

**Notes**  
**Conversation with Peter Gertenrich**  
**March 31, 2016**

Peter called today and informed me that the school is misleading students regarding externship, failing to work with students to allow them extra time they needed to complete courses and externship, and failing to provide an option to students to participate in externship or not.

Peter reprimanded me for abusing “Oregonians”, using discriminating tactics, and failing to provide Oregonians with options to attend or not.

Peter informed me that I must make the following corrections immediately:

- Change our school policies to reflect that the school will work with and continue working with each student and their individual needs for extra time to ensure successful completion of their programs and externship. Failure to do so will be considered discrimination and/or retaliation.
- Correct our externship policies to clearly state that externship fees begin and are charged when the school first performs externship work on behalf of the student. Failure to do so will result in unlawful practices.
- Correct our externship policies to clearly state that students have an option to participate in externship or not. Failure to do so will result in school non-compliance.
- Correct our externship policies to clearly show in writing that each student is informed of the option to participate in externship or not, that the student chose an option in writing, and signed and dated for the option they chose. Peter stated he will be requiring verification from the school that this is being done, and he will be following up with students to ensure the school is being honest.

Peter stated that failure to make these changes immediately would result in failure of the school to remain in compliance with HECC and the school can lose its license.

I tried several times to explain to Peter that there were other regulatory agency rules that the school must follow and we can not just randomly change U.S. DOE, Accreditation, or other regulatory requirements. Peter was not interested in what I was trying to tell him and actually got angry at me for repeating myself. It came down to either I make the changes or lose my school license.

I will work on getting these changes completed today and sent up to Peter.

**Subject:** Externship forms we discussed today on the phone  
**From:** Ki Ki (kiraoso@yahoo.com)  
**To:** peter.gertenrich@hecc.oregon.gov;  
**Date:** Thursday, March 31, 2016 6:40 PM

Hello Peter:

As we discussed, I am sending you the forms used in our externship. Please find them attached below.

1. Student Acceptance into Externship Orientation- This is a form we have already had in place and have used with all of our students. However, I added two options as per your suggestions to this form. Please see the **Options** section of the form.
2. Externship Packet Acknowledgement form - This is a form we have already had in place, however, I added the information to confirm that students received the options information about externship, and by signing they have chosen to participate in externship.
3. Externship Orientation Procedures & Student Information Sheet - This is also a form that we have already had in place, however, I added the externship option choices to this document as well. Students receive this document at the new student orientation prior to signing the enrollment agreement, AND they receive it again prior to attending the externship orientation. They are asked to choose their option and sign and date at the externship orientation.

I hope these documents meet your approval. If you think they need to be amended, please let me know. I will be happy to make changes.

I will be responding to your other questions to me today in a separate email.

Thank you Peter.

Ki  
Owner/Director  
Abdill Career College, Inc.

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## Attachments

- Externship Orientation Procedures & Student Information Sheet.pdf (4.66MB)
- Externship Packet Acknowledgment.pdf (635.94KB)
- Student Acceptance Into Externship Orientation.pdf (892.73KB)

November 29, 2016

Mishaela Lovelace  
Abdill Career College  
843 East Main Street  
Medford, OR 97504

RE: File Review – Abdill Career College

Dear Shae:

During the month of October 2016, a file review was conducted for Abdill Career College to review the administration of the Federal Financial Aid Programs. The College participates in the Federal Pell Grant and William D. Ford Federal Direct Loans programs.

The focus of the review was to determine the College's compliance with the statutes and Federal regulations pertaining to the administration of Title IV programs. The review consisted of, but was not limited to, an examination of the College's forms, policies and procedures regarding institutional and student eligibility for Title IV aid. A sample of thirteen student files were selected for review for the 2014-2015, 2015-2016 and 2016-2017 award years. The admissions, financial aid and fiscal records for these students were reviewed in detail.

During the review, some areas of non-compliance were noted. These are listed under the section of this report headed "Abdill Career College – Findings". Findings of non-compliance are referenced to the applicable regulations and/or statutes, and specific actions are suggested to bring the institution into compliance with Federal regulations and statutes.

Although the review was thorough, it cannot be assumed to be all-inclusive. The absence of statements in the report concerning the institution's specific practices and procedures must not be construed as acceptance, approval or endorsement of those specific practices and procedures. Furthermore, it does not relieve the College of its obligation to comply with all of the statutory or regulatory provisions governing the Title IV Programs.

At the end of the report, there is an appendix which lists the names and student identification numbers of the students in the sample as well as the applicable award years. Please refer to the list to identify students who are identified by number (#) in the report.

I want to thank the staff for their assistance during the review. If you have any questions regarding this report, please do not hesitate to contact me.

Sincerely,

*Sandra Santangelo*

Sandra Santangelo  
Consulting Services Representative  
FAME

THE INFORMATION PROVIDED TO YOU IS FAME'S OPINION BASED ON OUR INTERPRETATION OF THE ISSUES AND EVENTS PROVIDED AND OUR INTERPRETATION OF THE TITLE IV REGULATIONS AS THEY MAY APPLY. FAME SHALL NOT BE LIABLE FOR ANY ERRORS CONTAINED HEREIN OR FOR ANY DAMAGES WHATSOEVER ARISING OUT OF OR RELATED TO THE USE OF THIS INFORMATION.

Financial Aid Management for Education, Inc.

**File Review Report  
For  
Abdill Career College**

**November 29, 2016**

# Abdill Career College

## FINDINGS

### FINDING #1: RETURN TO TITLE IV CALCULATION – LATE DATE OF DETERMINATION

Student 3 – This student failed the externship, according to the school policy and therefore should have been withdrawn, for Title IV purposes, within 14 days of the last date of attendance. While the state requirements may allow the student to continue until they have reached 1 ½ times their program length without attending, the Federal Regulations do not. The Date of Determination was 115 days after the student's Last Date of Attendance which is 101 days late. The Return to Title IV Calculation indicated that the Title IV funds were 100% earned so no further action is required. The Institution should review their current procedures and revise them to ensure that they are meeting the Federal and State requirements.

Student 8 – This student never started the externship after the classroom work was completed and should have been withdrawn within 14 days of July 21, 2016 which was the Last Date of Attendance. The Externship orientation and interviews are not considered attendance for Title IV purposes. The student went on a Leave of Absence on 9/2/16 and has since returned and is attempting to complete the program.

Student 9 - This student never started the externship after the classroom work was completed and should have been withdrawn within 14 days of June 9, 2016 which was the Last Date of Attendance. The Externship orientation and interviews are not considered attendance for Title IV purposes. The Date of Determination was 61 days after the student's Last Date of Attendance which is 47 days late. The Return to Title IV Calculation indicated that the Title IV funds were 100% earned so no further action is required. The Institution should review their current procedures and revise them to ensure that they are meeting the Federal and State requirements.

REFERENCES: 34 CFR 668.22, GENERAL PROVISIONS; DEAR COLLEAGUE LETTERS GEN 04-03, 04-12 & 11-14; 2015-16 FSA HANDBOOK, VOLUME 5, PAGE 5-22; 2016-17 FSA HANDBOOK, VOLUME 5, PAGE 5-22

The Title IV regulations state that "Except in unusual instances, the date of the institution's determination that the student withdrew should be no later than 14 days (less if the school has a policy requiring determination in less than 14 days) after the student's last date of attendance as determined by the institution from its attendance records.

### FINDING #2 : LATE RETURN OF UNEARNED TITLE IV FUNDS

Student 4 – The Institution inadvertently disbursed Federal Direct Loan to the student while they were on approved Leave of Absence. The funds should have been returned as soon as the error was discovered and within 45 days which did not occur. The student has since withdrawn and the funds are being returned as part of the Return to Title IV Calculation. The Institution must verify student status prior to disbursing any Title IV funds to ensure compliance with the Federal Regulations.

REFERENCES: 34 CFR 668.22(j), GENERAL PROVISIONS; 2011-12 FSA HANDBOOK, VOLUME 5, PAGE 5-126; 2012-13 FSA HANDBOOK, VOLUME 5, PAGE 5-94; 2013-14 FSA HANDBOOK, VOLUME 5, PAGE 5-94

A school has 45 days from the date the institution determines that the student withdrew to return all unearned funds for which it is responsible. A school is considered to have returned funds timely if the school does one of the following **as soon as possible** but no later than 45 days after the date it determines that the student withdrew:

1. deposits or transfers the funds into the school's federal funds bank account, and then awards and disburses the funds to another eligible student;
2. returns the funds to the Department electronically using the "Refund" function in G5; or
3. issues a check to the Department.

A school that issues a check to ED is considered to have issued it timely if it was written within 45 days of the date of determination of the student's withdrawal and the cancellation date on the check shows that the bank endorsed that check no more than 60 days after the date of determination of the student withdrawal.

### **FINDING #3 : INCOMPLETE VERIFICATION**

Student 4 – This student was selected for V1 verification and the information provided on the ISIR conflicts with the information on the Verification Worksheet. The student has since withdrawn so all 2106-2017 Title IV funds should be refunded if the Verification information remains incomplete.

REFERENCES: 34 CFR 668.56, 668.57, & 668.60, GENERAL PROVISIONS; 2011-12 FSA HANDBOOK, AVG, PAGES AVG-82 through AVG-88; 2012-13 FSA HANDBOOK, AVG, PAGES AVG-76 through AVG-83; 2013-14 FSA HANDBOOK, AVG, PAGES AVG-76 through AVG-84

An institution shall require an applicant selected for verification, who is not excluded from verification, to submit acceptable (complete, accurate and consistent) documentation that will verify or update the information used to determine the applicant's EFC. The list of potential verification items for each award year are published in the *Federal Register* prior to the beginning of the applicable award year, and the required items to verify for a given application are selected from that list and indicated on the student's output documents (SAR/ISIR). The required verification items for selected applicants may include: household size, number in household who are enrolled in college, adjusted gross income, U.S. income tax paid, certain untaxed income, Supplemental Nutrition Assistance Program (SNAP, formerly food stamps), child support paid, high school completion status, and identity/statement of educational purpose. The verification documents the school uses for verification purposes (e.g., institutionally developed verification worksheets) must be completed and signed. According to the Policy Division at the U. S. Department of Education, all sections of the verification documents must be completed with an appropriate and accurate response, i.e., a dollar amount, or "none" if there is no earned or untaxed income to report in the sections related to earned income or untaxed income. A Pell applicant selected for verification must complete the process no later than 120 days after the last day of the student's enrollment or by the reporting deadline for the award year as set by the U.S. Department of Education, whichever is earlier. For Campus-Based programs and Direct Subsidized Loans applicants must complete verification within the deadlines the school establishes.

**Subject:** Abdill Career College, Inc. From Ki Owner/Director  
**From:** Ki Ki (kiraoso@yahoo.com)  
**To:** ssantangelo@fameinc.com;  
**Date:** Friday, December 16, 2016 2:51 PM

Hello Sandra:

I sincerely appreciate your time and effort in providing us with guidance regarding the U.S. Department of Education's (U.S. DOE) regulations and our conflicting directives from the Higher Education Coordinating Commission (HECC).

As I explained during our telephone conversation, the conflicting directives given to us from Peter Gertenrich of the HECC has caused us a great deal of concern and while we had no choice but to follow his directives under threat of revocation of our ability to continue to operate in Oregon, we have not ever been comfortable with making those changes as he directed.

In a recent email you requested we submit a corrective action plan regarding the findings you listed in your November 29, 2016 letter to Abdill Career College. I have been working on that corrective action plan and it is our intention to return our school policies back to compliance with the U.S. DOE regulations.

As you can imagine returning our school policies to follow and comply with the U.S. DOE regulations will in essence place us in direct conflict with Peter Gertenrich's directives resulting in a very delicate situation for our school. I will be consulting with our attorney on how to approach this issue with Peter Gertenrich and the HECC as I return our school policies regarding externship, the correct start of externship, compliance with the last date of attendance (14 day rule) and student disbursements that follow the correct start of externship. In the meantime my priority is to ensure that we are indeed getting our school policies returned to compliance with U.S. DOE.

I have been working on our corrective action plan to submit to you and have found that I have a couple of questions that I am hoping you can provide me with some answers/confirmation to. They are listed below:

- 1.) Externship has always been and remains a requirement for completion of each of our approved programs. If students do not successfully complete externship they will not complete the program. This policy is and has always been disclosed to our students, and students sign saying they understand this. During this year Peter Gertenrich directed us under threat of losing our school license to change that policy to include numerous pages of "options" for students to chose from regarding externship, and directed us to maintain proof that each student was provided those "options" for externship. (Please refer to the 6 page externship options document I and Shae previously sent you). In our corrective action plan to you we are working to remove those numerous pages of "options" and return our policy to "Successful completion of 180 hours of externship is required for program completion. Students who do not successfully complete the 180 hours of externship within the proper time frame (5 weeks full-time, 10 weeks part-time), will not complete the program(s)." Our rationale is this confirms and clearly states that externship is required for program completion, this will return us to a definitive and proper time frame in which externship must be started and completed, and removing

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the “options” allows us to return to the proper U.S. DOE disbursements time frame for students during their externship.

**My question regarding number 1.)** above is; Could you please confirm that Abdill is required to make this change to be in compliance with USDOE.

\_\_\_\_\_ Yes                      No \_\_\_\_\_

2.) The school has historically followed the 14 day rule regarding last date of attendance (LDA) for classroom and externship attendance. However, we were directed by Peter Gertenrich to “continue to work with and support” students well beyond that time frame under threat of school non-compliance and school closure. It is my intention to return our school policies to compliance with the 14 day rule regarding LDA for classroom and externship and students must be terminated/withdrawn if they have not been in attendance to class and/or externship for 14 days.

**My question regarding number 2.)** Could you please confirm that Abdill is required to make this change to be in compliance with USDOE.

\_\_\_\_\_ Yes                      No \_\_\_\_\_

3.) The school has historically counted the externship start date as the date the student was placed at an externship site. Peter Gertenrich directed the school to change that policy to externship beginning with the externship orientation. By doing so this changed the time frame a student was counted as being in externship, resulting in students completing 50% of the externship before they were even placed at an externship site, which in turn resulted in an incorrect disbursement date of Federal funds. It is my intention to return our externship policies to state that externship begins with placement of the student at an externship site and disbursements of funds if any will be made upon 50% of completion of that externship.

**My questions regarding number 3.)** Could you please confirm that Abdill is required to make this change to be in compliance with USDOE

\_\_\_\_\_ Yes                      No \_\_\_\_\_

I appreciate your time and effort in confirming each of the above 3 questions for me. I want to make sure we are on the right track and ensure that our school is in compliance with the U.S. DOE regulations and with FAME as well. Having confirmation of the above questions will help me to finalize our corrective action plan and get it submitted to you quickly.

Thank you.

Sincerely,

Ki  
Owner/Director  
Abdill Career College, Inc.  
843 E. Main St. Suite 203  
Medford, OR. 97504  
(541) 779-8384





**Subject:** FAME File Review - Corrective Action Plan  
**From:** Sandra Santangelo (ssantangelo@fameinc.com)  
**To:** kiraoso@yahoo.com;  
**Cc:** kfuss@fameinc.com; abdillcfad@juno.com;  
**Date:** Tuesday, December 20, 2016 1:31 PM

Good afternoon Ki,

Per our discussion this afternoon, we have the following responses to the questions in your previous email:

- 1) For Title IV purposes, the student must maintain continuous enrollment to receive federal funds. If an externship is required to complete the program it must begin within 14 days of the student's last date of attendance in their last class. See attached for more information.
- 2) If the student is unable to begin the externship within the required 14 days, the student must be dropped for Title IV purposes to remain in compliance with the DOE, but can still be enrolled. I have attached guidance that indicates that they may have up to 45 days after their LDA if they provide written confirmation of their intent to return within that time frame and begin the externship.
- 3) The externship starts when the student begins to start earning hours toward completion of the required credits. The student is not eligible for any Title IV funds until they have actually started the externship, the preparation time before they start is not considered attendance.

Please review the FSA Handbook references that I have attached to support the answers above. Please let me know if you have any questions.

Thank you,

**Sandra Santangelo**  
*Consulting Services Rep*

**FAME**

6451 N. Federal Hwy., Ste. 501  
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## Attachments

**Attachment D 5 Page 1 of 2**

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December 27, 2016

Higher Education Coordinating Commission  
Att: Peter Gertenrich  
255 Capitol St. NE Third Floor  
Salem, OR. 97301

Peter:

This communication is being sent to you to inform you of policy changes at the school (Abdill Career College, Inc.).

A recent review of the school's policies and procedures performed by Financial Aid Management for Education (FAME) regarding U.S. DOE compliance has resulted in findings that the school is out of compliance with U.S. DOE requirements. This noncompliance is a direct result of your directives beginning in March of 2016 to the school to change our policies and procedures, and once again on June 30, 2016, under threat of revoking or suspending our school license if we did not immediately comply with your demand to change our policies and procedures.

The school is requesting an acknowledgment of receipt of the policy changes included in this letter, and we are also requesting a response from you regarding these policy changes, which are being made to meet U.S. DOE requirements and to return the school to the historic compliance the school has always maintained with its regulatory agencies. We request your response and approval be provided to us within ten (10) days of receipt of this letter in order for us to inform our regulatory agencies that we are now in compliance.

The specifics of the policy and procedure changes are identified below.

1.) On March 11, 2016 and on June 30, 2016, you demanded the school under threat of revocation or suspension of the school's license to immediately re-write its historical and previously approved (through accreditation, US DOE, and HECC) externship and school policies to amend and create those policies to state each of the following:

- a.) Amend and create "options" for students which will allow students to choose whether or not they wish to participate in externship.
- b.) Amend and create the externship policies and procedures to state that externship and fees associated with externship begin with the externship orientation.

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Licensed by the Oregon Department of Education

- c.) Amend and follow policies and procedures which were contrary to regulatory requirements and time frames in which you instructed the school to continue to work with and support students who were not actively participating in classroom education, not actively participating in externship, and who were clearly in violation of numerous school policies, procedures, and regulations when those students should have been withdrawn/dropped from their program(s).

I made several attempts to speak with you about the U.S. DOE and other regulatory requirements regarding making the above changes and reminded you that the school must remain in compliance with those agencies. You informed me that you didn't care if I liked it or not, you became rude, argumentative, and demeaning to me, refused to discuss the matter further with me, and demanded that I make the changes immediately and continue to work with students and support them.

Because my school was threatened with revocation or suspension of our license I felt I had no choice but to make the changes you demanded. I made the changes immediately and submitted them to you for approval on March 15, 2016, (four (4) days after your first demand). Written evidence confirms you and the HECC approved those changes.

Based on communications from our other regulatory agencies the school will no longer be accommodating your demands and directives that place the school in direct violation of numerous regulatory agency compliance standards for the following reasons;

In regards to a.) above:

The school concludes, based on input from federal agencies, that your demand to make those changes forced the school to violate federal regulations as the school requires successful completion of externship as a requirement for program completion. The school and each of its programs have national accreditation approval and U.S. DOE approval. As such the school must adhere to the stated number of program and clock hours which include externship hours and credits for which the program(s) were approved. Our program approvals do not allow for students to have "options" as to whether or not they "choose" externship.

For this reason, Abdill Career College, Inc. will be returning its policies and procedures to its original form which is as follows:

Each academic program offered by the school requires successful completion of 180 hours of externship in order for the student to achieve successful program completion. Students who do not successfully complete the 180 hours of externship within the proper time frame (5 weeks full-time, or 10 weeks part-time) will not complete their program and will not receive a program certificate.

The above statement will once again be placed in the new student orientation packet and reviewed with each student at the new student orientation prior to signing the enrollment agreement. The school will return to having students initial and date that they have reviewed

this information prior to signing the enrollment agreement and have had an opportunity to ask questions and have their questions answered satisfactorily prior to signing and enrolling into their respective programs, if they so chose to continue at that time. Additionally, that same statement will be returned to our school's Course Catalog and Student Information handbook which is distributed to all prospective students prior to attending the new student orientation, as well as on all appropriate externship documents. This will place the school back into compliance with its program approvals, clock and credit hours approvals, and will clear up any confusion for students. It will once again be very clear to all students that externship IS a requirement for program completion; it is not an option.

In regards to b.) above:

The school concludes based on guidance from federal agencies, that your demand to change our externship policies to state that externship begins with the externship orientation has forced the school to violate federal regulations. The U.S DOE provides that externship begins with placement of the student at the externship site, not the externship orientation, student interviews, and documentation gathering process. Additionally, student time frames for completion of externship begins with the date they are placed at the site, and disbursements of funds to students follow the appropriate time frames for the start of the externship. Following your demands for the changes you required, altered the time frames for externship, student completion, and inappropriate disbursement of funds.

For this reason, Abdill Career College, Inc. will be returning its policies and procedures to its original form which is as follows:

The school will return its externship policies to accurately state that each students externship will officially begin with placement at the externship site, or upon the first date of externship hour to work hour credit for credit in which the student provides written notification to the school of that option. Policies relating to externship fees will be returned to their original form which states that fees for the externship process begin with the students attendance to the externship orientation as the school begins to incur costs associated with researching and preparing documentation to be provided to externship sites, locating, and securing an externship site, establishing student/site schedules, and coordinating student interviews and possible acceptance to the sites.

Returning our school policies and procedures to compliance with all other regulatory agencies will once again place the school in compliance and ensure externship procedures are correctly followed in compliance with U.S. DOE regulations.

In regards to c.) above:

The school concludes based on guidance from federal regulatory agencies that your demand that the school continue to work with and support students who are not eligible to continue in their programs has forced the school to violate federal laws. The U.S. DOE regulations state that a student who is not participating in classroom education or who is not actively participating at an

externship site must be considered withdrawn/dropped from their program within 14 days of non-participation.

For this reason, Abdill Career College, Inc. will be returning its policies and procedures to its original form which is as follows:

As per U.S. Department of Education regulations, students who fail to return to the school and their program after an absence or official leave of absence, or who fail to keep established appointment times set with the school, or who do not respond to written or verbal communications with the school for confirmation of their return to program within 14 days of their last day of attendance will be determined to have withdrawn from their program and their academic file will be closed out unless the student is on an official leave of absence. If a student is on an official leave of absence the student must return to their program and be actively participating within 14 days of their last day of leave of absence. Students who do not return from an official leave of absence within 14 days of their last day of leave of absence will be determined to have withdrawn from their program and their academic file will be closed out. Students may have up to 45 days after their last date of attendance (LDA) if they experience special circumstances such as a medical emergency and provide written confirmation of their intent to return within that time frame and begin/continue the externship.

For the reasons listed above and to ensure that the school comes under compliance with its other regulatory agencies immediately, the school has provided you this notice of intent to return the school's policies and procedures to compliance with federal regulations. Please provide me with a response within 10 calendar days.



Ki  
Owner/Director  
Abdill Career College, Inc.  
843 E. Main Street, Suite 203  
Medford, OR. 97504  
CC: Nancy Hungerford