



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

In the Matter of

NEW YORK PARALEGAL SCHOOL,

Respondent.

Docket No. 10-16-SA

Federal Student Aid
Proceeding
ACN: 02-2008-82000

Appearances: Kitty Whitfield, for New York Paralegal School.

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

Before: Richard F. O'Hair, Administrative Judge

DECISION

New York Paralegal School (Respondent), operated a trade school in New York, New York, which participated in the federal student aid programs authorized under Title IV of the Higher Education Act of 1965 (Title IV, HEA), as amended. 20 U.S.C. § 1070 *et seq.* and 42 U.S.C. § 2751 *et seq.* The Office of Federal Student Aid (FSA), U.S. Department of Education (ED), administers these programs. On January 28, 2010, FSA issued a Final Audit Determination (FAD) in which it sought the return of \$225,069 in federal funds from Respondent because of its failure to fulfill several close-out requirements contained in 34 C.F.R. § 668.26(b). Respondent appealed this finding.

I issued an Order Governing Proceedings on April 9, 2010, pursuant to which Respondent was required to file a brief and exhibits by May 14, 2010. No brief was filed, but on July 16, 2010, counsel for FSA filed a Motion for Default Judgment. In response to this, I issued an Order to Show Cause which obligated Respondent to show cause by August 2, 2010, why I should not issue a decision and enter judgment against it for its failure to prosecute its appeal. Respondent failed to comply with this order.

Under 34 C.F.R. §668.117(c), I have the authority to regulate the course of the proceedings, including the termination of the hearing process if a party does not meet the time limits I established. As a result of Respondent's noncompliance with the Order Governing Proceedings and its failure to respond to the Order to Show Cause, it is appropriate to terminate this proceeding.

I have examined the Final Audit Determination and concluded that it sufficiently states 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 a close-out for the period of January 1, 2007, to December 5, 2008, or any other 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 Final Audit Determination is affirmed and the liability addressed therein is upheld.

ORDER

On the basis of the foregoing, it is hereby ORDERED that the appeal of New York Paralegal School is dismissed with prejudice and it is to pay to the U.S. Department of Education the sum of \$225,069.

Judge Richard F. O'Hair

Dated: August 5, 2010

SERVICE

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

Ms. Kitty Whitfield
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