Bureau for Private Postsecondary Education
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CITATION: ASSESSMENT OF FINE AND ORDER OF ABATEMENT

To: United Medical Institute, Corp.
United Medical Institute
5280 Auburn Blvd
Sacramento, CA 95841

INSTITUTION CODE: 90323820
CITATION NUMBER: 1718033
CITATION ISSUANCE/SERVICE DATE: May 9, 2018
DUE DATE: June 8, 2018
FINE AMOUNT: $ 5500.00
ORDER OF ABATEMENT INCLUDED: YES

Christina Villanueva issues this Citation: Assessment of Fine and Order of Abatement (Citation) in her official capacity as Discipline Manager of the Bureau for Private Postsecondary Education (Bureau) of the California Department of Consumer Affairs.

CITATION

A Citation is hereby issued to United Medical Institute, Corp., Owner of United Medical Institute (UMI) located at 5280 Auburn Blvd, Sacramento, CA 95841 pursuant to Business and Professions Code section 125.9; California Education Code (CEC) sections 94936 and 94932; and Title 5 of the California Code of Regulations (5, CCR) section 75020 for the violations described below.

BACKGROUND

The Bureau for Private Postsecondary Education (Bureau) received a complaint from a former student, A. K. against UMI. As of May 9, 2018, the complaint is still pending. The complaint alleged that UMI did not refund A.K. the proper amount and is in violation of CEC section 94920 Mandatory Cancellation, Withdrawal, and Refund Policies and 5, CCR section 71750 Withdrawals and Refunds.

Through the course of the investigation Bureau staff found that UMI did not properly calculate a pro rata refund to A.K. UMI refunded an incorrect amount after A.K. withdrew from UMI. UMI was advised by the Bureau on several occasions, beginning with a letter dated June 14, 2014, that the refund amount was not calculated correctly.

As of June 29, 2017, UMI has not made an additional refund to A.K. On June 29, 2017, Bureau staff e-mailed UMI with the proper calculation of the refund and requested UMI to make a refund as soon as possible. Bureau staff reviewed A.K.'s enrollment agreement and discovered that UMI's enrollment agreement does not properly schedule, list, or itemize the total charges the Institution charges as

required per 5, CCR 71800(e). As of May 9, 2018, UMI has not made a correct refund, and UMI's enrollment agreement does not properly schedule, list, or itemize its charges.

VIOLATION

#	The California Education Code (CEC) and the California Code of Regulations (CCR). Below you will find the code section(s) of law you are charged with violating.
1.	**Violation:** **CCR 71750(a)(b)(c) (c1)(c2) (c3)(c4) - Withdrawals and Refunds.** *(a) Every institution shall make refunds that are no less than the refunds required under the Act and this Division.* *(b) An institution may not enforce any refund policy that is not specified in the catalog as required pursuant to section 94909(a)(8)(B) of the Code, and must refund all institutional charges upon a student's withdrawal. Withdrawal policy procedures pursuant to section 94909(a)((8)(B) of the Code shall include, at a minimum: the acceptable methods of delivery of a notice to withdraw; whether withdrawal can be accomplished by conduct, and if so, how; the position or positions to whom the notice to withdraw must be delivered; and the date that the notice to withdraw is considered effective, which shall be no later than the date received by the institution.* *(c) A pro rata refund pursuant to section 94919(c) or 94920(d) or 94927 of the Code shall be no less than the total amount owed by the student for the portion of the educational program provided subtracted from the amount paid by the student, calculated as follows:* *(1) The amount owed equals the daily charge for the program (total institutional charge, divided by the number of days or hours in the program), multiplied by the number of days student attended, or was scheduled to attend, prior to withdrawal.* *(2) Except as provided for in subdivision (a)(3) of this section, all amounts paid by the student in excess of what is owed as calculated in subdivision (a)(1) shall be refunded.* *(3) Except as provided herein, all amounts that the student has paid shall be subject to refund unless the enrollment agreement and the refund policy outlined in the catalog specify amounts paid for an application fee or deposit not more than $250.00, books, supplies, or equipment, and specify whether and under what circumstances those amounts are non-refundable. Except when an institution provides a 100% refund pursuant to section 94919(d) or section 94920(b) of the Code, any assessment paid pursuant to section 94923 of the Code is non-refundable.* *(4) For purposes of determining a refund under the Act and this section, a student shall be considered to have withdrawn from an educational program when he or she withdraws or is deemed withdrawn in accordance with the withdrawal policy stated in its catalog.* **CEC 94920(d)- Mandatory Cancellation, Withdrawal, and Refund Policies** *An institution that does not participate in the federal student financial aid programs shall do all of the following:* *(d) The institution shall have a refund policy for the return of unearned institutional charges if the student cancels an enrollment agreement or withdraws during a period of attendance. The refund policy for students who have completed 60 percent or less of the period of attendance shall be a pro rata refund.* Student A.K. enrolled on May 1, 2013 and withdrew on September 23, 2013 and completed 231.68 hours, which is 12% of the program. A.K. is due an additional refund in the amount of $9,921.96. UMI's receipt of their refund check paid to A.K. is dated November 8, 2013 and the refund was short $9,921.96. A.K. completed approximately 12% of the program, less than 60%, and UMI is required to use a pro rata refund. UMI calculated A.K.'s completed classes, not taking into consideration the 1,920

	hours needed to complete the program which includes clinical and lab hours. UMI did not use a pro rata rate for calculating the correct refund, therefore the Institution did not refund the correct amount. UMI calculated A.K.'s initial refund by breaking up the 1,920-hour program by course and course fee although UMI did not inform A.K. that each course has a separate cost. UMI calculated the refund by taking the entire program and breaking it up into courses and the fees for each course. and then subtracted what A.K. had completed. UMI left out the total hours of lab/clinical time, however, Bureau staff reviewed the information and UMI stated that the lab/clinical time is required to graduate the program. Total Institutional charges were $25,300.00, total ultrasound program hours were 1920 hours. $25,000.00 divided by 1920 hours is $13.18 per hour. A.K. and UMI agreed that she attended 231.68 hours. A. K's hours 231.68 multiplied by $13.18 per hour equals $ 3,053.54. A.K owed UMI $3053.54 for education received. A.K. paid UMI a total of $16,566.00. UMI has a $100.00 nonrefundable application fee. UMI also had a $12.50 nonrefundable Student Tuition Recovery Fund(STRF)fee. UMI refunded Kaur $3,490.50. Take total amount paid by A.K. to UMI and subtract refund A.K. received, education received and non-refundable fees. Total refund due is $9,921.9. UMI incorrectly calculated A.K.'s refund, as it was not calculated as a pro rata refund. **Order of Abatement:** 1. The Institution shall pay former student, A.K. the remaining total refund due, in the amount of $9,921.96. 2. The Institution shall submit to the Bureau proof of payment of the remaining balance of $9,921.96 paid to A.K. The total amount paid by A.K. is $16,578.50 subtract refund received $3,490.50 plus education received $3,053.54 plus nonrefundable fees of $112.50. **Assessment of Fine** The fine for this violation is $5000.00
2.	**Violation:** **5, CCR 71800(e) - Enrollment Agreement** *(e) Itemization of all institutional charges and fees including, as applicable:* *(1) Tuition;* *(2) Registration fee (non-refundable);* *(3) Equipment;* *(4) Lab supplies or kits;* *(5) Textbooks, or other learning media;* *(6) Uniforms or other special protective clothing;* *(7) in-resident housing;* *(8) Tutoring;* *(9) Assessment fees for transfer of credits;* *(10) Fees to transfer credits;* *(11) Student Tuition Recovery Fund fee (non-refundable);* *(12) Any other institutional charge or fee.*

	CEC 94911(b)- Minimum Requirements for Enrollment Agreements *"An enrollment agreement shall include, at a minimum, all of the following* *(b) A schedule of total charges, including a list of any charges that are nonrefundable and the student's obligations to the Student Tuition Recovery Fund, clearly identified as nonrefundable charges.* The withdrawal notice states that if a student withdraws from the school they will be charged for supplies, materials, a processing fee, and a technology fee. Supplies, materials, a processing fee, and a technology fee are not scheduled or itemized in the enrollment agreement therefore UMI cannot enforce the charges for these items. A.K. was also charged $45.00 for scrubs which was paid for by a check made out to UMI on May 1, 2013. The check payment description is "Scrubs." The enrollment agreement does not list or itemize scrubs or any kind of uniform. A.K. was verbally informed by UMI that scrubs must be purchased. **Order of Abatement:** The Institution's Enrollment Agreement shall have a schedule of total charges. The Institution shall submit to the Bureau an Enrollment Agreement, that complies with the minimum requirements for Enrollment Agreements, pursuant to CEC section 94911 and 5, CCR section 71800. **Assessment of Fine** The fine for this violation is $500.00
	TOTAL ADMINISTRATIVE FINE DUE: $5,500.00

ASSESSMENT OF A FINE

In accordance with CEC section 94936; and 5 CCR Sections 75020 and 75030, the Bureau hereby orders this assessment of fine in the amount of **$5,500.00** for the violations described above. **Payment must be made, to the Bureau, within 30 days from the date of service of the Citation.**

COMPLIANCE WITH ORDER OF ABATEMENT

In accordance with the provisions of CEC Section 94936 and 5 CCR Section 75020 the Bureau hereby issues the order(s) of abatement described above. **Evidence of compliance with the order(s) of abatement must be submitted, to the Bureau, within 30 days from the date of service of the Citation.**

APPEAL OF CITATION

You have the right to contest this Citation through an informal conference with the Bureau; and/or through an administrative hearing in accordance with Chapter 5 (Commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

If you wish to contest this Citation, you must submit the 'Notice of Appeal of Citation – Request for Informal Conference and/or Administrative Hearing' form (enclosed) within 30 days from the date of service of the Citation. *If you do not request an informal conference and/or an administrative hearing within 30 days from the service of the Citation, you will not be able to request one at a later time.*

Unless a written request for an informal conference and/or an administrative hearing is signed by you and delivered to the Bureau by **June 8, 2018**, you will be deemed to have waived or forfeited your right to appeal this matter.

EFFECTIVE DATE OF CITATION

If you do not request an informal conference and/or an administrative hearing, this Citation shall become effective on **May 9, 2018.** Payment of the administrative fine and evidence of compliance with the order(s) of abatement shall be due by **June 8, 2018**. Your payment of the administrative fine shall not constitute an admission of the violation(s) charged.

If a hearing is requested, you will not be required to comply with this Citation until 30 days after a final order is entered against you.

Payment of the administrative fine and/or written request for appeal must be mailed to:

Gurinder Sandhu, Discipline Citation Program
Bureau for Private Postsecondary Education
2535 Capitol Oaks Drive, Suite 400
Sacramento, CA 95833

Failure for an applicant or institution to abate the violation(s) listed above or to pay the administrative fine within the time allowed may result in denial of an application for an approval or renewal to operate; disciplinary action, and/or collection action. The Bureau will promptly take all appropriate action to enforce this 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 Citation, or desire further information, please contact Gurinder Sandhu, Citation Analyst, at 916-431-6940 or Gurinder.Sandhu@dca.ca.gov.

Christina Villanueva
Discipline Manager

5/9/18
Date

Enclosures

- Applicable Laws Violated
- Statement of Rights: Appeal Process Information Sheet
- Notice of Appeal of Citation: Request for Informal Conference and/or Administrative Hearing
- Payment of Fine – Waiver of Appeal
- Declaration of Service by Certified and First-Class Mail