

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

In the Matter of

Docket No. 01-12-SA

**PAGE ANTELOPE
VALLEY BEAUTY SCHOOL,**

Student Financial
Assistance Proceeding
ACN: 09-99-05745

Respondent.

Appearances: Merlene K. Daggs, Owner, Page Antelope Valley Beauty School, for Respondent.

Stephen M. Kraut, Esq., Office of the General Counsel, United States Department of Education,
Washington, D.C., for Student Financial Assistance Programs.

Before: Richard I. Slippen, Administrative Judge

DECISION

On March 30, 2001, Page Antelope Valley Beauty School (Page Antelope) appealed the U.S. Department of Education's (Department) Final Audit Determination (FAD) dated February 15, 2001. On May 4, 2001, I issued an Order Governing Proceedings in the above-captioned proceeding. In my Order, Respondent's brief and exhibits were due on or before June 5, 2001. Upon receipt of Respondent's brief and exhibits, SFAP's brief and exhibits were due on or before July 5, 2001. Respondent has not submitted its brief nor requested an extension of time to file its submission. On August 29, 2001, SFAP filed a motion for default judgment in this proceeding.^[1] On or before September 21, 2001, I ordered Respondent to show cause as to why I should not issue a default judgment in this proceeding. To date, Respondent has failed to comply with my show cause order.

The September 29, 2000, FAD charged that Page Antelope violated the institutional eligibility requirements of Title IV of the Higher Education Act of 1965, as amended (Title IV), 20 U.S.C. § 1070 *et seq.* In FAD Finding # 1, SFAP asserts that Page Antelope disbursed \$10,347.00 in Federal Pell Grant and Supplemental Educational Opportunity Grant funds to students who were not eligible to receive them because they did not have a high school diploma or pass an approved ability-to-benefit test. In Finding # 2, SFAP asserts that Page Antelope improperly disbursed \$1,562 in Pell Grant funds to a student for whom the school failed to verify the student's application information even though the student had been selected for verification. In finding # 3, SFAP states that the school miscalculated a student's refund, owing \$163.00 to the Pell Grant Program. In its motion, SFAP states that in settlement discussions, Page Valley submitted documentation demonstrating that one of the students in the first finding received a high school diploma and another student passed an ATB test. SFAP also agrees that Page Antelope submitted documentation that it carried out the verification requirements for the student contained in Finding No. 2. In sum, SFAP asserts that Page Antelope's recalculated liability under the FAD is \$4,323. Due to the apparent transposition of two numbers, the recalculated liability is, in fact, \$4,233 (\$12,072-\$6,187-\$1,562 = \$4,233).

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 Respondent's failure to file a brief as ordered or respond to my Order to Show Cause 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 Page Antelope to carry its burden of proof in this proceeding. 34 C.F.R. § 668.116(d). Therefore, the FAD is affirmed and the recalculated liability upheld

ORDER

On the basis of the foregoing, it is hereby ORDERED that Page Antelope Valley Beauty School pay to the U.S. Department of Education the sum of \$4,233.

Judge Richard I. Slippen

Dated: October 5, 2001

SERVICE

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

Merlene K. Daggs
Owner
Page Antelope Valley Beauty School
547 W. Lancaster Blvd.
Lancaster, CA 93536

Stephen M. Kraut, Esq.
Office of the General Counsel
U.S. Department of Education
400 Maryland Avenue, S.W.
Washington, D.C. 20202-2110

[\[1\]](#) In its motion, SFAP states that on May 10, 2001, Page Antelope's accrediting agency, the National Accrediting Commission of Cosmetology Arts (NACCAS) withdrew its accreditation of the school and that Page Antelope is now closed. SFAP also states that Page's Antelope's eligibility to participate in the Title IV programs has been terminated.