendix C, which contains the institution's response, for additional information.

Campus Safety and Security Findings

The Department summarizes the campus safety and security PRR findings below. At the conclusion of each finding is the Department's final determination for the finding.

Finding #7. Crime Awareness Requirements Not Met – Failure to Prepare, Publish and Actively Distribute a Complete Annual Security Report as a Single, Comprehensive Document

Summary of Noncompliance: The Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act (Clery Act) and the Department's regulations require that each institution that receives 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). All required statistics and policies must be included in the ASR. § 485(f) of the HEA. In particular, the ASR must contain a statement of policy regarding emergency response and evacuation procedures that includes:

- 1) The procedures that the institution will use to immediately notify the campus community upon the confirmation of a significant emergency or dangerous situation involving an immediate threat to the health and safety of students or employees occurring on the campus;
- 2) A description of the process that the institution will use to
 - confirm that there is a significant emergency or dangerous situation;
 - determine the appropriate segment(s) of the campus community to receive a notification;
 - determine the content of the notification; and
 - initiate the notification statement;
- 3) A statement that the institution will, without delay, and taking into account the safety of the community, determine the content of the notification and initiate the notification system, unless issuing a notification will, in the professional judgment of responsible authorities, compromise efforts to assist a victim or to contain, respond to, or otherwise mitigate the emergency;
- 4) A list of the titles of the people or organizations responsible for carrying out the actions described in bullet #2 above;
- 5) The institution's procedures for disseminating emergency information to the larger community; and
- 6) The institution's procedures to test the emergency response and evacuation procedures on at least an annual basis, including—
 - Tests that may be announced or unannounced;
 - Publicizing its emergency response and evacuation procedures in conjunction with at least one test per calendar year; and
 - Documenting, for each test, a description of the exercise, the date, time, and whether it was announced or unannounced. 34 C.F.R. § 668.46(b)(13) and (g).

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).

ATI violated multiple provisions of the Clery Act. Specifically, ATI failed to produce adequate and comprehensive 2016 and 2017 ASRs. As a result of these failures, ATI also failed to actively distribute adequate and comprehensive ASRs to all of its current students and employees in 2016 and 2017.

In its June 21, 2018 letter to ATI announcing this program review (Announcement Letter), the Department requested copies of the two most recent ASRs published by the institution and evidence of the active distribution of both documents. Because the review took place in July 2018, the two most recent ASRs were the 2016 and 2017 ASRs, which ATI was required to publish by October 1, 2016, and October 1, 2017, respectively. In response to this request, ATI provided its Annual Security Reports (entitled "Campus Security Policy and Annual Safety Report") for 2016 and 2017, and evidence of their timely distribution by October 1, 2016, and October 1, 2017.

The Department reviewed ATI's 2016 and 2017 ASRs and determined that they were missing all of the elements that must be disclosed in the required policy statement regarding emergency response and evacuation procedures, as cited above. The Department noted that ATI's 2016 and 2017 ASRs included statements that ATI conducted evacuation drills annually and at additional intervals as determined by its administration; however, the Department determined that this statement was inadequate in both ASRs because it did not include, for each test, a description of the exercise, the date and time of the exercise, and whether the exercise was announced or unannounced.

Because the 2016 and 2017 ASRs were missing this significant, multi-part disclosure statement, ATI failed to publish comprehensive 2016 and 2017 ASRs, and failed to distribute comprehensive ASRs to all enrolled students and current employees. Failure to prepare, publish, security information that can empower its members to be informed and to play active roles in their own safety and security.

Subsequent to the program review, ATI took steps to update its emergency response policy and procedures. On August 2, 2018, ATI submitted a draft version of its 2018 ASR and a document titled, "Emergency Response and Evacuation Procedures," dated July 2018. After reviewing the information that ATI provided, the Department determined that if the "Emergency Response and

Evacuation Procedures” were included within the 2018 as a single document, the addition would be sufficient to meet the aforementioned requirements.

Directives from the PRR: ATI was required to take all necessary corrective actions to resolve the violations identified and any other violations that may be identified during the preparation of its response to this PRR. At a minimum, ATI was required to:

1. Produce a comprehensive 2018 ASR that includes all of the policy statements and procedures required under 34 C.F.R. § 668.46(b) and, in particular, the multi-part policy statement required by 34 C.F.R. § 668.46(b)(13) and (g).
2. Distribute the 2018 ASR required in Item #1 to all current students and current employees and provide documentation to the Department evidencing the distribution.
3. Make the 2018 ASR required in Item #1 available to all prospective students and employees and provide documentation to the Department evidencing its availability.
4. Provide a certification statement, signed by ATI’s President, attesting to the fact that the institution distributed the 2018 ASR required in Item #1 in accordance with the Clery Act. This certification statement was also to affirm that ATI understands all of its Clery Act obligations, and that it has taken all necessary corrective actions to ensure that these violations do not recur.

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 cure a violation of this type once it occurs. ATI was required to take corrective actions to bring its campus security operations into full compliance with the Clery Act, as required by its Program Participation Agreement (PPA). However, ATI was advised that these remedial measures could not and did not diminish the seriousness of these violations, nor did they eliminate the possibility that the Department would impose an adverse administrative action and/or require additional corrective measures.

Finally, ATI officials were encouraged to review the Department’s “Handbook for Campus Safety and Security Reporting” (2016) during the preparation of the College’s response. The Handbook and other Clery Act resources are available online at: <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 Appendix A to Subpart D of Part 668.

Final Determination: Finding #7 cited ATI for multiple violations of the Clery Act and the Department’s regulations, as outlined in the above Summary of Noncompliance section. Specifically, the review team found that ATI failed to produce and distribute complete 2016 and 2017 ASRs because the ASRs were missing all of the elements that must be disclosed in the required policy statement regarding emergency response and evacuation procedures. As a result of these violations, ATI was required to produce a comprehensive 2018 ASR including all policy statements; distribute the 2018 ASR as required to all current students and employees and provide evidence of the distribution; make the 2018 ASR available to all prospective students

and employees and provide evidence of its availability; and certify that the institution distributed the 2018 ASR to current students and employees in accordance with the Clery Act, that ATI understands all of its Clery Act obligations, and that ATI has taken all necessary corrective actions to prevent recurrence of the violations cited in the PRR.

In its response to the PRR, ATI neither concurred nor disagreed with the finding; however, the College explained the remedial actions that it took to address the areas of noncompliance identified in the PRR. Specifically, ATI stated that it developed a comprehensive 2018 ASR containing all of the required disclosures, distributed the 2018 ASR to current students and employees via e-mail, and published the 2018 ASR on its website for prospective students and employees to access. ATI provided the Department with a copy of the complete 2018 ASR. ATI also provided a copy of the e-mails sent to students and employees, notifying them of the availability of the updated 2018 ASR, evidence that it published the 2018 ASR to its website, and a statement, signed by ATI's President, certifying that ATI understands its Clery Act obligations and has taken all necessary corrective actions to ensure these violations do not recur.

The Department carefully examined ATI's narrative response and supporting documentation. Based on that review, each of the violations noted in the Summary of Noncompliance is sustained. The Department has determined that ATI's remedial actions meet minimum requirements, and, for these reasons, has accepted the response and considers this finding to be closed for the purposes of this program review. ATI officials are advised to take immediate and proactive action to identify and correct any errors and omissions found in its current and future ASRs, ensure that its future ASRs meet all requirements of 34 C.F.R. §§ 668.14, 668.41 and 668.46, and take whatever additional action may be needed to ensure that these violations do not recur.

ATI is reminded that 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" violations of this type once they occur. The requirement to produce and distribute accurate and complete ASRs is one of the most basic requirements of the Clery Act, and is fundamental to its campus safety goals. The College was given the opportunity to address the violations identified and to bring its overall campus safety program into compliance with the Clery Act as required by its PPA. While corrective measures are essential, such actions cannot and do not diminish the seriousness of these violations, nor do these efforts eliminate the possibility that the Department will impose an adverse administrative action and/or additional corrective measures as a result. The Department strongly recommends that ATI continuously re-examine its campus safety, general Title IV policies, and procedures on an annual basis to ensure that it continues to reflect current institutional practices and is compliant with federal requirements. To that end, ATI officials are encouraged to consult the Department's "Handbook for Campus Safety and Security Reporting" (2016) as a reference guide on Clery Act compliance. The Handbook is available online at: <http://www2.ed.gov/admins/lead/safety/handbook.pdf>. The Department also provides a number of other Clery Act training resources. ATI officials can access these materials at: <http://www2.ed.gov/admins/lead/safety/campus.html>. The Clery Act regulations can be found at 34 C.F.R. §§ 668.14, 668.41 and 668.46.

Finding #8. Failure to Conduct an Adequate Biennial Review

Summary of Noncompliance: The Drug-Free Schools and Communities Act (DFSCA) and Part 86 of the Department's General Administrative Regulations require a participating institution to certify that it has developed and implemented a drug and alcohol abuse education and prevention program (DAAPP). The program must be designed to prevent the unlawful possession, use, and distribution of drugs and alcohol on campus and at recognized events and activities, and it must include all of the information outlined in 34 C.F.R. § 86.100(a)(1)–(5).

In addition, an institution must conduct biennial reviews to measure the effectiveness of its DAAPP, and to ensure consistent treatment in its enforcement of its disciplinary sanctions. The institution must prepare a report of findings for each review and maintain its biennial review reports and supporting materials, and make them available to the Department and interested parties upon request. 34 C.F.R. §§ 86.3, 86.100, and 86.100.

In the June 21, 2018 Announcement Letter, the Department requested a copy of ATI's most recent Biennial Review Report. In response, ATI provided a Biennial Report that covered calendar years 2013-15. When reviewers asked about the timing of the report, ATI stated that the 2013-15 report was published in 2016 and that the 2015-17 report would be published later in 2018. The 2013-15 report provided an overview of the elements required to be included in a DAAPP; however, the report did not contain an analysis of the effectiveness of the school's DAAPP or of the enforcement of its disciplinary sanctions.

The reviewers explained these deficiencies to ATI's Campus Executive Director. While the reviewers were on site, the Campus Executive Director provided them with a statement indicating that she had misunderstood the elements that must be included in a Biennial Review Report. The Campus Executive Director's statement further explained that, as ATI had no DAAPP-related violations, she had believed that ATI's Biennial Review Report did not need to include an analysis of its program's effectiveness. This statement also advised that ATI will conduct future Biennial Reviews with the following objectives:

- Determining the effectiveness of the policy and implementing changes to the alcohol and other drug programs as needed;
- Ensuring that sanctions developed are enforced consistently;
- Identifying the number of drug and alcohol-related violations and fatalities occurring on the campus that are reported to campus officials; and
- Identifying the number of types of sanctions imposed on students or employees as a result of such violations.

Although ATI developed and implemented a DAAPP, the College failed to comply with biennial review requirements. Failure to comply with the biennial review requirements 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 as well as an increase in drug and alcohol-related violent crime.

Directives from the PRR: As a result of these violations, ATI was required to take all necessary corrective actions to resolve these violations. At a minimum, the College was required to perform the following:

1. Revise its policies and procedures to ensure that its future biennial review reports clearly address the effectiveness of the institution's DAAPP, describing the research methods and data analysis tools used to determine the effectiveness of the program, and the consistency of its disciplinary sanctions. ATI was required to provide a copy of its new biennial review policy and procedures with its response to the PRR.
2. Provide a certification statement affirming that ATI understands all of its DFSCA obligations, and that it has taken all necessary corrective actions to ensure that these violations do not recur.

As noted above, the exceptions identified in this finding constitute serious violations of the DFSCA that, by their nature, cannot be cured. There is no way to truly "correct" a violation of this type once it occurs. As such, ATI was advised that these remedial measures could not and did not diminish the seriousness of these violations, nor did they eliminate the possibility that the Department would impose an adverse administrative action and/or require additional corrective measures as a result.

Final Determination: Finding #8 cited ATI for multiple violations of the DFSCA and the Part 86 Regulations. Specifically, the review team found that ATI's Biennial Review Report covering calendar years 2013-15 was inadequate because it did not contain an analysis of the effectiveness of ATI's DAAPP or of the enforcement of its disciplinary sanctions. As a result of these violations, ATI was required to revise its policies and procedures to ensure that future biennial review reports clearly address these items. ATI was also required to provide a certification statement affirming that ATI understands all of its DFSCA obligations and has taken all necessary corrective actions to prevent recurrence of these violations.

In its response to the PRR, ATI did not specifically express concurrence or disagreement with the finding; however, the College provided its revised biennial review policy and procedures, as well as a certification statement affirming that the College understands all of its DFSCA obligations, and that ATI has taken all necessary corrective actions to ensure that these violations do not recur.

The Department carefully examined ATI's response and supporting documentation. Based on that review, the violations noted in the Summary of Noncompliance are sustained. This analysis also indicated that the identified violations were, for the most part, satisfactorily addressed by the College's new internal policies and procedures. For these reasons, the Department has accepted ATI's response and considers this finding to be closed for the purposes of this program review. Nevertheless, the directors and officials of ATI are put on notice that they must take any additional actions that may be needed to address the deficiencies identified by the Department, as

well as any other deficiencies or weaknesses that were detected during the preparation of the response, and/or as may otherwise be needed to ensure that these violations do not recur.

In closing, the Department strongly recommends that ATI 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 College's new policies and procedures.

D. Appendices

Appendix A: Program Review Student Sample

Appendix B: Program Review Report

Appendix C: ATI's Response to the PRR

ATI College
OPE ID: 03740400
PRCN: 201840929888

APPENDIX A
Program Review Student Sample

Appendix A (Program Review Student Sample) contains personally identifiable information and will be e-mailed to Israel Rodriguez 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 e-mail.

ATI College
OPE ID: 03740400
PRCN: 201840929888

APPENDIX B
Program Review Report



October 11, 2018

Mr. Brian Kim
President/CEO
ATI College
12440 Firestone Blvd., Suite 2001
Norwalk, CA 90650-4374

UPS 2nd Day Air
#: 1Z A87 964 02 9286 8991

RE: **Program Review Report**
OPE ID: 03740400
PRCN: 201840929888

Dear Mr. Kim:

From July 23, 2018 through July 27, 2018, Pilar M. Diaz and Patricia McAuley conducted a review of ATI College's (ATI'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 enclosed report presents the findings of that review.

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

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

- (1) provide to the institution an adequate opportunity to review and respond to a 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 –
 - 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). The FPRD will not include any supporting documentation submitted with the institution's written response; however, the Department will retain the documentation and make it available to ATI for inspection upon request. Copies of the program review report, the institution's response, and any supporting documentation may be subject to release under the

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).

Federal Student Aid

AN OFFICE of the U.S. DEPARTMENT of EDUCATION

50 United Nations Plaza, Mailbox 1200, Suite 1273, San Francisco, CA 94112

StudentAid.gov

Freedom of Information Act (FOIA) and may be provided to other oversight entities after the FPRD is issued.

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

Protection of Personally Identifiable Information (PII):

PII is any information about an individual that can be used to distinguish or trace an individual's identity (e.g., 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 appear in Appendix A, Program Review Student Sample. The Department encrypted the appendix and sent it 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: the 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 Program Review Control Number (PRCN) at the top of this letter in all correspondence relating to this report. If ATI has any questions concerning this report, please contact DeNise McMillian at 206-615-3638 or at DeNise.L.McMillian@ed.gov.

Sincerely,



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

Enclosures: Protection of Personally Identifiable Information
Program Review Report

cc: Mr. Israel Rodriguez, Financial Aid Officer
Ms. Lisa Jee, School Director

PROTECTION OF PERSONALLY IDENTIFIABLE INFORMATION

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

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

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

Hard copy and electronic files containing PII must be:

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

PII data cannot be sent via fax.

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OPE ID: 03740400
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Prepared by
U.S. Department of Education
Federal Student Aid
San Francisco/Seattle School Participation Division

Program Review Report

October 11, 2018

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A. Institutional Information

ATI College
12440 Firestone Blvd., Suite 2001
Norwalk, CA 90650-4374

Type: Proprietary

Highest Level of Offering: Non-Degree, Two Years (1800-2699 hours)

Accrediting Agency: Accrediting Commission of Career Schools and Colleges

Student Enrollment: 74 (as of July 5, 2018)

Percentage of Students Receiving Title IV: 52% (as of July 5, 2018)

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

2016-17 Award Year		
Federal Pell Grant (Pell Grant) Program		
		\$160,947
Federal Supplemental Educational Opportunity Grant (FSEOG) Program		
		\$ 8,799
William D. Ford Federal Direct Loan (Direct Loan) Program		
		\$341,761
Default Rate Direct Loans:	2015	14.9%
	2014	5.1%
	2013	7.2%

B. Scope of Review

The U.S. Department of Education (the Department) conducted a program review at ATI College (ATI) from July 23, 2018 through July 27, 2018. The review was conducted by Pilar M. Diaz and Patricia McAuley, Institutional Review Specialists.

The focus of the review was to determine ATI's compliance with the statutes and federal regulations as they pertain to the institution's administration of the programs authorized under Title IV of the Higher Education Act of 1965, as amended, 20 U.S.C. §§ 1070 *et seq.*, (Title IV, HEA programs). The review consisted of, but was not limited to, an examination of ATI's policies and procedures regarding institutional and student eligibility, individual student financial aid and academic files, attendance records, and student account ledgers.

The Department identified a sample of 30 files for review from the 2016-17 and 2017-18 award years. The Department selected the files randomly from a statistical sample of the total population receiving Title IV, HEA program funds for each award year. Appendix A lists the names and social security numbers of the students whose files were examined during the program review.

Disclaimer:

Although the review was thorough, it cannot be assumed to be all-inclusive. The absence of statements in the report concerning ATI's specific practices and procedures must not be construed as acceptance, approval, or endorsement of those specific practices and procedures. Furthermore, the review does not relieve ATI 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) report.

C. Findings

During the review, the Department noted several areas of noncompliance. This Program Review Report (PRR) references findings of noncompliance to the applicable statutes and regulations and specifies the actions that ATI must take to bring operations of the financial aid programs into compliance with these statutes and regulations.

Finding #1. Inadequate Satisfactory Academic Progress Policy and Monitoring

Noncompliance: Institutions are required to have a satisfactory academic progress (SAP) policy for purposes of determining student eligibility for assistance under a Title IV, HEA program. The institution must establish, publish, and apply reasonable standards for measuring whether an otherwise eligible student is maintaining SAP in his or her educational program.

34 C.F.R. §§ 668.16(e) and 668.34.

A reasonable SAP policy must specify the grade point average (GPA) (or a comparable assessment measured against a norm) that a student must achieve at each evaluation (i.e., qualitative component), and that if a student is enrolled in an educational program of more than two academic years, the student must have a GPA of at least a "C" or its equivalent, or have academic standing consistent with the institution's requirements for graduation, at the end of the second academic year. 34 C.F.R. § 668.34(a)(4). A reasonable SAP policy must also specify the pace at which a student must progress through the educational program to ensure that the student will complete the program within the maximum timeframe and provides for measure of the student's progress at each evaluation (i.e., quantitative component). Pace is calculated by dividing the total number of hours the student has successfully completed by the total number he has attempted. 34 C.F.R. § 668.34(a)(5).

Although its SAP policy correctly specified that ATI would include the grades for all attempted and completed courses in its SAP calculation, ATI failed to follow this policy. ATI uses a third-party servicer, R. Gonzalez Management (RGM) to assist with the administration of its Title IV programs. In general, ATI enters information about the student's progress into RGM's system, and RGM then calculates a student's SAP at the end of each payment period. During interviews with ATI and RGM staff, however, reviewers learned that ATI enters the total number of credits a student attempted, but only the grades for courses the student passed. As a result, RGM was incorrectly calculating the GPA component of the student's SAP.

While the reviewers were on site, ATI entered the "F" grades into the RGM system for all students in the award years under review and re-ran the SAP GPA calculation for each of these students. The students were determined to have made SAP; therefore, their Title IV eligibility was not impacted. While on-site, ATI gave reviewers a statement documenting that, effective immediately, ATI would revise its process to enter into RGM's system all "F" grades to ensure accurate SAP calculations.

Required Action: While reviewers were on site, ATI corrected the SAP calculations for all affected students in the award years under review, and no Title IV ineligibility was identified as a result. ATI also changed its SAP procedures to ensure that all "F" grades are entered into the RGM system. ATI must provide documentation, including staff training materials, and procedures established to ensure this process is fully implemented, in its response to this PRR.

Finding #2. Late/Unpaid Credit Balances and Inadequate Credit Balance Authorization Form

Noncompliance: A Title IV, HEA credit balance occurs whenever the amount of Title IV, HEA program funds credited to a student's ledger account for a payment period exceeds the amount assessed the student for allowable charges, as provided under 34 C.F.R. § 668.164(c), associated with that payment period. A Title IV, HEA credit balance must be paid directly to the student as soon as possible, but no later than:

- (i) 14 days after the balance occurred if the credit balance occurred after the first day of class of a payment period; or

- (ii) 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. 34 C.F.R. § 668.164(h).

If an institution obtains 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, and hold on behalf of the student or parent any Title IV, HEA program funds that would otherwise be paid directly to the student or parent as a credit balance. 34 C.F.R. § 668.165(b)(1).

In obtaining the student's or parent's credit balance authorization, an institution—

- May not require or coerce the student or 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. 34 C.F.R. § 668.165(b)(2).

ATI did not disburse credit balance refunds within 14 days, and had inadequate credit balance authorization forms on file, for students in the review sample as shown in the table below.

Stu. #	Credit Balance Amount	Date Credit Balance Created	Title IV Funds Applied	Date Credit Balance Paid	Comments
17	\$1,126.16	5/21/2018	Direct Loan	N/A	Unpaid as of 7/27/2018
20	\$2,114.00	5/21/2018	Direct Loan	7/26/2018	
23	\$1,879.67	3/28/2018	Direct Loan	6/29/2018*	
23	\$142.89	9/11/2017	Direct Loan/FSEOG	12/1/2017*	
24	\$142.89	9/11/2017	Direct Loan/FSEOG	12/1/2017*	
24	\$239.78	12/5/2017	Direct Loan	2/27/2018*	
24	\$1,088.67	3/28/2018	Direct Loan	6/29/2018*	
28	\$208.00	5/29/2018	Direct Loan	7/26/2018	
29	\$1,585.69	6/29/2018	Direct Loan	7/24/2018*	

*These credit balances were not paid directly to the student, but were applied to additional tuition charges that were added to the student's account on this date.

The files for Student #s 17, 20, 23, and 24 included credit balance authorization forms. However, these forms were inadequate because they did not clearly provide the students the ability to opt out of authorizing ATI to retain their credit balances, as required by the regulations described above. It was unclear from the institution's policies, and information officials provided during on-site interviews, whether every student is given the option to authorize the school to hold credit balances or not.

Required Action: On August 2, 2018, ATI provided the Department with its revised procedures for ensuring credit balances are paid within the 14 day timeline. ATI's procedures were enhanced to ensure that, as of July 27, 2018, all credit balance checks are prepared by the RGM

system, rather than by ATI staff. In addition, ATI provided the Department with a revised "Student Authorization for Title IV Credit Balance" form. This form is adequate as it does provide students with options to either authorize ATI to retain the credit balances, return it to the appropriate lender within 14 days to reduce the student's loan debt, or to pay it to the student within 14 days.

ATI has taken steps necessary to enhance its credit balance disbursement process and to pay outstanding balances. In response to this PRR, ATI must:

1. Provide the Title IV Credit Balance Report, or a similar report, from the RGM system documenting that it has paid all of the credit balances for the two years under review.
2. Update its policies and procedures to clarify that documentation indicating whether or not the student has authorized ATI to hold credit balances will be maintained in each student's file. ATI must provide a copy of the updated policies and procedures.

Finding #3. Verification Violations

Noncompliance: An institution must require an applicant whose Free Application for Federal Student Aid (FAFSA) information is selected for verification by the Secretary to verify the information specified by the Secretary. In addition, if an institution has reason to believe that an applicant's FAFSA information is inaccurate, it must verify the accuracy of that information. An institution may require an applicant to verify any FAFSA information that it specifies. 34 C.F.R. § 668.54(a).

An institution must require applicants selected for verification to submit acceptable documentation that will verify or update any of the following information (from the applicable year in question) used to determine the applicant's Expected Family Contribution (EFC) and as determined in an annual Federal Register notice published by the Secretary: adjusted gross income (AGI); income earned from work; federal income tax paid (FIT); number of family members in the household; number of household members enrolled in eligible postsecondary institutions; and other information specified in the annual Federal Register notice. 34 C.F.R. § 668.57.

The institution must compare the supporting documentation collected from the student (and parents or spouse, if applicable) to the information reported on the student's Institutional Student Information Record (ISIR), and must retain the verification documentation collected in the student's file as evidence that the process was completed.

ATI failed to properly complete the verification process for the following students:

Student #15: This student was selected for verification by the Central Processing System (CPS) in the V1 verification group. ATI failed to properly verify the student's household size and income tax filer status. The student's verification worksheet was blank except for section 6, Number of Household Members and Number in College. In this section, the student listed her boyfriend and son as her dependents, with a total

household size of three. However, the student's ISIR listed only two family members. ATI did not collect information resolving this discrepancy. In addition, the verification worksheet question on whether the student filed an income tax return was left blank (the ISIR reflected a "no"), and there was no information on the verification worksheet as to nontaxable or taxable income. Therefore, her income tax status was also discrepant, and this information was unresolved.

- **Student #21:** This dependent student was selected for verification by the CPS. The ISIR showed his father's AGI at \$43,030 and FIT at \$6,625. The student submitted income tax returns for his father that showed an AGI of \$49,330 and FIT of \$5,550. ATI failed to properly verify the income information and, as a result, paid the student Pell Grant funds in the amount of \$1,073 for award year 2017-18 based on an incorrectly calculated EFC. Subsequent to the review, ATI made the necessary corrections to the student's ISIR and the EFC was recalculated from 4677 to 5326. Based on the corrected EFC, the student's Pell Grant eligibility was reduced to \$606. The Department verified that ATI returned the difference of \$467 to the Department via adjustments made to the student's record in the Common Origination and Disbursement (COD) System.
- **Student #26:** This student was chosen for verification by the CPS. The student's ISIR showed the FIT at \$1,358. She submitted income tax returns that showed FIT of \$1,493. ATI failed to properly verify the FIT information and, as a result, paid the student Pell Grant funds in the amount of \$2,649 for award year 2017-18 based on an incorrect EFC. Subsequent to the review, ATI made the necessary corrections to the student's ISIR and the EFC was recalculated from 4070 to 4138. Based on the corrected EFC, the student's Pell Grant eligibility was reduced to \$2,507. The Department has verified that ATI returned the difference of \$142 to the Department via adjustments made to the student's record in COD.

Required Action: ATI must:

1. Provide documentation to verify Student #15's information related to income tax status and income, if necessary, and family size. If such information is not available, ATI will be liable for the Title IV aid disbursed to this student. The Department will establish liabilities in the FPRD and provide payment instructions therein.
2. Revise its policies and procedures pertaining to verification to ensure that all students selected for verification will be verified accurately and in accordance with Title IV regulations. In particular, the revised policies and procedures must specify that the institution will ensure that ISIRs received after corrections are made match the verification documentation the student submitted. ATI must provide a copy of these revised policies and procedures in its response to this PRR.

Finding #4. Revised Award Letters Not Issued to Students

Noncompliance: Before an institution disburses Title IV, HEA program funds for any award year, the institution must notify a student of the amount of funds that the student or his or

her parent can expect to receive under each Title IV, HEA program, and how and when those funds will be disbursed. 34 C.F.R. § 668.165(a)(1).

ATI failed to provide revised award letters to students when changes affecting their initial eligibility for Title IV aid occurred. Specifically, ATI failed to provide revised awards for:

- **Student #4:** The initial award letter signed by the student indicated that the student would receive a Pell Grant in the amount of \$5,294 for the 2015-16 award year; however, the actual Pell Grant disbursed was \$3,726. The file did not have documentation or a revised award letter to notify the student of this change.
- **Student #11:** The initial award letter signed by the student indicated that the student would receive a Pell Grant for the 2016-17 award year in the amount of \$3,850; however, the actual Pell Grant disbursed was \$4,577. The file did not have documentation or a revised award letter to notify the student of this change.

Required Action: During the program review, ATI indicated that corrective actions were taken by RGM to ensure updates or revisions to the initial awards are presented to the students. In response to this PRR, ATI must provide a copy of its revised policies and procedures for providing revised award letters to students..

Finding #5. Failure to Provide Adequate Consumer Information

Noncompliance: Institutions must publish and make readily available certain consumer information to current students, prospective students, current employees, prospective employees, and other parties, as applicable. These disclosures broadly include information about the availability of institutional and financial aid information, student financial assistance information, general institutional information, health and safety information, student outcomes information, and intercollegiate athletics program information. See Title I and Part F of Title IV of the HEA; 34 C.F.R. Part 668, Subpart D.

The information required to be disseminated to enrolled or prospective students, as applicable, includes, but is not limited to, the following:

- An annual notice to enrolled students of the availability of information required to be disclosed that lists and briefly describes the disclosures and how to obtain the information. For information listed in the notice that is disclosed on a school's website, the notice must include the exact electronic address for the information and a statement that the institution will provide a paper copy upon request. 34 C.F.R. § 668.41(a) and (c).
- Voter Registration information. § 487(a)(23) of the HEA.
- A disclosure 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. § 485B(d)(4) of the HEA.
- Information about:

- All the need-based and non-need-based federal, state, local, private and institutional student financial assistance programs available to students who enroll at the school; and
 - For each financial assistance program, criteria for selecting recipients and for determining award amounts. 34 C.F.R. §§ 668.41(d)(1) and 668.42(a) and (b).
- The method by which the institution will make financial aid disbursements and the frequency of those disbursements. 34 C.F.R. §§ 668.41(d)(1) and 668.42(c).
- A description of facilities and services available to students with disabilities, including students with intellectual disabilities. 34 C.F.R. §§ 668.41(d)(2) and 668.43(a)(7).
- The school's policies and sanctions related to copyright infringement, including—
 - A statement that explicitly informs students that unauthorized distribution of copyrighted material may subject the students to civic and criminal liabilities;
 - A summary of the penalties for violation of federal copyright laws; and
 - A description of the institution's policies with respect to unauthorized peer-to-peer file sharing, including disciplinary actions that are taken against students who engage in illegal downloading or unauthorized distribution of copyrighted materials using the institution's information technology system. 34 C.F.R. § 668.43(a)(10).
- Information on the diversity of the student body, including the percentage of enrolled, full-time students, who are male, female, self-identified members of a major racial or ethnic group, and Pell Grant recipients. § 485(a)(1)(Q) of the HEA.
- Completion, graduation, and, if applicable, transfer-out rates of first-time, full-time undergraduate students. The rates must be disaggregated by:
 - Gender;
 - Major racial and ethnic sub-group;
 - Recipients of a Pell Grant;
 - Recipients of a Direct Subsidized Loan who did not receive a Pell Grant; and
 - Students who did not receive either a Pell Grant or a Direct Subsidized Loan. 34 C.F.R. §§ 668.41(d)(4) and 668.45.

ATI did not provide adequate consumer information, as follows:

1. An annual notice of the availability of information was not provided to enrolled students.
2. ATI did not provide voter registration information to students.
3. Disclosures to student and parent borrowers related to information being transmitted to NSLDS were not made.
4. ATI's website listed Federal Perkins Loans and Federal Work-Study as aid offered at the institution, though the institution does not offer either of those programs. In addition, the frequency of financial aid disbursements was not explained to students online or in ATI's catalog.
5. Descriptions of available local and institutional financial assistance programs were not provided to students.

6. Information on disability services and facilities was not provided. The only information provided was contact information in the school catalog for an individual working with disability services.
7. The copyright violation information provided did not include information regarding school disciplinary action taken against students who engage in illegal downloading or unauthorized distribution of copyrighted materials using the institution's information technology system.
8. Information provided to prospective and enrolled students on enrolled student diversity did not include information on Pell Grant recipients.
9. Completion, graduation, and transfer-out rates of first-time, full-time undergraduate students provided to prospective and enrolled students were not disaggregated by Title IV programs, as detailed above.

Required Action: While the reviewers were on site, ATI demonstrated to the Department that it had updated its website and/or catalog, as applicable, to address Item #s 2, 3, 4, 5, 6, 7, and 8 above. However, to date, ATI has not remedied Item #s 1 or 9. ATI must:

1. Disseminate a notice of the availability of information to enrolled students, and provide documentation of the communication in its response to this PRR.
2. Update its consumer information to include Item #s 1 and 9 above.
3. Revise its consumer information-related policies and procedures to address:
 - a. The consumer information that will be disclosed;
 - b. The methods by which ATI will gather the information, and how it will ensure that the information remains current; and
 - c. Specify when and how the annual notice of the availability of information will be provided to enrolled students.

ATI must provide its revised policies and procedures and updated consumer information with its response to the PRR.

The Department provides several resources to assist institutions in meeting the consumer information requirements, including Volume 2, Chapter 6 of the Federal Student Aid Handbook; FSA Assessments (Consumer Information); and the Consumer Information Disclosures at a Glance Guide. These materials are available on the Information for Financial Aid Professionals website at www.ifap.ed.gov. ATI is encouraged to review these resources as it prepares its response to this PRR.

Finding #6. Data Release Numbers in Student Files

Noncompliance: 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.

During the program review, the reviewers found Data Release Numbers (DRNs) in the files for Student #s 2, 4, 7, 8, 10, 11, 12, 13, 15, 18, 20, 25, and 28. A student receives a DRN in the acknowledgement notice he or she receives after completing the FAFSA. This code allows the student to re-access his or her FAFSA to indicate additional schools that should receive a copy of the student's ISIR. This information is unique to a student and, like a personal identification number, should not be shared or collected.

Institutions may not collect DRNs; rather, only students should maintain that information.

Required Action: Subsequent to the on-site program review, on August 2, 2018, ATI sent the Department a statement specifying that it had removed and destroyed documents containing students' DRNs from its student files. ATI stated that, effective July 27, 2018, it would no longer hold documents containing DRNs in student files.

ATI must train all staff on its policies and procedures for handling PII. ATI must provide a description of the training, including a list of attendees, the date of the training, and a summary of the content covered, with its response to this PRR.

Finding #7. Crime Awareness Requirements Not Met – Failure to Prepare, Publish and Actively Distribute a Complete Annual Security Report as a Single, Comprehensive Document

Noncompliance: The Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act (Clery Act) and the Department's regulations require that each institution that receives 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 policy elements enumerated in 34 C.F.R. § 668.46(b). All required statistics and policies must be included in the ASR. § 485(f) of the HEA. In particular, the ASR must contain a statement of policy regarding emergency response and evacuation procedures that includes:

- 1) The procedures that the institution will use to immediately notify the campus community upon the confirmation of a significant emergency or dangerous situation involving an immediate threat to the health or safety of students or employees occurring on the campus;
- 2) A description of the process that the institution will use to
 - confirm that there is a significant emergency or dangerous situation;
 - determine the appropriate segment(s) of the campus community to receive a notification;
 - determine the content of the notification; and

- initiate the notification statement;
- 3) A statement that the institution will, without delay, and taking into account the safety of the community, determine the content of the notification and initiate the notification system, unless issuing a notification will, in the professional judgment of responsible authorities, compromise efforts to assist a victim or to contain, respond to, or otherwise mitigate the emergency;
- 4) A list of the titles of the people or organizations responsible for carrying out the actions described in bullet #2 above;
- 5) The institution's procedures for disseminating emergency information to the larger community; and
- 6) The institution's procedures to test the emergency response and evacuation procedures on at least an annual basis, including—
 - Tests that may be announced or unannounced;
 - Publicizing its emergency response and evacuation procedures in conjunction with at least one test per calendar year; and
 - Documenting, for each test, a description of the exercise, the date, time, and whether it was announced or unannounced. 34 C.F.R. § 668.46(b)(13) and (g).

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).

ATI violated multiple provisions of the Clery Act. Specifically, ATI failed to produce adequate and comprehensive 2016 and 2017 ASRs. As a result of these failures, ATI also failed to actively distribute adequate and comprehensive ASRs to all of its current students and employees in 2016 and 2017.

In its June 21, 2018 letter to ATI announcing this program review (Announcement Letter), the Department requested copies of the two most recent ASRs published by the institution, and evidence of the active distribution of both documents. Because the review took place in July 2018, the two most recent ASRs were the 2016 and 2017 ASRs, which ATI was required to publish by October 1, 2016, and October 1, 2017, respectively. In response to this request, ATI provided its Annual Security Reports (entitled "Campus Security Policy and Annual Safety Report") for 2016 and 2017, and evidence of their timely distribution by October 1, 2016 and October 1, 2017.

The Department reviewed ATI's 2016 and 2017 ASRs and determined that they were missing all of the elements that must be disclosed in the required policy statement regarding emergency response and evacuation procedures, as cited above. The Department noted that ATI's 2016 and

2017ASRs included statements that ATI conducted evacuation drills annually and at additional intervals as determined by its administration; however, the Department determined that this statement was inadequate in both ASRs because it did not include, for each test, a description of the exercise, the date and time of the exercise, and whether the exercise was announced or unannounced.

Because the 2016 and 2017 ASRs were missing this significant, multi-part disclosure statement, ATI failed to publish comprehensive 2016 and 2017 ASRs, and failed to distribute comprehensive ASRs to all enrolled students and current employees. Failure to prepare, publish, and distribute accurate and complete ASRs deprives the campus community of important security information that can empower its members to be informed and to play active roles in their own safety and security.

Subsequent to the program review, ATI took steps to update its emergency response policy and procedures. On August 2, 2018, ATI submitted a draft version of its 2018 ASR and a document titled, "Emergency Response and Evacuation Procedures," dated July 2018. Provided that the "Emergency Response and Evacuation Procedures" are included within the 2018 ASR as a single document, the addition would be sufficient to meet the aforementioned requirements.

Required Action: ATI is required to take all necessary corrective actions to resolve the violations identified in this finding, and any other violations identified during the preparation of its response to this PRR. At a minimum, ATI must:

1. Produce a comprehensive 2018 ASR that includes all of the policy statements and procedures required under 34 C.F.R. § 668.46(b), and, in particular, the multi-part policy statement required by 34 C.F.R. § 668.46(b)(13) and (g).
2. Distribute the 2018 ASR required in Item #1 to all current students and current employees, and provide evidence of that distribution (i.e. a copy of the distribution e-mail) to the Department in its response to the PRR.
3. Make the 2018 ASR required in Item #1 available to all prospective students and employees, and provide evidence to the Department documenting its availability to those populations in its response to the PRR.
4. Provide a certification statement, signed by ATI's President, attesting to the fact that the institution distributed the 2018 ASR required in Item #1 in accordance with the Clery Act. This certification statement must also affirm that ATI understands all of its Clery Act obligations, and that it has taken all necessary corrective actions to ensure that these violations do not recur.

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. ATI must take corrective actions to bring its campus security operations into full compliance with the Clery Act, as required by its Program Participation Agreement. However, ATI 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.

Based on an evaluation of all of the available information, including ATI's response, the Department will determine if additional actions will be required and will advise the College accordingly in the FPRD.

Finally, ATI officials are encouraged to review the Department's "Handbook for Campus Safety and Security Reporting" (2016) during the preparation of its response. The Handbook and other Clery Act resources are available online at:

<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 Appendix A to Subpart D of Part 668.

Finding #8. Failure to Conduct an Adequate Biennial Review

Noncompliance: The Drug-Free Schools and Communities Act (DFSCA) and Part 86 of the Department's General Administrative Regulations require an institution to certify that it has developed and implemented a drug and alcohol abuse education and prevention program (DAAPP). The program must be designed to prevent the unlawful possession, use, and distribution of drugs and alcohol on campus and at recognized events and activities, and it must include all of the information outlined in 34 C.F.R. § 86.100(a)(1)–(5).

An institution must conduct biennial reviews to measure the effectiveness of its DAAPP, and to ensure consistent treatment in its enforcement of its disciplinary sanctions. The institution must prepare a report of findings for each review, maintain its biennial review reports and supporting materials, and make them available to the Department and interested parties upon request. 34 C.F.R. §§ 86.3, 86.100, and 86.100.

In its June 21, 2018 Announcement Letter, the Department requested a copy of ATI's most recent Biennial Review Report. In response, ATI provided a Biennial Review Report that covered the calendar years 2013-15. When reviewers asked about the timing of the report, ATI stated that the 2013-15 report was published in 2016, and that the 2015-17 report would be published in 2018. The 2013-15 report provided an overview of the elements required to be included in a DAAPP; however, the report did not contain an analysis of the effectiveness of the school's DAAPP or of the enforcement of its disciplinary sanctions.

The reviewers explained these deficiencies to ATI's Campus Executive Director. While the reviewers were on site, the Campus Executive Director provided them with a statement indicating that she had misunderstood the elements that must be included in a Biennial Review Report. The Campus Executive Director's statement further explained that, as ATI had no DAAPP-related violations, she believed that ATI's Biennial Review Report did not need to include an analysis of its program's effectiveness. This statement also advised that ATI will conduct future Biennial Reviews with the following objectives:

- Determining the effectiveness of the policy and implementing changes to the alcohol and other drug programs as needed;

- Ensuring that sanctions developed are enforced consistently;
- Identifying the number of drug and alcohol-related violations and fatalities occurring on the campus that are reported to campus officials; and
- Identifying the number of types of sanctions imposed on students or employees as a result of such violations.

Although ATI developed and implemented a DAAPP, failure to comply with the biennial review requirements 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 as well as an increase in drug and alcohol-related violent crime.

Required Action: ATI is required to take all necessary corrective actions to resolve this violation. At a minimum, ATI must:

1. Revise its policies and procedures to ensure that its future biennial review reports clearly address the effectiveness of the institution's DAAPP, describing the research methods and data analysis tools used to determine the effectiveness of the program, and the consistency of its disciplinary sanctions. ATI must provide copies of its new biennial review policy and procedures with its response to this PRR.
2. Provide a certification statement affirming that ATI understands all of its DFSCA obligations, and that it has taken all necessary corrective actions to ensure that these violations do not recur.

As noted above, the exceptions identified in this finding constitute serious 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. As such, ATI 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 as a result.

Based on an evaluation of all available information, including ATI's response, the Department will determine if additional actions will be required and will advise the institution accordingly in the FPRD.

D. Appendix

Appendix A (Program Review Student Sample) contains personally identifiable information. The Department will e-mail Appendix A to ATI as an encrypted WinZip file using Advanced Encryption Standard, 256-bit and will send the password needed to open the encrypted WinZip file in a separate e-mail.