



THE SECRETARY OF EDUCATION  
WASHINGTON, DC 20202

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**In the Matter of**

**STENOTOPIA BUSINESS SCHOOL,**

**Docket No. 01-26-SP**

**Student Financial  
Assistance Proceeding**

Respondent.

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**ORDER OF REMAND**

This matter comes before the Secretary on appeal by Stenotopia Business School (Respondent) of the Initial Decision issued by Administrative Judge Richard I. Slippen (ALJ) on July 31, 2002. On June 19, 2001, the United States Department of Education, Federal Student Aid office (FSA) issued a final program review determination (FPRD) concerning Respondent's expenditure of federal financial student aid funds.<sup>1</sup> The primary issue in this case is whether Respondent filed an audit report covering the expenditure of federal funds during the last two years of the institution's operation.<sup>2</sup>

The record reflects that there is no dispute that Respondent failed to file the required close-out audit report. Therefore, the only issue on appeal is whether Respondent's arguments and evidence should have reduced the amount of funds owed to the Department as a result of Respondent's failure to file a close-out audit report.

The ALJ's decision, however, does not clearly indicate whether FSA filed an appropriate response with the ALJ, after thoroughly reviewing all the documentation submitted by the Respondent, as to whether in its opinion the Department's recovery should be reduced based on all the evidence. It is critical that the ALJ make a fact based determination that the amount of any recovery is properly based on the evidence in the record.

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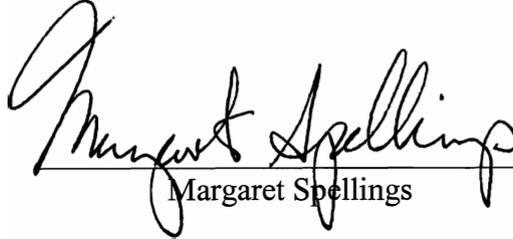
<sup>1</sup> The expenditure of federal student financial assistance funds is governed by Title IV of the Higher Education Act of 1965, as amended (Title IV). See 20 U.S.C. § 1070 *et seq.* and 42 U.S.C. § 2751 *et seq.*

<sup>2</sup> When postsecondary institutions that receive student financial assistance funds close they are required to file what is referred to as a "close-out" audit.

**ORDER**

ACCORDINGLY, the Initial Decision issued by Administrative Judge Richard I. Slippen on July 31, 2002, is HEREBY REMANDED to the tribunal for further proceedings consistent herewith.

So ordered this 11<sup>th</sup> day of January 2006.



Margaret Spellings

Washington, D.C.

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