



THE SECRETARY OF EDUCATION
WASHINGTON, DC 20202

In the matter of

TECHNICAL CAREER INSTITUTES,

Respondent.

Docket No. 12-65-SA
Federal Student Aid Proceeding

DECISION OF THE SECRETARY

This matter comes before me on appeal by the office of Federal Student Aid (FSA). The appeal stems from the October 6, 2014, Decision by Chief Administrative Judge Ernest C. Canellos (CAJ).¹ The Decision addressed a Final Audit Determination issued to Technical Career Institutes (TCI) on September 28, 2012. Among other things, FSA held that TCI was liable for \$378,909.09 based on miscalculated withdrawal dates and corresponding miscalculated refunds of Title IV funds in the 2005-2006 award year.² On appeal, the CAJ upheld the liability, but reduced it by \$178,205.87, representing an offset for “overawards” against “underawards.”³ Thus, the CAJ calculated TCI’s net liability to be \$200,703.22.

The sole issue on appeal is whether the CAJ correctly applied an offset to TCI’s liability. The background and substantially the same issue are addressed in a recent decision, *Technical Career Institute*.⁴ In that case I held that “an institution’s aggregate underawards do not offset its aggregate overawards across all students. An institution is liable to reimburse the Department for the total amount of overawards.”⁵ Therefore, in that case I modified the decision of the CAJ by removing the offset and reestablished the amount of liability set by FSA for the 2007-2008 and 2008-2009 award years.⁶

As this case presents the same issue arising from the same facts, albeit for the 2005-2006 award year, the analysis in *Technical Career Institute* is controlling. Adopting that analysis here, I will modify the CAJ’s decision to remove the offset and reestablish liability in the amount of \$378,909.09.

¹ *Technical Career Institutes*, Dkt. No. 12-65-SA, U.S. Dep’t of Educ. (Oct. 6, 2014).

² *Id.*, pp. 2-3, 4.

³ *Id.*, p. 3.

⁴ *Technical Career Institute*, Dkt. No. 12-66-SP, U.S. Dep’t of Educ. (Sept. 29, 2016) (Decision of the Secretary).

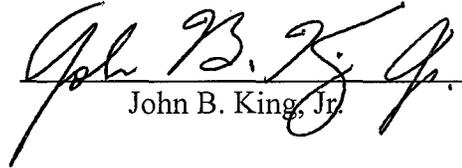
⁵ *Id.*, p. 5.

⁶ *Id.*, pp. 1, 5.

ORDER

ACCORDINGLY, the Decision by Chief Administrative Judge Ernest Canellos is
HEREBY AFFIRMED AS MODIFIED, as described above.

So ordered this 4th day of November 2016.


John B. King, Jr.

Washington, D.C.

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