

September 5, 2018

**ELECTRONIC DELIVERY**

████████████████████  
Director  
D'Mart Institute  
Centro Comercial San Cristobal  
Barranquitas, Puerto Rico 00794

*School #M064778*  
*School #B072149*  
*Probation*

Dear ██████████

At the August 2018 meeting, the Accrediting Commission of Career Schools and Colleges (“ACCSC” or “the Commission”) considered the previous decision to place D’Mart Institute (“D’Mart–Barranquitas”) located in Barranquitas, Puerto Rico and its branch campus, D’Mart Institute (“D’Mart–Vega Alta”) located in Vega Alta, Puerto Rico on Warning. Upon review of the January 16, 2018 Warning letters, the Application for Renewal of Accreditation submitted by D’Mart–Barranquitas, the September 13, 2016 and March 9, 2017 deferral letters issued to D’Mart–Barranquitas, and the respective responses from the schools, the Commission voted to place D’Mart–Barranquitas and D’Mart–Vega Alta on Probation. The reasons for the Commission’s decision and the Commission’s requirements for the schools to demonstrate compliance are set form below.

**D’Mart–Vega Alta: Accept Report (Held in Abeyance)**

In accordance with accrediting standards regarding the responsibilities between a main school and its branch campuses, the accredited status of a branch campus is dependent upon the continued accreditation of the main school (*Section VIII (B)(3), Substantive Standards, Standards of Accreditation*). At the August 2018 meeting, the Commission considered the branch campus, D’Mart–Vega Alta’s, history of Reporting actions, including Outcomes Reporting. Upon review of the January 16, 2018 Warning letter and D’Mart–Vega Alta’s response, the Commission voted to accept the school’s response to the Outcomes Report, determining that no additional information is required, but to hold the decision to accept the Outcomes Report in abeyance in order to provide the main campus, D’Mart–Barranquitas an opportunity to demonstrate compliance with accrediting standards outlined in this Probation letter. As such, D’Mart–Vega Alta will remain on Probation until the main school, D’Mart–Barranquitas, has addressed the compliance issues outlined in this letter.

**D’Mart–Barranquitas: History of the Commission’s Review**

**August 2016 Meeting**

At the August 2016 meeting, the Commission considered D’Mart–Barranquitas’ Application for Renewal of Accreditation. Upon review of the June 10, 2016 Team Summary Report (“TSR”) and the school’s response to that report, the Commission voted to defer action on D’Mart–Barranquitas’ Application for Renewal of Accreditation until the February 2017 meeting in order to provide the school with additional opportunity to demonstrate compliance with accrediting standards. The Commission’s September 13, 2016 letter directed the school to demonstrate compliance with accrediting standards in the areas of student achievement outcomes; independent third party verification; catalog disclosures; attendance policy; refund policy; admissions documentation; instructional materials; and graduation and employment rate disclosures.

### **February 2017 Meeting**

At the February 2017 meeting, the Commission found that D'Mart–Barranquitas did not make significant progress towards demonstrating compliance with accrediting standards that would formulate the basis of an accreditation decision. In addition, the Commission noted in the school's accreditation history that the attendance and refund policies, instructional materials, disclosure of graduation and employment rates, and employment records were questioned during the most recent accreditation process. In addition, the Commission considered D'Mart–Barranquitas' response to the March 9, 2016 Outcomes Report and voted to provide the school with an additional opportunity to demonstrate compliance in the area of licensure rates. The Commission advised the school that failure to make a demonstration of compliance with accrediting standards would raise significant questions with regard to the school's ability to manage a postsecondary school in compliance with ACCSC's *Standards of Accreditation*.

### **August 2017 Meeting**

At the August 2017 meeting, the Commission found that despite multiple opportunities to demonstrate compliance, D'Mart–Barranquitas had yet to provide sufficient documentation to demonstrate compliance in the areas of management and administrative capacity; student attendance; refund policy; instructional materials; licensure/certification exam pass rates; and disclosure of graduation and employment rates. The Commission's consideration of the entire record pertaining to the school's Application for Renewal of Accreditation called into question the school's ability to manage a postsecondary school in compliance with ACCSC *Standards of Accreditation*. As such, the Commission determined to issue a Warning Order.

### **August 2018 Commission Review and Action**

1. D'Mart–Barranquitas must demonstrate that the school publishes in its catalog and enforces a policy of acceptable student attendance that promotes sufficient levels of student attendance such that the required knowledge, skills, and competencies can be reasonably achieved (*Section VII (3)(b), Substantive Standards, Standards of Accreditation*). In response to the January 16, 2018 Warning, D'Mart–Barranquitas clarified a number of elements in the school's official attendance policy including how the school measures attendance, a definition of "acceptable" attendance, consequences for failure to meet attendance requirements, and at what point the school initiates withdrawal and refund process. D'Mart–Barranquitas also provided a copy of the revised attendance policy, which states the following:

*Any student who misses academically related activities and continues to fail to comply with his/her academically related activities for up to 30 days **may** (emphasis added) experience the following:*

- *Lack of satisfactory progress at the end of the course.*
- *Loss of eligibility in financial aid assistance.*
- *Failure to meet the overall satisfactory academic progress.*
- *Failing to comply with attendance policy and academic progress may result in termination.*

*The school determines ongoing non-attendance when a student who misses academically related activities continues to fail to comply with his/her academically related activities for up to 30 calendar-days within the academic period (payment period; refer to cancellation and refund policy), then the school will determine an administrative withdrawal for the student. The academic events will be used to determine the last day of attendance by the student. (LDA)*

Given that D'Mart–Barranquitas' attendance policy states that the student “may (emphasis added) experience the following...” it is unclear if the school does in fact take an appropriate action on or before the 30<sup>th</sup> day, or if the school “may” choose to not to take corrective action on the student. In addition, the Commission noted that D'Mart–Barranquitas attendance policy allows students thirty (30) days of non-attendance before the school determines the appropriate action to take. It appears from the published attendance policy that the policy does not promote adequate attendance from students. The Commission determined that allowing (30) thirty days of missed academic activity before the school determines a withdrawal status is not an acceptable policy that promotes sufficient levels of student attendance such that the required knowledge, skills, and competencies can be reasonably achieved.

D'Mart–Barranquitas' attendance policy does not demonstrate compliance with accrediting standards relative to supporting sufficient attendance and the timeliness of refunds, as noted in Item #2 of this Probation letter. The policy also calls into question whether the school complies with the U.S. Department of Education's (“the Department”) requirements that students with 14 days of consecutive absences are terminated and that refunds are made within 45 days of the date a student has been determined to have withdrawn. The school's thirty (30) day policy implies that a student can have no academic activity for thirty (30) days before the school terminates the student, which appears contrary to the Department's required “14 day policy.” In addition, the school's policy implies that the school “may” terminate the student from the school after thirty (30) days of missed academic activity, while the second part of the policy contradicts this statement noting that when a student missed up to thirty (30) days of academic activity, the school “will” determine an administrative withdrawal for the student.

Based on the foregoing, the Commission determined that D'Mart–Barranquitas must demonstrate that the school has corrected the attendance policy by providing the following:

- a. The point at which the school determines that ongoing missed academic activity constitutes a withdrawal from the school (30 days omitted, i.e., select a more appropriate number of days a student can miss academic activities);
  - b. The specific consequences for those students who miss consecutive days of academic activity as based on the policy in item (a.) above;
  - c. An option for the student to withdrawal based on the number of days of academic activity missed as identified in item (a.) above; and
  - d. Students with 14 days of consecutive absence (i.e. missed academic activity) are terminated.
2. D'Mart–Barranquitas must demonstrate that the school applies its refund policy as published in the catalog (*Section I (D)(5)(a) (i-iii), Substantive Standards, Standards of Accreditation*). The Commission previously raised questions regarding the ongoing lack of clarity of the attendance policy and corresponding lack of clarity in defining the timeframe in which refunds are processed. Accordingly, the Commission required D'Mart – Barranquitas to demonstrate that that the school processes refunds in an accurate and timely manner. In response to the January 16, 2018 Warning, D'Mart–Barranquitas provided a copy of the school's refund policy which states:

*The school will process the administrative withdrawal using the last academically related activity of the student as the last date of attendance (LDA). The school determines the withdrawal no later than thirty (30) days after the end of the semester. The refund (if*

*applicable) will be processed within the next forty-five (45) calendar days after the determination date for the withdrawal.*

It is the Commission's understanding based on D'Mart-Barranquitas response that the last day of attendance is the date of a student's last academic activity. At that point, according to the school's established procedures, the school then has up to thirty (30) days after a student's semester end to withdraw the student, which is the "date of determination." Although it appears that the school makes the appropriate refunds to students who withdrew or were terminated within 14 days of the date of determination, it is unclear to the Commission that waiting up to thirty (30) days after the end of the semester to determine a student's withdrawal is an appropriate academic practice. For example, in response to the requirement to submit the ACCSC Refund Report Summary Sheet, D'Mart-Barranquitas listed six students who either withdrew or were terminated from the school. For one student, (initial NOP), the last day of attendance is listed as June 22, 2017 and while the date of determination (i.e. date of withdrawal) is noted as August 1, 2017. The time elapsed between the LDA and date of determination is forty (40) days, which the Commission found to be an excessive amount of time to determine the date of withdrawal.

Furthermore, allowing up to thirty (30) days after the end of the semester from the last day of attendance could potentially delay the refund made to the student beyond the 45 day requirement and possibly could result to refunds being issued late. The Commission also noted that allowing up to thirty (30) days after the end of the semester from the last day of attendance to withdraw a student implies that D'Mart-Barranquitas is holding Title IV funds for an excessive amount of time before returning those funds for the student.

Given the history of the Commission's review of this matter and the issues noted in this letter with regards to D'Mart - Barranquitas' attendance and refund policies, it is imperative that in response to this Probation Order the school develop policies that demonstrate the school's ability to generate and implement successful and compliant academic practices and policies regarding attendance and refunds that reflect generally accepted practices.

Based on the foregoing, the Commission determined that D'Mart-Barranquitas must demonstrate that the school corrected the refund policy by providing the following:

- a. A revised refund policy that includes, but is not limited to, the following elements:
  - i. An explanation of how the school defines the last date of attendance ("LDA") and the date the school determines (date of determination) the student to have withdrawn;
  - ii. An acceptable number of days the school takes to determine a withdrawal (removing the "no later than thirty (30) days after the end of the semester" policy), which must align with the established date of determination;
  - iii. From the data of determination, explain the point at which the school initiates the refund process;
- b. A copy of the school's refund policy that has been revised in accordance with the revised attendance policy with regard to the last date of attendance and date of determination; and
- c. An excerpt from the school's catalog, demonstrating disclosure of the revised policy to students.

3. D'Mart–Barranquitas must demonstrate that for those programs where a governmental entity requires the attainment of a passing score on a licensure/certification exam to work in the employment field, licensure/certification exam pass rate are at least 70% (*Section VII (B)(1)(b)(iii), Substantive Standards, Standards of Accreditation*). The January 16, 2018 Warning noted that of D'Mart–Barranquitas' seven programs that are required to meet licensure/certification exam pass rate, four of the programs – Cosmetology, Electricity with PLC and Renewable Energy, Refrigeration and Air Conditioning with PLC and Renewable Energy, and Pharmacy Technician – p do not meet ACCSC's required 70% exam pass rate. In response, D'Mart–Barranquitas provided the following licensure examination pass rate data:

Program	Number of 2016 Graduates Who Took the Exam	Number of 2016 Graduates Who Passed the Exam	Pass Rate	July 2017 Report Date - Graduates Who Took the Exam	July 2017 Report Date - Graduates Who Passed the Exam	Pass Rate
Electricity with PLC and Renewable Energy	14	3	21%	2	2	100%
Pharmacy Technician	3	1	33%	2	2	100%
Refrigeration & Air Conditioning w/ PLC and Renewable Energy	4	2	50%	10	8	80%
Cosmetology	4	2	50%	1	1	100%

In addition, D'Mart–Barranquitas provided Graduation and Employment Charts using a July 2017 Report Date. From these charts, the Commission noted the following information:

Program	Number of Graduates from G&E Chart	Number of Graduates Available for Employment	Number of Graduates Employed in the Field
Electricity with PLC and Renewable Energy	8	7	5
Pharmacy Technician	8	6	4
Refrigeration & Air Conditioning w/ PLC and Renewable Energy	16	16	12
Cosmetology	31	25	20

The data submitted by D'Mart–Barranquitas through the Graduation and Employment charts suggests that there were more graduates available for employment than those graduates reported to have attempted to take the applicable licensure examination. For example, D'Mart–Barranquitas noted that one Cosmetology graduate completed the licensure examination and passed the exam, however D'Mart–Barranquitas reported 25 Cosmetology graduates available for employment. The Commission questions why all 25 graduates did not attempt to take the exam. Additionally, from the 20 graduates that the school reported as employed in the field for the Cosmetology program, the Commission questions how the graduates were able to gain employment in the cosmetology field without taking and passing the licensure examination required for employment.

The Commission noted that since the submission of the school's March 9, 2016 Outcomes Report, the school has been unable to demonstrate compliance with licensure pass rate requirements. While D'Mart–Barranquitas appears to now have demonstrated above 70% pass rates, the Commission

questions the accuracy of the reported pass rates given the large number of graduates available for employment that appear to not have taken the required licensure examination. In addition, D’Mart–Barranquitas has not made clear how the school was able to report the number of graduates as employed in the field when the graduates have not passed the licensure examination.

Based on the foregoing, the Commission directs the school to submit the following:

- a. Provide a list of those graduates from the Cosmetology, Electricity with PLC and Renewable Energy, Refrigeration and Air Conditioning with PLC and Renewable Energy, and Pharmacy Technician programs as reported in the G&E charts and as noted in the chart (from the data using the July 2017 Report Date) above using the following chart:

Student ID	Program Student Graduated	Did the graduate take the licensure examination? Yes/No	Reason why graduate did not attempt to take the licensure examination	If employed – provide job title and place of employment

- b. From the chart above in item a. from those graduates who did not attempt to take the licensure examination who are employed in the field, provide a detailed explanation as to how those graduate gained employment in the related field without passing the licensure examination;
- c. Provide the specific state licensure examination requirements in Puerto Rico and explain how the requirements allow graduates to gain employment in the related field without passing the appropriate licensure examination;
- d. Provide an explanation describing how employment is sustainable for any graduates noted in the chart as “employed in the field” who are not licensed but employed under a licensed individual; and
- e. Any additional information that the school believes will be useful to demonstrate the school’s compliance with licensure requirements.

**PROBATION REQUIREMENTS:**

In cases where the Commission has reason to believe that a school is not in compliance with accreditation standards and other requirements, the Commission may, at its discretion, place a school on Probation. A school subject to a Probation Order must demonstrate corrective action and compliance with accrediting standards. **Failure of the school to demonstrate compliance with accrediting standards or other accrediting requirements by the due date set forth herein may result in a revocation of accreditation action.**

The Commission will not consider substantive changes, a change of location/relocation, or additions (i.e., separate facilities, new programs) to a school or its separate facilities while the school is on Probation. However, a school that is subject to Probation may seek the Commission’s approval for the transfer of accreditation that would result from a change of ownership as described in *Section IV, Rules of Process and Procedure, Standards of Accreditation*.

In accordance with *Section X, Rules of Process and Procedure, Standards of Accreditation*, a summary of the Probation Order is made public and provided to the U.S. Department of Education, appropriate State agencies, and appropriate accrediting agencies. Moreover, in accordance with *Section X (C)(6), Rules of*

*Process and Procedure, Standards of Accreditation*, the Commission has notified the U.S. Department of Education of this action pertaining to the findings related to the school's federal financial aid responsibilities.

In accordance with *Section VII (L)(8), Rules of Process and Procedure, Standards of Accreditation*, a school subject to a Probation Order must inform current and prospective students that the school has been placed on Probation and that additional information regarding that action can be obtained from the Commission's website.

### **TEACH-OUT PLAN REQUIREMENT**

Given the serious nature of the issues outlined herein, the Commission directs the school to provide an [ACCSC Institutional Teach-Out Plan Approval Form](#) which must be submitted as part of the response for the items listed above.

### **MAXIMUM TIMEFRAME TO ACHIEVE COMPLIANCE:**

Based on *Section VII (M), Rules of Process and Procedures, Standards of Accreditation* and the school's longest program of 14 months, the maximum timeframe allowed for D'Mart – Barranquitas to achieve and demonstrate compliance with the *Standards of Accreditation* is eighteen months. Thus, the timeframe to achieve compliance begins as of the date of this letter and ends on February 5, 2020. Please also be advised that the Commission is under no obligation to wait for the maximum timeframe to expire and may take an adverse action prior to the expiration of the maximum allowable timeframe.

### **RESPONSE REQUIREMENTS:**

By applying for accreditation, a school accepts the obligation to demonstrate continuous compliance with the *Standards of Accreditation*. While the Commission employs its own methods to determine a school's compliance with accrediting standards, the burden rests with the school to establish that it is meeting the standards. The Commission's deliberations and decisions are made on the basis of the written record and thus a school must supply the Commission with complete documentation of the school's compliance with accrediting standards.

D'Mart–Barranquitas must provide a response to the items expressed above that provides the information requested along with any additional information that the school believes supports a demonstration of compliance with accrediting standards.<sup>1</sup> If the school's response contains documentation that includes personal or confidential student or staff information that is not required for the Commission's review (e.g., social security numbers, dates of birth, etc.), please remove or redact that information.

D'Mart–Barranquitas must upload the school's electronic response directly to ACCSC's College 360 Database. The ACCSC College 360 database can be accessed by [clicking here](#). Please note that the password utilized by the institution to access the Annual Report Portal is the same to access the School Submission section of the College 360 database. The Instructions for College 360 DMS Submissions can be found [here](#). A detailed overview on how to upload a school submission can be found [here](#).

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<sup>1</sup> ACCSC has issued two modules of the **Blueprints for Success Series** – [Organizing an Effective Electronic Submission](#) and [Preparing a Comprehensive Response for Commission Consideration](#) – which provide a framework for submitting a well-documented, organized, electronic response for Commission consideration. ACCSC encourages the school to review these modules when formulating its response to this letter. More information is available in the [Resources section](#) at [www.accsc.org](http://www.accsc.org).

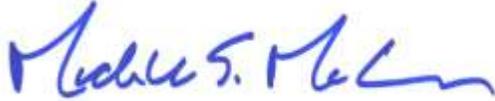
Keep in mind, the school's response must be prepared in accordance with ACCSC's Instructions for Electronic Submission (e.g., prepared as one Portable Document Format ("PDF") file that has been prepared using Adobe Acrobat software (version 8.0 or higher) and which has a .pdf extension as part of the file name). The school will receive an e-mail confirmation that the file has been received within 24 hours of the submission.

The school's response must include the required \$1,000 fee and include a signed certification attesting to the accuracy of the information and be received in the Commission's office **on or before December 21, 2018**. If a response, the required fee, and the certificate of attesting to the accuracy of the information is not received in the Commission's office **on or before December 21, 2018**, the Commission will consider further appropriate action.

For assistance with the password or for any other questions regarding the electronic submission requirements, please contact [REDACTED]. Please note that any password requests to access College 360 must be made by the school director, or designated member of the school's management team, via e-mail.

For further assistance or additional information, please contact [REDACTED] or [REDACTED]

Sincerely,



Michale S. McComis, Ed.D.  
Executive Director

c:

[REDACTED]  
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