



UNITED STATES DEPARTMENT OF EDUCATION

THE SECRETARY

In the Matter of
Computer Processing Institute

Docket No. 92-20-SP
Student Financial
Assistance Proceeding

Decision of the Secretary

The Office of Student Financial Assistance Programs, U.S. Department of Education (OSFA), has appealed the Initial Decision of Administrative Law Judge Paul S. Cross (ALJ). The Initial Decision partially affirmed five findings of the final program review determination (FPRD) issued by OSFA on December 17, 1991. As a result, the ALJ determined that the Computer Processing Institute (CPI) was liable to refund money to OSFA, but failed to determine a dollar value of the liability. The ALJ "recommended that OSFA and CPI compromise upon the exact refund due to ED as a means of avoiding a costly exercise in recomputation." In addition, the ALJ set aside 11 of the FPRD findings based on his determination of a natural disaster which "excuse[d] the mere absence of records" on the part of CPI.

The Secretary has determined that the record does not contain substantial evidence in support of CPI's natural disaster defense. A statement by the institution that at some point a flood occurred, resulting in some level of damage, is in itself insufficient to alleviate an institution of their fiduciary duties of record keeping. The Secretary views an institution's fiduciary obligations as an extremely serious undertaking, which is not to be lightly dismissed. Furthermore, the ALJ erred in failing to set a dollar amount for the refund due from CPI. The Secretary hereby REMANDS the above-captioned proceeding to the ALJ for further determinations.

So ordered this 23rd day of July.


Richard W. Riley

Washington, DC

Service List

Office of Hearings and Appeals
U.S. Department of Education
400 Maryland Avenue, SW
Washington, D.C. 20202-3644

Leslie H. Wiesenfelder
Dow, Lohnes & Albertson
1255 Twenty-Third Street, NW
Suite 500
Washington, D.C. 20037

Russell B. Wolff
Office of the General Counsel
U.S. Department of Education
400 Maryland Avenue, SW
Washington, D.C. 20202-2110