



THE SECRETARY OF EDUCATION
WASHINGTON, DC 20202

In the matter of

**VISIONS IN HAIR DESIGN INSTITUTE
OF COSMETOLOGY,**

Docket No. 13-52-SP
Federal Student Aid Proceeding

Respondent.

DECISION OF THE SECRETARY

This matter comes before me on appeal by Visions in Hair Design Institute of Cosmetology (Respondent or Visions) of the Initial Decision by Administrative Judge Richard F. O’Hair. On November 20, 2013, Judge O’Hair upheld 11 findings of the Final Program Review Determination (FPRD) letter issued on June 18, 2013, by the Office of Federal Student Aid (FSA) of the U.S. Department of Education (Department).¹ As a result, Respondent was ordered to pay \$103,411.82 to the Department for its failure to account properly for its receipt and disbursement of Title IV funds (for award years 2008-2009 and 2009-2010). On appeal, Respondent asks that I reduce the liabilities assessed against Visions and also “revise [FSA’s] findings specifically related to the administrative capabilities.”²

In the proceedings before Judge O’Hair, Respondent did not dispute the 11 findings in the FPRD. Instead, Respondent argued generally that it had experienced difficulties in administering Title IV programs but now understood its financial responsibilities under Title IV and had hired more capable financial aid staff. Specifically, Visions stated that it had taken corrective action to improve its processes on attendance tracking and accounting practices. In addition, Visions claimed that imposition of the liability by the Department would cause the school to close.

These arguments were presented to Judge O’Hair. He concluded that Visions -

...has offered no evidence to contest the liabilities, and therefore, it has not met its burden of persuasion to establish that its Title IV expenditures were proper
For the same reason, as well-meaning as this request for a forgiveness of liability

¹ FSA issued a draft program review report with 16 findings on February 28, 2011. Based on Visions’ responses of April 28, 2011 and July 26, 2011, the FPRD contained 11 findings. FSA Brief, Exhibit 1, p. 1.

² Respondent’s Appeal, December 19, 2013. Respondent’s Appeal is composed of a one-page letter, so no reference to a page number is included in this decision.

may be, the tribunal is without authority to give relief to [Visions] to forgive, or excuse the established liability.³ (citation omitted)

In its appeal before me, Respondent raises two arguments. First, Respondent claims that it “provided evidence that most students’ attendance records supported appropriate hours to require the amount that was awarded to them in Pell disbursements.”⁴ Judge O’Hair, however, reviewed the record and concluded that the Respondent had not offered any evidence to contest the liabilities, including any attendance records. Thus, Respondent’s statement is neither new, nor compelling. Unsupported statements, without sufficient supporting evidence, do not constitute a legal argument and are inadequate to satisfy the Respondent’s burden of proof.⁵ I find that Judge O’Hair properly heard and reviewed Respondent’s arguments and evidence, and I concur with his rationale for rejecting them.

Second, Visions reiterates an argument that it raised in the proceeding below – namely, that it had enhanced its Title IV operations and should be rewarded for these improvements. This argument failed below and fails on appeal. All recipients of Title IV funds have the legal obligation to adhere to the program requirements, and compliance with the regulations is Respondent’s basic responsibility, not an activity to be rewarded.⁶

In sum, Respondent provides no new legal theories or additional analysis in this appeal. For this reason, I find no basis on which to modify the judge’s decision or his liability determination.

ORDER

ACCORDINGLY, the Initial Decision by Administrative Judge Richard F. O’Hair is HEREBY AFFIRMED as the Final Decision of the Department. Respondent is ordered to pay \$103,411.82 to the Department.

So ordered this 30th day of September 2014.



Arne Duncan

Washington, D.C.

³ See, Initial Decision, pp. 3-4.

⁴ Respondent’s Appeal.

⁵ See, 34 C.F.R. § 668.116(d).

⁶ See, 34 C.F.R. § 668.16(b) and (c).

Service List

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