



UNITED STATES DEPARTMENT OF EDUCATION
WASHINGTON, D.C. 20202

In the Matter of

Docket No. 04-10-SA

METRO TECHNICAL INSTITUTE,

Federal Student
Aid Proceeding

Respondent.

ACN: 05-1998-36380

Appearances: William J. Mosley, CPA, Emmanuel Njoku, CEO, Metro Technical Institute, Oak Park, MI, for Respondent.

Russell B. Wolff, Esq., Office of the General Counsel, United States Department of Education, Washington, D.C., for Federal Student Aid.

Before: Richard I. Slippen, Administrative Judge

DECISION

On January 8, 2004, Metro Technical Institute (MTI) appealed the U.S. Department of Education's (Department) Final Audit Determination (FAD) dated August 26, 2003. On February 25, 2004, I issued an Order Governing Proceedings directing MTI to file its brief and exhibits by March 31, 2004. MTI failed to comply with that order. On May 12, 2004, FSA filed a Motion for Default Judgment. On May 20, 2004, I issued an Order to Show Cause as to why I should not issue a default judgment in this proceeding. To date, MTI has failed to comply with my May 20, 2004, Order.

The August 23, 2003, FAD contains six findings, of which only five are at issue in this proceeding.¹ First, the FAD charges that MTI had missing, incomplete, and inadequate student files. Liability for this finding totaled \$40,565 in Pell funds and \$14,438 in Federal Family Education Loan (FFEL) funds. Second, MTI allegedly failed to document students' ability-to-benefit with a high school diploma, General Equivalency Diploma (GED), or proof of the administration and successful completion of an approved ability-to-benefit test. Liability for this finding totaled \$9,240 in Pell funds and \$9,188 in FFEL funds. Third, MTI allegedly failed to make refunds to its students or made late refunds. Liability for this finding totaled \$9,380 in

¹ Finding No. 6 does not assess a monetary liability, and, as such, is not before me.

unmade refunds, and \$3,002 in associated interest costs. Of this amount, \$7,502 is in Title IV funds repayable to the Department and \$4,880 is payable to the current holders of the FFEL loans at issue. Fourth, the FAD charges that MTI disbursed Pell Grant funds for the second payment period prior to the completion of the first payment period. Liability for this finding totaled \$30,000. Finally, MTI allegedly disbursed FFEL loan funds to a student after the student had withdrawn. Liability for this finding totaled \$2,625.

Pursuant to 34 C.F.R. § 668.117(c)(3), I have the authority and responsibility to terminate the hearing process and issue a decision against a party if that party does not meet time limits established pursuant to my orders. As such, I find that the institution's failure to file a brief as ordered warrants the termination of this proceeding. Further, after a review of the FAD, I am convinced that the findings contained therein sufficiently state allegations in a manner that would require MTI to carry its burden of proof in this proceeding. 34 C.F.R. § 668.116(d). Therefore, the FAD is affirmed and the liability upheld

ORDER

On the basis of the foregoing, it is hereby ORDERED that Metro Technical Institute pay to the U.S. Department of Education the sum of \$87,307, and pay to the current holders of the FFEL loans the sum of \$31,131.

Judge Richard I. Slippen

Dated: June 16, 2004

SERVICE

A copy of the attached document was sent to the following:

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