

INTERNATIONAL UNIVERSITY OF COSMETOLOGY

Student Financial Assistance Proceeding

Respondent.

DECISION

Appearances: None by the Respondent

Stephen M. Kraut for the Office of the General Counsel, United States Department of Education

Before: Judge Allan C. Lewis

This is an appeal by the Arnold International University of Cosmetology concerning the Notice of Intent to Terminate and Fine, dated March 20, 1990, issued by the U.S. Department of Education. After several delays due to settlement discussions, the tribunal issued an Order Governing Proceedings on January 8, 1991, which required ED and then subsequently the respondent to exchange a list of proposed witnesses, exhibits, and a proposed stipulation of fact. Under the Order Governing Proceedings, these statements were to be submitted to the tribunal. On January 25, 1991, ED submitted its statement to the tribunal and to the major shareholder-owner of the corporation since the corporation was unrepresented at this time. Under the Order Governing Proceedings, the respondent's statement was to be submitted to the tribunal by February 13, 1991. As of this date, the respondent has not complied with the Order Governing Proceedings. In light of this noncompliance, ED moved for an entry of judgment on February 28, 1991.

Under 34 C.F.R. 668.89(c) (1990), the administrative law judge is authorized to take whatever measures are appropriate to expedite the proceeding. These measures may include, but are not limited to, the following-

(2) Setting time limits for hearings and submission of written documents; and

(3) Terminating the hearing and issuing a decision against a party if that party does not meet those time limits.

In light of the respondent's failure to comply with the Order Governing Proceedings and 34 C.F.R. 668.89(c), it is hereby- ORDERED that the appeal of the Notice to Terminate and Fine by the respondent is dismissed and that decision is entered against the respondent which terminates its eligibility to participate in the student financial assistance programs under Title IV of the Higher Education Act of 1965, as amended; and it is further ORDERED that the respondent immediately and in the manner provided by law pay fines in the amount of \$500,000 to the U.S. Department of Education.

Allan C. Lewis
Administrative Law Judge
Issued: March 1, 1991

Washington, D.C.