



UNITED STATES DEPARTMENT OF EDUCATION

OFFICE OF THE SECRETARY

In the Matter of)
FIRST SCHOOL FOR CAREERS,)
Respondent)

Termination Proceeding
Under 34 C.F.R. Part
668, Subpart G

FINAL DECISION OF THE SECRETARY



This cases arises out of a proceeding brought by the Department of Education (ED) seeking the termination of Respondent's eligibility to participate in student financial assistance programs under Title IV of the Higher Education Act of 1965 (the Act), as amended. In the Initial Decision issued on February 27, 1989, Administrative Law Judge Walter J. Alprin determined that:

- (i) Respondent is an otherwise eligible post-secondary educational institution authorized to participate in student financial assistance programs under Title IV of the Act;
(ii) Respondent violated the provisions of Title IV of the Act, and the regulations implementing said Title;
(iii) ED's action seeking termination of Respondent's eligibility to participate in student financial assistance programs under Title IV of the Act is wholly warranted;
(iv) A fine of \$99,000 against Respondent for said violations is appropriate.

Pursuant to 34 C.F.R. S 668.90(c), Respondent now appeals the termination and fine imposed by the Administrative Law Judge. On the basis of the official record in its entirety, the Secretary issues this Order of Final Decision and AFFIRMS the decision of the Administrative Law Judge.


The Secretary finds that the evidence considered by the Administrative Law Judge fully supports the determination that Respondent breached its financial fiduciary responsibilities and failed to adhere to the administrative requirements of Title IV. Too, the Secretary finds that the Administrative Law Judge's determination that both termination and fine is appropriate in light of the circumstances noted in the Initial Decision is supported by the evidence. Furthermore, the Secretary finds that the Administrative Law Judge properly considered the policies and purpose of Title IV of the Act in determining that termination is wholly warranted. Finally, the Secretary finds that the fine imposed is supported by the record and is fully in keeping with ED regulations.

On appeal, Respondent asserts several bases for reversal. Primarily, these concern allegations regarding conflicts of interest and arbitrary refusals to adjourn the hearing at different times. Regarding the former, the record indicates that both issues were sufficiently disclosed without timely objection. Moreover, the Secretary notes that Respondent failed to follow the appropriate procedures for disqualification and/or recusal available at the time. Therefore, the Secretary finds these arguments to be without merit. As for the latter claim regarding the ALJ's refusal to grant various adjournments, the Secretary finds that the ALJ's actions were clearly within his discretionary powers.

The Secretary concludes that the Administrative Law Judge's findings of fact are supported by the record and that the sanctions imposed are wholly warranted. Therefore, the Secretary adopts and AFFIRMS the decision of the Administrative Law Judge.

This Order of Final Decision dated this 3rd day of August, 1989.

Washington, D.C.



Lauro F. Cavazos
Secretary of Education