



Bureau for Private Postsecondary Education
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APPEAL OF CITATION INFORMAL CONFERENCE
DECISION: CITATION MODIFIED

February 3, 2020

121 Venus Corporation, Owner
California Institute of the Healing Arts and Sciences
2377 Gold Meadow Way, Suite 100
Gold River, CA 95670

Date of Issuance	Citation Number	Institution Code
February 3, 2020	1920078	3404281

On December 20, 2019, an informal telephone conference was held in the matter of Citation: Assessment of Fine and Order of Abatement No. 1920078 (Citation) against 121 Venus Corporation, Owner of California Institute of the Healing Arts and Sciences (Institution). In attendance were Leeza Rifredi, Deputy Bureau Chief and Carol DiGirolamo, Owner.

Pursuant to Business and Professions Code, section 125.9; California Education Code, section 94936; and Title 5 of the California Code of Regulations, section 75020 and section 75040, the Bureau for Private Postsecondary Education (Bureau) renders the following decision relative to your appeal of the Citation No. 1920078.

It is the decision of the Deputy Bureau Chief that on January 22, 2020, Citation No. 1920078 is modified and makes the following change(s):

VIOLATION CODE SECTIONS

#	Below you will find the California Education Code (CEC) and/or Title 5 of the California Code of Regulations (5, CCR code) section(s) of law you are charged with violating.
1.	<p><u>Violation:</u> CEC Section 94935(b)(h) – Notice to Comply <i>(b) An institution that receives a notice to comply shall have no more than 30 days from the date of inspection to remedy the noncompliance.</i> <i>(h) If an institution fails to comply with a notice to comply within the prescribed time, the bureau shall take appropriate administrative enforcement action.</i></p> <p>The Institution failed to comply with the NTC within the prescribed time of 30 days. The Institution was unable to submit proof of compliance with the following laws and regulations: 5, CCR section 76130(b)(1)(2)(3)(4) Collection and Submission of Assessments</p> <p><u>Order of Abatement:</u> The Bureau orders the Institution to submit proof of compliance with all NTC violations listed above. See attached Notice to Comply.</p>

	<p>Assessment of Fine The fine for this violation is <u>\$501.00.</u></p>
2.	<p>Violation: 5, CCR Section 71930 (e) – Maintenance of Records <i>(e) All records that the institution is required to maintain by the Act or this chapter shall be made immediately available by the institution for inspection and copying during normal business hours by the Bureau and any entity authorized to conduct investigations.</i></p> <p>5, CCR, Section 76140 (b) – Record-Keeping Requirements <i>(b) The qualifying institution shall maintain the data required under this section in an electronic format that is readily available and open to inspection by the Bureau upon request. The institution shall make the records immediately available to a Bureau representative conducting a site inspection or, upon written request, shall provide a copy within 14 calendar days of the request. All records shall be provided to the Bureau in an intelligible and orderly manner and in an electronic format.</i></p> <p>5, CCR Section 74112 (m) – Uniform Data—Annual Report, Performance Fact Sheet <i>(m) Documentation supporting all data reported shall be maintained electronically by the institution for at least five years from the last time the data was included in either an Annual Report or a Performance Fact Sheet, and shall be provided to the Bureau upon request; and the data for each program shall include at a minimum:</i></p> <p>Violation: 5, CCR Sections 71930 (e) and 76140 (b): The Institution failed to provide the Bureau with substantiating data points for the information reported on the following Student Tuition Recovery Fund Assessment (STRF) Forms:</p> <ul style="list-style-type: none"> • Second, Third, and Fourth Quarters of 2015 • First, Second, Third, and Fourth Quarters of 2016 • First, Second, Third, and Fourth Quarters of 2017 • First, Second, Third, and Fourth Quarters of 2018 • First Quarter of 2019 <p>Violation: 5, CCR sections 71930 (e) and 74112 (m): The Institution failed to provide the Bureau with the substantiating data for the 2015/2016 School Performance Fact Sheet (SPFS).</p> <p>Order of Abatement: The Bureau orders the Institution to submit supporting documentation for the STRF Forms (listed above) as well as the supporting documentation for the 2015/2016 SPFS. Additionally, the Institution shall submit to the Bureau an established policy. or procedure, that identifies how all the required substantiating documentation will be tracked and electronically maintained to be readily available to the Bureau upon request.</p> <p>Assessment of Fine: The fine for this violation is <u>\$2,000.00.</u></p>
3.	<p>Violation: CEC Section 94897(j)(3) – Prohibited Business Practices <i>(j) In any manner make an untrue or misleading change in, or untrue or misleading statement related to, a test score, grade or record of grades, attendance record, record indicating student completion, placement, employment, salaries, or financial information, including any of the following:</i></p>

(3) Any other record or document required by this chapter or by the bureau.

The Institution reported untrue or misleading data in its 2016 Annual Report, specifically Section #2 "Information for each Educational Program Offered at the Institution." The Institution reported multiple statistics that were inconsistent with the coinciding sections of the Institution's 2015-2016 School Performance Fact Sheet (SPFS).

Order of Abatement:

The Bureau orders the Institution to submit a corrected 2016 Annual Report, specifically Section #2 "Information for each Educational Program Offered at the Institution." The information reported should be consistent with the coinciding sections of the Institutions 2015-2016 SPFS. Additionally, the Bureau orders the Institution to submit a policy, or procedure, of how the Institution will maintain compliance per CEC Section 94987(j)(3).

Reason for Modification: New substantive facts were presented at the informal conference. The Order of Abatement has been satisfied.

Assessment of Fine:

The fine for this violation is \$1,000.00

The administrative fine for this violation has been modified from \$1,000.00 to \$500.00.

4. **Violation:**

5, CCR Section 71745(a)(6) – Financial Resources

(a) The institution shall document that it has at all times sufficient assets and financial resources to do all of the following:

(6) Maintain a ratio of current assets to current liabilities of 1.25 to 1.00 or greater at the end of the most recent fiscal year when using generally accepted accounting principles, or for an institution participating in Title IV of the federal Higher Education Act of 1965, meet the composite score requirements of the U.S. Department of Education. For the purposes of this section, current assets does not include: intangible assets, including goodwill, going concern value, organization expense, startup costs, long-term prepayment of deferred charges, and non-returnable deposits, or state or federal grant or loan funds that are not the property of the institution but are held for future disbursement for the benefit of students. Unearned tuition shall be accounted for in accordance with general accepted accounting principles.

The Institution's 2016 Financial Statements demonstrate that the Institution's current ratio is 1.09 to 1. The requirements of 5, CCR Section 71745 (a)(6) state that the Institution shall maintain a ratio of current assets to current liabilities of 1.25 to 1.00 or greater at the end of the most recent fiscal year.

Order of Abatement:

The Bureau orders the institution to:

1. Submit a detailed plan to address its financial shortfalls and to meet the ratio of current assets to current liabilities of 1.25 to 1.00 or greater at the end of the most recent fiscal year in accordance with 5, CCR section 71745 (a)(6).

The Institution's 2016 Financial Statements demonstrate that the Institution's current ratio is 1.09 to 1. The requirements of 5, CCR Section 71745 (a)(6) state that the Institution shall maintain a ratio of current assets to current liabilities of 1.25 to 1.00 or greater at the end of the most recent

	<p>fiscal year.</p> <p><u>Order of Abatement:</u> The Bureau orders the institution to:</p> <ol style="list-style-type: none"> 1. Submit a detailed plan to address its financial shortfalls and to meet the ratio of current assets to current liabilities of 1.25 to 1.00 or greater at the end of the most recent fiscal year in accordance with 5, CCR section 71745 (a)(6). <p><u>Reason for Modification:</u> New substantive facts were presented at the informal conference. The Order of Abatement has been satisfied.</p> <p><u>Assessment of Fine:</u> This fine for this violation is \$00.00.</p>
<p>TOTAL MODIFIED ADMINISTRATIVE FINE DUE: <u>\$3,001.00</u></p>	

ORDER OF ABATEMENT

The Bureau orders that you comply with the orders described in the ‘Violation Code Sections’ of this document and submit evidence of compliance within 30 days from the date of this decision.

PENALTY – ASSESSMENT OF A FINE

Payment of the administrative fine is due within 30 days from the date of this decision. Please complete the Payment of Fine form. Payment must be made to the Bureau by check, or money order. Please include the citation number on the payment of the fine assessment. Payment of the administrative fine shall not constitute an admission of the violation(s) charged and shall be represented as satisfactory resolution of the matter for purposes of public disclosure. Payments may be mailed to:

Gabriella Perez, Discipline Citation Program
Bureau for Private Postsecondary Education
1747 N. Market Blvd., Suite 225
Sacramento, CA 95834

APPEAL OF CITATION

You *do not* have the right to request another Informal Conference to appeal this modified Citation. You *do*, however, have the right to appeal this affirmed or modified Citation through an Administrative Hearing. A hearing before an Administrative Law Judge will be scheduled and you will be notified of the hearing date. The hearing will be held pursuant to Chapter 5 (commencing with section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

If you do not wish to appeal this modified Citation you must withdraw your initial request for an Administrative Hearing, if one was made. Please complete and mail the enclosed Withdrawal – Request for Administrative Hearing within **30 Days** of the date of this decision.

EFFECTIVE DATE OF CITATION AND FINE ASSESSMENT

This modified Citation is effective on **February 3, 2020**. The Order of Abatement and payment are due by **March 4, 2020**.

Failure to abate the violation or to pay the administrative fine within the time allowed is grounds for denial of an application for an approval to operate or discipline. The Bureau will promptly take all appropriate action to enforce the Modified Citation and recover the civil penalties prescribed therein or found to be due after a hearing.

CONTACT INFORMATION

If you have any questions regarding this decision or desire further information, please contact Gabriella Perez, Citation Analyst, at (916) 574-8969 or at Gabriella.Perez@dca.ca.gov.

“Original Signature on File”

“02/3/2020”

Christina Villanueva
Discipline Manager

Date

Enclosures

- Notice to Comply #CU 3404281 0419
- Payment of Fine – Waiver of Appeal Rights
- Withdrawal- Request for Administrative Hearing
- Declaration of Service by Certified and First-Class Mail