



UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF HEARINGS AND APPEALS
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In the Matter of

Ibero American College,

Docket No. 19-24-SA

Federal Student Aid Proceeding

ACN: 08-2017-71998

OPE ID: 04215700

Respondent.

Appearances: Dr. Juan Manuel Ruiz, Former President, for the Respondent, Ibero American College.
Hannah R. Hodel, Office of the General Counsel, U.S. Department of Education for Federal Student Aid.

Before: Angela J. Miranda, Administrative Law Judge

DECISION

I. Jurisdiction and Procedural History

Ibero American College (IAC), formerly known as Cole Holland College or Cole Holland Training Institute (Cole), was a proprietary institution of higher education that participated in the Federal Student Aid Programs authorized by the U.S. Department of Education (the Department) under Title IV of the Higher Education Act of 1965 (HEA), as amended (Title IV).¹ On November 10, 2014, the Secretary granted Cole a provisional Program Participation Agreement allowing Cole to participate in student financial assistance programs authorized by Title IV. At the time, Terri Holland was the President and Chief Executive Officer of Cole. After a change in ownership, the Secretary granted Cole a provisional Program Participation Agreement on January 19, 2016, identifying Juan Manuel Ruiz as the President. On September 27, 2016, Cole's accrediting agency, Accrediting Bureau of Health Education Schools (ABHES), approved the change in name to Ibero American College effective as of October 10, 2016. Sometime thereafter, IAC lost its state authorization. Thereafter, Dr. Ruiz asserts that IAC dismissed all students, laid off all personnel, and closed the school on March 31, 2017.

¹ 20 U.S.C. § 1070 *et seq.*

On February 13, 2019, Federal Student Aid (FSA), the office within the Department that administers the Title IV programs, issued its Final Audit Determination (FAD) identifying the single finding. The finding at issue in this proceeding is whether IAC failed to submit a close-out audit covering the period from the end of its last submitted audit until it ceased participation in the Title IV programs and therefore if it properly accounted for all Title IV program funds. IAC's last submitted audit covered the period from January 1, 2015 to December 31, 2015. Consequently, IAC was required to submit a close-out audit covering the period from January 1, 2016 until April 5, 2017. The FAD assessed total liabilities of \$34,798.00.

Under 34 C.F.R. § 668.113, IAC requested review of the FAD issued by FSA. IAC's request for a hearing, dated March 26, 2019, was timely filed with the Administrative Actions and Appeals Service Group, U.S. Department of Education on April 4, 2019.² This hearing process was commenced under 34 C.F.R. § 668.116.

In this proceeding, the Respondent's initial request for review and accompanying evidence were considered and the Respondent was given the opportunity to file an initial brief with supporting evidence and a reply brief. The Respondent filed an initial brief with supporting evidence but choose not to file a reply brief. The Department timely filed its responsive brief and supporting evidence.

Upon reviewing the briefs and evidence filed in this appeal, I ordered additional briefing and evidence by FSA. Evidence submitted by IAC indicated Holland College was sold to Dr. Ruiz and Angel Hensen in 2015. Therefore, I specifically requested a copy of a PPA, if any, signed by Juan M. Ruiz, the President of IAC. In response to that Order, FSA submitted its supplemental brief and exhibits including a PPA signed by Dr. Ruiz on January 12, 2016. According to the PPA, IAC was still known as Holland College at the time Dr. Ruiz executed that PPA. An authorized designee of the Secretary certified IAC's participation with an effective date of January 19, 2016. In September 2016, the name of the institution was changed to Ibero American College and the ABHES approved the name change effective October 10, 2016. On April 5, 2017, IAC ceased participation in the Title IV program.

Having been fully briefed, the administrative record is closed, and this matter is ready for decision.³

II. Issues

1. Has IAC properly accounted for its use of Federal Student Aid funds by submission of an audit upon the end of the institution's participation in Title IV programs?
2. If not, should the liabilities assessed in the February 13, 2019 Final Audit Determination be affirmed?

² Timeliness is based on Respondent's declared date of receipt, which was not challenged by FSA.

³ The record includes 17 documents filed in this matter. A listing of those documents is attached to this decision as Attachment A. This decision will be identified as Document 18 in the record (OES Documents/Events Listing).

III. Legal Framework/Applicable Laws and Regulations

A. Applicable Statutes

Consistent with the Higher Education Act of 1965, as amended,⁴ an institution of higher education is deemed an eligible institution for participation in Title IV programs only upon approval by the Secretary of a program participation agreement (20 U.S.C. § 1094(a)).⁵ Initial and continuing eligibility requires compliance with submission of required audits, financial responsibility, and enforcement standards (20 U.S.C. § 1094(a)(4)). The Secretary has the authority to prescribe regulations as necessary and consistent with the statutory authority and has the specific authority to require a variety of financial audits while an institution participates in Title IV programs (20 U.S.C. § 1094(c)(1)(A)(i)). The required financial audits must be conducted by a qualified independent auditor (*Id.*).

B. Applicable Regulations⁶

The Secretary's regulations, consistent with the HEA, specify standards of conduct that must be met by participating institutions (34 C.F.R. § 668.82). Participation in the Title IV Programs, requires the eligible institution to act at all times with the competency and integrity necessary to qualify as a fiduciary and subjects the institution to the highest standard of care and diligence in administering the programs and in accounting for the Title IV funds received (34 C.F.R. § 668.82(a) and (b)).

Consistent with the statutory requirement of a program participation agreement (PPA), the Secretary's regulations condition an institution's initial and continued participation upon compliance with the HEA, the Department's regulations, and the institution's PPA (34 C.F.R. § 668.14(a)). Upon acceptance of a PPA by the Secretary, the institution agrees it will use Title IV funds solely for the purposes specified in and in accordance with that program participation agreement (34 C.F.R. § 668.14(b)).

Consistent with the statutory requirement for submission of financial audits, the Department's regulations address compliance audits and audits required at the end of an institution's participation (34 C.F.R. §§ 668.23 and 668.26). Audits must be completed by an independent auditor who meets the Government Auditing Standards qualification and independence standards (34 C.F.R. § 668.23(a)(1)). An institution must submit compliance audits annually, no later than six months after the institution's fiscal year (34 C.F.R. § 668.23(a)(4)). In addition to annual audits, an institution is required to submit an audit upon the end of the institution's participation (34 C.F.R. § 668.26). The regulations require that within 45 days of the date an institution ends its participation, the institution is required to submit all financial, performance, and other reports required by the appropriate HEA program regulations, a letter of engagement for an independent audit of all funds that the institution received under that program, and to inform the Secretary of the arrangements made by the institution for proper retention and storage of all records concerning the administration of that program (34 C.F.R. §

⁴ 20 U.S.C. § 1070 *et seq.*

⁵ All statutory cites are to the 2016 United States Code (U.S.C.).

⁶ All regulatory cites are to the 2016 Code of Federal Regulations (C.F.R.).

668.26(b)(2)and (3)). The institution then has an additional 45 days to submit the independent auditor’s report (34 C.F.R. § 668.26(b)(2)(ii)).

IV. Arguments and Analysis

A. Respondent’s Initial Appeal Request and Brief

In the initial appeal request, the Respondent asserts that Dr. Ruiz, as the sole owner of IAC, dismissed all students, laid off all personnel, and closed the school on March 31, 2017. He alleges he only learned of his responsibility to submit a final audit upon delayed receipt of the February 13, 2019 FAD. He acknowledges that the school was closed after the State denied his authorization and upon closure of the school, he was sued by the Utah Division of Consumer Protection (UDCP). He asserts that lawsuit was settled in December of 2018 and he was required, as part of the settlement, to pay a total of \$80,000.00 to the UDCP.⁷

Also, in the initial appeal request, Dr. Ruiz admits the close-out audit was not submitted due to his ignorance of the responsibility and asserts his current financial situation makes it “almost impossible” to hire an auditor. Furthermore, he asserts he no longer has access to the school records because most of the data, documents, and digital information was lost when he could not continue payment for storage. Dr. Ruiz requested a hearing to determine if he could be “exempted” from the requirement due to his extenuating circumstances and expressed his belief that it would not be equitable to require repayment of Title IV funds when he was already sued by the UDCP over his operation and closing of the school.

In the Respondent’s initial brief, Dr. Ruiz again acknowledges it was his responsibility to submit a final audit but, again asserts he was ignorant of that responsibility and does not have the current financial ability to secure the required audit. Dr. Ruiz again asserts he closed IAC when Utah denied state authorization. He reported that upon closing of the school, all documents were scanned to a server which was stored with all physical files in a rented storage space. He alleges that upon his failure to pay for storage, the server and physical files were disposed of by the storage operator. IAC again raised an equity argument, asserting that payment pursuant to the settlement agreement was to pay back all the tuition received from students who had been enrolled as of the date IAC was closed, even if the students successfully finished their program, plus some additional fines.⁸ In summarizing the equitable defense, IAC argues that it would not

⁷ The evidence initially submitted in support of this assertion was an unsigned settlement agreement (OES Document 1, pp. 11-18) and what appears to be a proposed Order of the Court without any evidence of the date of entry by the Court (OES Document 1, pp. 19-24). The settlement agreement established Dr. Ruiz agreed to judgment in the amount of \$80,000.00, wherein Dr. Ruiz was required to sign a confession of judgment for that amount. The settlement agreement included a payment plan whereby Dr. Ruiz would make specified payments over a period of 36 months, beginning December 1, 2018, and totaling \$52,000.00. The agreement indicated if all specified payments were made on time and in the required amount, then the remaining balance of \$28,000.00 on the judgment would be waived and a satisfaction of judgment would be entered.

⁸ OES Document 11, is a copy of the fully executed settlement agreement between Dr. Ruiz, personally and on behalf of IAC, and the Director of the UDCP, dated December 19, 2018 by Dr. Ruiz and December 27, 2018 by the Director of the UDCP. This agreement acknowledges a judgment was entered on January 5, 2018 against Dr. Ruiz and IAC in the amount of \$80,000.00 with a payment plan commencing with a first payment on January 18, 2019 and 36 additional payments beginning on the first of the month thereafter which totaled \$52,000.00 and waiving the remaining balance of \$28,000.00 if all specified payments were paid on time and in the required amount.

be equitable and fair to be held liable for the amounts assessed in the FAD because he has reimbursed the students for their tuition expenses in the state proceeding and the Department is now trying to hold him, and IAC, liable for the “same exact funds” that were repaid in the state proceeding. Therefore, IAC again requested that it be exempted from the Department’s audit requirement and that the Department excuse the liability established in the FAD because he has entered into a settlement agreement with the State of Utah.

B. FSA’s Responsive Brief

FSA’s argument is straight-forward and concise. FSA argues that IAC has the burden of proof in this proceeding to show that it complied with all program requirements and in the absence of meeting that burden, the liabilities assessed in the February 13, 2019 FAD should be affirmed.

FSA notes that IAC acknowledges it failed to comply with the requirement to submit a close-out audit and Dr. Ruiz contends his present financial situation and other circumstances preclude him from obtaining a close-out audit during this proceeding or in the future. FSA asserts that IAC failed in its obligation to account for its expenditure of Title IV funds by not submitting the required close-out audit and did not otherwise produce any accounting of the unaudited period. FSA argues that this failure constitutes a violation of IAC’s fiduciary duty to the Department and directly violates the regulatory requirement for submission of a close-out audit.

FSA addresses IAC’s stated reasons for its failure to submit the required close-out audit. FSA argues Dr. Ruiz’s alleged unawareness of the requirements or the current financial inability to secure a close-out audit is not a defense to IAC’s failure. FSA argues IAC’s inability to access its records, as alleged by Dr. Ruiz, is not a defense and points out the evidence submitted in support of that asserted defense does not support IAC’s assertion that the server and other documents were discarded by the storage facility.

Lastly, FSA argues that IAC’s settlement agreement with UDCP, which followed a civil complaint filed by UDCP, does not preclude this administrative proceeding. In support of this argument, FSA notes the complaint filed in the State action alleged eight causes of action related to IAC’s violation of Utah law.⁹ FSA further notes, the settlement agreement specifically provides that this agreement does not affect any enforcement action that might be brought by any local, state, or federal enforcement authority (OES Document 11, p. 6). On January 5, 2018, the Third Judicial District Court entered an Order finding that the Respondent violated the Utah Code for six of UDCP’s alleged causes of action (OES Document 11, p. 2). FSA argues that IAC’s equitable argument is not supportable, is without merit, and since the evidence supports the finding that IAC failed to account for Title IV program funds disbursed during the unaudited period the liabilities in the amount of \$34,798.00 should be affirmed.

C. FSA’s Required Supplemental Brief

In response to the ordered supplemental brief and submission of a PPA signed by Juan M.

⁹ The Utah laws cited in the complaint are the Consumer Sales Practices Act, the Utah Postsecondary Proprietary School Act, and the Utah Postsecondary School State Authorization Act.

Ruiz, FSA submitted a provisional program participation agreement for Cole Holland College executed by Dr. Ruiz on January 12, 2016. This signed PPA was approved by an authorized designee of the Secretary on January 19, 2016 and the institution's eligibility was certified through December 31, 2018 (OES Document 17, pp. 1-20). In its supplemental brief, FSA indicated this PPA was executed after the sale of Cole Holland College but prior to a change in name to Ibero American College. FSA further explained that on October 24, 2016, Dr. Ruiz submitted the appropriate notice to the Department identifying that the institution changed its name. Lastly, FSA explained because the change in name was not accompanied by a change in ownership, the institution was not required to reestablish its eligibility and no new PPA was required by 34 C.F.R. § 600.20. In conclusion, FSA asserts the PPA executed by Dr. Ruiz and approved by the Secretary in January 2016, was in full force and effect on April 5, 2017, when IAC's participation in Title IV programs ended and IAC had a duty to submit a close-out audit covering the unaudited period of participation from January 1, 2016 to April 5, 2017.

D. Analysis

The facts in this matter are uncontested and the analysis is uncomplicated. IAC, while operating under the name of Cole Holland College, was certified to participate in Title IV programs in January of 2016 when the institution was issued a provisional PPA. Dr. Ruiz, after purchasing Cole Holland College in 2015, executed the required PPA in his capacity as President of the institution. As the president and new owner of the institution, Dr. Ruiz agreed to comply with all statutory and regulatory provisions applicable to Title IV programs.

The statutes and regulations require that a participating institution timely submit audits, including annual audits and an end of participation audit upon closure, commonly known as a close-out audit. A close-out audit is required to cover any unaudited period to the date of closure.

The evidence submitted by IAC establishes that the institution, while under the ownership and control of Dr. Ruiz, encountered operational difficulties. Within about six months of being certified for provisional participation in Title IV programs, the institution lost its state authorization to operate a post-secondary proprietary school. Dr. Ruiz asserts he closed the school on March 31, 2017 and FSA asserts that the institution's participation in Title IV programs ceased on April 5, 2017. On July 6, 2017, the UDCP filed a verified complaint in the Third Judicial District Court, Salt Lake County, State of Utah, alleging eight causes of action for violations of State law related to the unlawful operation of a post-secondary proprietary school against, Anahuac Corp., a Utah corporation doing business as Ibero American College, and Juan Manuel Ruiz, individually and as owner, officer, and principal of Anahuac Corp. In an Order dated January 5, 2018, the District Court found that IAC and Dr. Ruiz violated Utah Code as was alleged in six of the eight causes of action in the verified complaint. The Court ordered the parties to mediation for the purposes of settlement with respect to damages owed for the violations. In December 2018, the parties executed a settlement agreement in relation to the damages owed for IAC's violations of State law. On February 13, 2019, the Department issued the FAD under appeal here, asserting that IAC failed to submit required audits and specifically failed to submit a close-out audit covering the period January 1, 2016 to April 5, 2017, assessing liabilities in the amount of 34,798.00.

There is no dispute that IAC failed to submit its close-out audit. IAC acknowledges that it did not submit the required audit in its request for hearing and in its initial brief. Despite IAC's admission that the required audit was not filed, it did not submit any evidence in this proceeding that established the Title IV program funds were properly accounted for during the unaudited period and requests that IAC be excused from the accounting.

IAC presented defenses of ignorance for its failure to submit a close-out audit and its inability to pay the liability. Based on those reasons, IAC asked this tribunal to dismiss the assessed liability against IAC. Dr. Ruiz pleads ignorance of the requirement to submit a close-out audit, but he fails to explain such ignorance when the evidence shows he sought certification for IAC's participation and acknowledged the need to comply with all statutes and regulations. The executed and approved PPA is evidence Dr. Ruiz acknowledged the fiduciary duty IAC owed to the Department when it began participating in Title IV programs. Dr. Ruiz then asserts the operation of IAC left him ruined financially and that he, personally, as the former President of the institution, has no current financial means to obtain the required audit or pay the assessed liability. While the tribunal is aware of the difficulties that may be presented by an institution's closure and understands the financial hardship that may be encountered by an owner who lost a source of income with the closure of the institution, the regulations do not allow this tribunal to excuse the requirement under those circumstances, even when the institution or former owner asserts a financial inability to secure a close-out audit. Asserted ignorance and financial inability to pay are not acceptable defenses to the fiduciary duty IAC and Dr. Ruiz owed to the Department.

Next, IAC asserts it no longer has the records that are necessary to complete the required audit. Dr. Ruiz asserts the records, including a server and paper student files, were in storage but the records were "lost" when he could no longer pay the storage fees. In support of that defense, IAC produced an email, dated September 14, 2018, from the storage company attempting to collect the outstanding debt for storage and advising Dr. Ruiz, that if payment is not received the items will be placed under a lien and sold. The evidence submitted includes Dr. Ruiz's reply on September 18, 2019, indicating that he wants to make payment arrangements and retain his property (OES Document 8). IAC also filed evidence of an email, dated November 15, 2018, from the storage company that offered Dr. Ruiz a simplified payment plan for the continued storage (OES Document 7). Dr. Ruiz offered no evidence that showed the property was sold, discarded, or otherwise lost to Dr. Ruiz. Whether or not the server and records were sold is not determinative in this case. IAC had a duty to maintain and retain records consistent with the Department's regulations (34 C.F.R. § 668.24). The failure to maintain records under this circumstance or most other circumstances is not an acceptable defense to the imposition of the assessed liability.

Lastly, IAC raises an equitable defense asserting it is not fair or equitable for the Department to assess this liability because Dr. Ruiz already paid the State of Utah for his failures in relation to operation of IAC. In support of that defense, IAC submits the settlement agreement executed in December 2018 (OES Document 11). This argument fails because the action commenced by UDCP was premised upon IAC's alleged violations of specific state laws enacted to protect consumers in Utah. The agreement specifies the parties pursued settlement to resolve damages owed for IAC's violation of state laws, to finally settle, discharge, resolve and release each other

from all existing or potential disputes, rights, liabilities, claims, counterclaims, actions, accounts, or issues between the parties and arising out of the facts set forth in the verified complaint. Furthermore, paragraph 12 of the terms of the agreement specifies that the agreement is between the UDCP and the named defendants and does not affect any enforcement action that might be brought by any local, state, or federal enforcement authority.

The liability assessed in the February 3, 2019 FAD arose under Title IV of the HEA of 1965, as amended. It was imposed when IAC participated in Title IV programs and distributed program funds to students enrolled at IAC but failed to submit the required close-out audit. This federal enforcement action is based on IAC's fiduciary duty, contractual obligation pursuant to the January 2016 PPA, and other Title IV program requirements. In the absence of IAC's filing of a close-out audit and its failure to submit any evidence in this proceeding that could have been used to reduce the amount owed for the unaudited period, IAC's request for equitable relief must be denied.

The arguments and evidence presented by FSA are persuasive and compelling. Dr. Ruiz, IAC's owner, signed the PPA on January 12, 2016 and this agreement was in effect when IAC disbursed Title IV program funds during the unaudited period, on March 31, 2017, the date IAC asserts the school was closed, and until April 5, 2017, the date FSA asserts IAC's participation ended. By signing a PPA, a contractual obligation is established, and an institution accepts the fiduciary duty to follow all program requirements, including all statutory and regulatory requirements in its administration of the Title IV programs. Having signed the PPA, Dr. Ruiz, on behalf of IAC, should have been aware of the obligation to submit timely audits and his alleged ignorance of the requirement does not excuse the institution's failure to comply with its obligation.

The FAD identifies the liabilities with specificity. It informs IAC that its failure to submit the required close-out audit constituted a failure to account for all Title IV, HEA program funds received and distributed by the institution during the unaudited period. It identifies non-loan liabilities for Federal Pell Grants during the unaudited period in the amount of \$29,321.00. Added to this liability is \$539.88, the Department's estimated cost of funds. The FAD indicates that IAC improperly drew down Direct Loans funds during the 2015-2016 and 2016-2017 award years in the amount of \$58,575.00. The Department assessed a liability of only \$4,937.44, based on the estimated loss (EL) the government may incur with respect to the ineligible loans instead of requiring IAC to assume the risk of default by purchasing the ineligible loans from the Department or asserting a liability for the entire loan amount. Therefore, FSA asserted a total liability of \$34,798.00 (when rounding from the actual liability of \$34,798.32). While the FAD includes a statement that may be inaccurate, the Department has established that Title IV programs funds were disbursed by IAC during the award years 2015-2016 and 2016-2017 and IAC failed to properly account for those program funds.¹⁰ The Department established IAC failed in its fiduciary duty, failed in its contractual obligations pursuant to the January 2016 PPA,

¹⁰ The FAD indicates IAC was reminded that it is required to submit a letter of audit engagement and file a close-out audit by letter dated September 27, 2017. FSA filed ED Exhibit 3 as evidence that IAC was reminded of the close-out audit requirements. However, ED Exhibit 3 is an Annual Audit Submission Citation Letter found at OES Document 14, pp. 15-17. While there may be an additional letter of the same date, none has been filed as an exhibit in this proceeding. This minor error does not undermine nor preclude the Department's assessment of liabilities in the February 13, 2019 FAD.

and failed to meet the statutory and regulatory requirement to provide any accounting for Title IV program funds disbursed during the period January 1, 2016 to April 5, 2017. Consequently, IAC remains liable for the funds received during the period from the last submitted audit until the day it stopped participating in the Title IV programs.

V. Findings of Fact and Conclusions of Law

1. Dr. Ruiz, as the owner and President of Ibero American College (IAC), formerly known as Cole Holland College, sought approval for IAC's participation in Title IV programs. IAC was granted a Provisional Participation Agreement by the Secretary on January 19, 2016, allowing this institution of higher education to participate in student financial assistance programs authorized by Title IV of the Higher Education Act of 1965, as amended.
2. On August 3, 2016, IAC submitted a compliance audit for the fiscal year ending December 31, 2015. FSA's records indicate the compliance audit was complete and there were no findings related to that compliance audit.
3. IAC's provisional approval was in effect at the time IAC disbursed Title IV program funds for award years 2015-2016 and 2016-2017 and until it ceased participation in Title IV programs on April 5, 2017.
4. On July 6, 2017, the Utah Division of Consumer Protection (UDCP) filed a verified complaint alleging eight causes of action against the named defendants, Anahuac Corp., doing business as Ibero American College, and Juan M. Ruiz, individually and as the owner, officer, and principal of Anahuac Corp. The complaint alleged eight causes of action in violation of state law and the District Court found the defendants to have violated state law as alleged in six of those causes of action. In December 2018, the parties entered into a settlement agreement primarily to resolve damages owed for IAC's violation of state laws, and to finally resolve all matters between UDCP and the named defendants. The settlement agreement was not intended to affect any other possible enforcement action, including a federal enforcement action.
5. On September 27, 2017, Federal Student Aid, Chicago/Denver School Participation Division issued an Annual Submission Citation Letter reminding IAC of its obligation to submit an annual audit for the fiscal year that ended on December 31, 2016. IAC was informed the failure to submit an acceptable annual audit constitutes a failure of financial responsibility under the Department's regulations. While this letter indicates additional administrative actions were pending against IAC, this letter does not specifically address IAC's failure to submit a close-out audit within the required time required.
6. On February 13, 2019, FSA issued a Final Audit Determination asserting that IAC had failed to submit a copy of an engagement letter to complete a final close-out audit and failed to submit a close-out audit that covered the unaudited period January 1, 2016 to April 5, 2017.

7. IAC alleges it did not receive the FAD until March 22, 2019 and FSA has not challenged that assertion or otherwise established an earlier date of receipt. Based on the alleged date of receipt, IAC timely filed a request for a hearing.
8. IAC admits that it did not submit the required close-out audit nor did the institution submit any equivalent information that accounted for its expenditures during the requisite audit period (January 1, 2016 - April 5, 2017).
9. FSA established non-loan liabilities for the unaudited period in the amount of \$29,321.00 for disbursements of Federal Pell Grants plus \$539.88 to cover the Department's estimated cost of funds. FSA assessed a liability of \$4,937.44, based on the estimated loss (EL) the government may incur in relation to Direct Loan funds in the amount of \$58,575.00 that IAC improperly drew down during the 2015-2016 and 2016-2017 award years. Based on rounding to the nearest dollar, FSA assessed a total liability of \$34,798.00 against IAC.

VI. Conclusion and Order

Considering the foregoing findings of fact and conclusions of law, it is **HEREBY ORDERED** that Ibero American College, pay to the U.S. Department of Education, in a manner as required by law, Title IV, HEA program funds disbursed between January 1, 2016 and April 5, 2017. This amount includes the liability of \$34,798.00, as established in the Final Audit Determination dated February 13, 2019.

Dated: May 21, 2021

Angela J. Miranda
Administrative Law Judge

SERVICE

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