



**U.S. Department of Education**  
**Office of Inspector General**

501 I Street, Suite 9-200  
Sacramento, California 95814  
Phone (916) 930-2388 • Fax (916) 930-2390



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June 13, 2001

Mr. Sam Afrookhteh, President  
Computer Education Institute and  
California Education Institute College  
24551 Raymond Way, Suite 285  
Lake Forest, CA 92630

Dear Mr. Afrookhteh:

This letter advises you of the results of our survey of Computer Education Institute (CEI) and California Education Institute College (CEI College). The purpose of our review was to determine whether the institutions met eligibility requirements and administered Title IV programs in compliance with the Higher Education Act of 1965, as amended. The survey was limited to assessing the institutions' (1) institutional and program eligibility; (2) financial responsibility; (3) cash management and (4) management controls for ensuring adherence with selective administrative and compliance requirements for the Title IV programs, including student eligibility, award calculations and disbursements, loan processing and disbursement, and return of funds. Our review covered the period of January 1, 2000 through December 31, 2000. Fieldwork was conducted during the months of March and April 2001 at the institution's corporate office, each of CEI's six campuses and CEI College's two campuses.

To gain an understanding of the institutions' management controls, we interviewed corporate staff and staff for admissions, student services, financial aid, and placement located at each campus. We obtained and reviewed licensing approvals from the California Bureau of Private Postsecondary and Vocational Education, accreditation letters from the applicable accrediting agencies and the Eligibility Certification Approval Report, and applicable program participation agreements received from the U.S. Department of Education. We performed tests of financial data to verify that both CEI and CEI College received at least ten percent of their revenue from non-Title IV sources. We verified that the institutions' programs met the required minimum length and confirmed that the institutions maintained documentation supporting completion and graduation rates. To confirm and test the institutions' management controls, we reviewed student records for a sample of 90 CEI students and 30 CEI College students. These students were randomly selected from the 11,842 and 2,514 students, respectively, who received Title IV funds during our audit period.

Nothing came to our attention during the survey which would lead us to believe that CEI and CEI College did not comply with applicable Federal laws and regulations. Consequently, we have terminated our survey. However, we may conduct further reviews at some future date.

Although our survey work was thorough, the work we performed was not sufficient to constitute an audit of CEI and CEI College and is not a substitute for any required audits. Our survey was made only for the limited purpose described above and would not necessarily disclose all material weaknesses in CEI's and CEI College's procedures. Accordingly, the contents of this letter should not be construed as acceptance or approval of CEI's and CEI College's practices and procedures.

We wish to express appreciation for the cooperation and assistance extended by your staff during the audit. If you have any questions regarding the audit, please contact me at (916) 930-2399. No response to this letter is required.

Sincerely,



Gloria Pilotti

Regional Inspector General for Audit

Electronic cc:

Geneva Coombs; Division Director  
ED-SFA, Schools Channel  
Southwest Case Management

Jim Castress  
ED-SFA, San Francisco Case Director