



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

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In the Matter of

**PITTSBURGH BEAUTY ACADEMY,**

Respondent.

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**Docket No. 03-101-SP**

Federal Student Aid  
Proceeding

PRCN: 200220320044

Appearances: Mr. Arthur B. DeConciliis, for Pittsburgh Beauty Academy

Jennifer Woodward, Esq., Office of the General Counsel, United States  
Department of Education, Washington, D.C., for Office of Federal Student Aid.

Before: Richard F. O'Hair, Administrative Judge

**DECISION**

The Respondent in these proceedings, Pittsburgh Beauty Academy (PBA), participated in the federal student aid programs authorized under Title IV of the Higher Education Act of 1965 (Title IV), as amended. 20 U.S.C. §§1070 *et seq.* and 42 U.S.C. §§2751 *et seq.* These programs are administered by the Office of Federal Student Aid (FSA), U.S. Department of Education. On August 14, 2003, FSA's Philadelphia Case Management Team issued a final program review determination (FPRD) that documented findings of violations of the Title IV regulations and statutes, and assessed a financial liability. By letter dated October 30, 2003, Respondent, through counsel, appealed FSA's determinations.

On November 10, 2003, I issued an Order Governing Proceeding wherein Respondent, the party with the burden of proof,<sup>1</sup> was ordered to file its initial brief by December 15, 2003. The Order was sent to Respondent's counsel. On November 17, 2003, however, Respondent's counsel informed me that Respondent had not retained him to represent Respondent in its appeal before this tribunal and that he had forwarded my order to Respondent. He also requested that all future correspondence regarding this proceeding be directed to Respondent's owner, Mr.

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<sup>1</sup> See 34 C.F.R. 668.116(d).

Arthur B. DeConciliis. Respondent did not file any documents in response to my Order Governing Proceeding. On January 9, 2004, FSA filed a Motion for Entry of Default Judgment. In response, I issued an order for Respondent to show cause by January 27, 2004, why FSA's motion should not be granted. Respondent has filed no documents or otherwise responded to the Order to Show Cause.

In accordance with my obligation to regulate the course of this proceeding and the conduct of the parties, I have the authority to terminate the hearing process and issue a decision against that party if that party does not meet the time frames established pursuant to my orders. 34 C.F.R. §668.117(c). Consequently, I find that Respondent's failure to file submissions in compliance with my orders warrants the termination of this proceeding. In addition, I have examined Findings #1 through #12 of the FPRD and concluded that the findings sufficiently state allegations that place upon Respondent the burden of proving that its disbursement of Title IV funds complied with the statutes and regulations. Respondent's failure to submit any evidence to rebut FSA's findings permits me to find that Respondent has failed to carry its burden of proving that the questioned disbursements were proper and that it complied with all Title IV program requirements. Accordingly, the FPRD is affirmed and the liability addressed therein is upheld.

### **ORDER**

On the basis of the foregoing, it is hereby **ORDERED** that this hearing process is terminated and **FURTHER ORDERED** that Pittsburgh Beauty Academy pay \$2,094,306.31 to the United States Department of Education and \$117,325.55 to appropriate students and/or Title IV loan holders.

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Judge Richard F. O'Hair

Dated: March 31, 2004

SERVICE

A copy of the attached initial decision was sent by certified mail, return receipt requested, to the following:

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