



BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY • GAVIN NEWSOM, GOVERNOR
DEPARTMENT OF CONSUMER AFFAIRS • BUREAU FOR PRIVATE POSTSECONDARY EDUCATION
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CITATION: ASSESSMENT OF FINE AND ORDER OF ABATEMENT

To: American Institute of Education, Owner
American Institute of Education
17632 Irvine Blvd., #215
Tustin, CA, 92780

INSTITUTION CODE: 1921011

CITATION NUMBER: 1920048

CITATION ISSUANCE/SERVICE DATE: August 22, 2019

DUE DATE: September 21, 2019

FINE AMOUNT: \$ 9,051.00

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 American Institute of Education, Owner of American Institute of Education (Institution) located at 17632 Irvine Blvd., #215, Tustin, CA, 92780, 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

On May 15, 2019, Bureau staff attempted to conduct an unannounced Compliance inspection at the Institution. Upon arrival, Bureau staff spoke to the President via telephone who stated he was on a flight out of the country and would be returning the following week. Bureau staff informed him that per 5, CCR Section 76130 (c)(3) the institution shall have personnel scheduled to be present at all times during normal business hours who know how to operate the devices and can explain the operation of the devices to any person authorized by the Act to inspect and copy records. Bureau staff asked if he would authorize the staff present at the school to speak and sign on his behalf and he declined.

Twenty minor violations for the catalog and enrollment agreement were identified that were unable to be addressed. A Notice to Comply was not issued onsite due to the inability to conduct an inspection.

VIOLATION

#	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>Violation: CEC Section 94932.5 (a) - Announced and Unannounced Compliance Inspections <i>(a) As part of its compliance program, the bureau shall perform announced and unannounced inspections of institutions at least every five years.</i></p> <p>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>The Institution failed to allow the Bureau to perform an unannounced compliance inspection and did not have personnel available onsite to provide the Bureau staff access to inspect and copy records during normal business hours.</p> <p>Order of Abatement: The Bureau order the Institution to submit an established policy, or procedure, that identifies how personnel will be present during business hours to allow access to Institution records and be made readily available to the Bureau upon request.</p> <p>Assessment of Fine The fine for this violation is \$5000.00</p>
2.	<p>Violation: 5, CCR Section 76130 (b)(4)- Collection and Submission of Assessments <i>(b) A qualifying institution shall complete the STRF Assessment Reporting Form (Rev. 2/10) and remit it with the STRF assessments collected from students to be received by the Bureau no later than the last day of the month following the close of the quarter as follows:</i> <i>(4) January 31 for the fourth quarter. If the due date falls on a Saturday, Sunday or State or federal holiday, the due date shall be extended to the next regular business day for the Bureau.</i> <i>If the due date falls on a Saturday, Sunday, or State or federal holiday, the due date shall be extended to the next regular business day for the Bureau.</i></p> <p>The Institution has failed to submit the STRF Assessment Reporting Form for the following quarter:</p> <ul style="list-style-type: none">• Fourth Quarter of 2018 <p>Order of Abatement: The Bureau orders the Institution to submit the delinquent STRF Assessment Reporting Form with the STRF Assessments collected from students for the quarter listed above. The Institution shall also submit the student information to substantiate the data reported on the STRF Assessment Reporting Form. The information provided shall comply with "Record Keeping Requirements" Pursuant to 5, CCR section 76140.</p> <p>Assessment of Fine The fine for this violation is \$50.00</p>
3.	<p>Violation:</p>

5, CCR Section 71810 (a)(b)(3)(4)(5)(7)(10)(11)(12)(13)(C)(14)(15) -Catalog

(a) Each institution shall provide a catalog pursuant to section 94909 of the Code, which shall be updated annually. Annual updates may be made by the use of supplements or inserts accompanying the catalog. If changes in educational programs, educational services, procedures, or policies required to be included in the catalog by statute or regulation are implemented before the issuance of the annually updated catalog, those changes shall be reflected at the time they are made in supplements or inserts accompanying the catalog.

(b) The catalog shall contain the information prescribed by Section 94909 of the Code and all of the following:

(3) If the institution admits students from other countries, whether visa services are provided or whether the institution will vouch for student status, and any associated charges;

(4) Language proficiency information, including: (A) the level of English language proficiency required of students and the kind of documentation of proficiency, such as the Test of English as a Foreign Language (TOEFL), that will be accepted; and (B) whether English language services, including instruction such as ESL, are provided and, if so, the nature of the service and its cost;

(5) Whether any instruction will occur in a language other than English and, if so, the level of proficiency required and the kind of documentation of proficiency, such as the United States Foreign Service Language Rating System, that will be accepted;

(7) The institution's policies and procedures for the award of credit for prior experiential learning, including assessment policies and procedures, provisions for appeal, and all charges that a student may be required to pay;

(10) A description of library and other learning resources and the procedures for student access to those resources;

(11) If the institution offers distance education, the approximate number of days that will elapse between the institution's receipt of student lessons, projects, or dissertations and the institution's mailing of its response or evaluation.

(12) A description of all student services;

(13) Housing information including all of the following:

(C) If the institution has no responsibility to find or assist a student in finding housing, a clear and conspicuous statement so indicating. A statement that the program is "non-residential" does not satisfy this subparagraph.

(14) Policies on student rights, including the procedure for addressing student grievances; and

(15) Policies on the retention of student records.

CEC Section 94909 (a)(3)(B)(4)(6)(15) -Minimum Requirements for School Catalog

(a) Except as provided in subdivision (d), prior to enrollment, an institution shall provide a prospective student, either in writing or electronically, with a school catalog containing, at a minimum, all of the following:

(3) The following statements:

(B) "As a prospective student, you are encouraged to review this catalog prior to signing an enrollment agreement. You are also encouraged to review the School Performance Fact Sheet, which must be provided to you prior to signing an enrollment agreement."

(4) The address or addresses where class sessions will be held.

(6) If the educational program is designed to lead to positions in a profession, occupation, trade, or career field requiring licensure in this state, a notice to that effect and a list of the requirements for eligibility for licensure.

(15) The following statement:

"NOTICE CONCERNING TRANSFERABILITY OF CREDITS AND CREDENTIALS EARNED AT OUR INSTITUTION"

The transferability of credits you earn at (name of institution) is at the complete discretion of an institution to which you may seek to transfer. Acceptance of the (degree, diploma, or certificate) you earn in (name of educational program) is also at the complete discretion of the institution to which you may seek to transfer. If the (credits or degree, diploma, or certificate) that you earn at this institution are not accepted at the institution to which you seek to transfer, you may be required to repeat some or all of your coursework at that institution. For this reason you should make certain that your attendance at this institution will meet your educational goals. This may include contacting an institution to which you may seek to transfer after attending (name of institution) to determine if your (credits or degree, diploma, or certificate) will transfer."

Bureau staff reviewed the Institution's 2019 Catalog and found the following:

Violation: 5, CCR Section 71810 (a) and (b)(3): The Institution failed to state if it admits students from other countries, whether visa services are provided or whether the Institution will vouch for student status, and any associated charges.

Violation: 5, CCR Section 71810 (a) and (b)(4): The Institution failed to include the level of English language proficiency required of students and the kind of documentation of proficiency, such as the Test of English as a Foreign Language (TOEFL), that will be accepted.

Violation: 5, CCR Section 71810 (a) and (b)(5): The Institution failed to include whether any instruction will occur in a language other than English.

Violation: 5, CCR Section 71810 (a) and (b)(7): The Institution failed to include its policies and procedures for awarding credit for prior experiential learning in its catalog.

Violation: 5, CCR Section 71810 (b)(10): The Institution failed to have a description of its library and other learning resources and the procedures for its students to access those resources in its catalog.

Violation: 5, CCR Section 71810 (b)(11): The Institution failed to include the approximate number of days that will elapse between the institution's receipt of student lessons, projects, or dissertations and the institution's mailing of its response or evaluation.

Violation: 5, CCR Section 71810 (a) and (b)(12): The Institution failed to include a description of all student services.

Violation: 5, CCR Section 71810 (a);(b)(13) (C): The Institution failed to include if the Institution has no responsibility to find or assist a student in finding housing.

Violation: 5, CCR Section 71810 (a) and (b)(14): The Institution failed to include its policies on student rights, including the procedure for addressing student grievances.

Violation: 5, CCR Section 71810 (a) and (b)(15): The Institution failed to include that all student transcripts are kept permanently.

Violation: CEC Section 94909 (a)(3)(B): The Institution failed to include the verbatim statement.

Violation: CEC Section 94909 (a)(4): The Institution failed to include the address or addresses

where the class sessions will be held.

Violation: CEC Section 94909 (a)(6): The Institution failed to include the licensure requirements.

Violation: CEC Section 94909 (a)(15): The Institution failed to include the verbatim statement.

Order of Abatement:

The Bureau orders the Institution to submit an updated catalog that includes the information as required by 5, CCR Section 71810 and CEC Section 94909.

Assessment of Fine

The fine for this violation is \$3001.00

4.

Violation:

5, CCR Section 76215 (a)(b) -Student Tuition Recovery Fund Disclosures

(a) A qualifying institution shall include the following statement on both its enrollment agreement and school catalog:

"The State of California established the Student Tuition Recovery Fund (STRF) to relieve or mitigate economic loss suffered by a student in an educational program at a qualifying institution, who is or was a California resident while enrolled, or was enrolled in a residency program, if the student enrolled in the institution, prepaid tuition, and suffered an economic loss. Unless relieved of the obligation to do so, you must pay the state-imposed assessment for the STRF, or it must be paid on your behalf, if you are a student in an educational program, who is a California resident, or are enrolled in a residency program, and prepay all or part of your tuition.

You are not eligible for protection from the STRF and you are not required to pay the STRF assessment, if you are not a California resident, or are not enrolled in a residency program."

(b) In addition to the statement required under subdivision (a) of this section, a qualifying institution shall include the following statement in its school catalog:

"It is important that you keep copies of your enrollment agreement, financial aid documents, receipts, or any other information that documents the amount paid to the school. Questions regarding the STRF may be directed to the Bureau for Private Postsecondary Education, 2535 Capitol Oaks Drive, Suite 400, Sacramento, CA 95833, (916) 431-6959 or (888) 370-7589.

To be eligible for STRF, you must be a California resident or are enrolled in a residency program, prepaid tuition, paid or deemed to have paid the STRF assessment, and suffered an economic loss as a result of any of the following:

1. The institution, a location of the institution, or an educational program offered by the institution was closed or discontinued, and you did not choose to participate in a teach-out plan approved by the Bureau or did not complete a chosen teach-out plan approved by the Bureau.

2. You were enrolled at an institution or a location of the institution within the 120 day period before the closure of the institution or location of the institution, or were enrolled in an educational program within the 120 day period before the program was discontinued.

3. You were enrolled at an institution or a location of the institution more than 120 days before the closure of the institution or location of the institution, in an educational program offered by the institution as to which the Bureau determined there was a significant decline in the quality or value of the program more than 120 days before closure.

4. The institution has been ordered to pay a refund by the Bureau but has failed to do so.

5. The institution has failed to pay or reimburse loan proceeds under a federal student loan program as required by law, or has failed to pay or reimburse proceeds received by the institution in excess of tuition and other costs.

6. You have been awarded restitution, a refund, or other monetary award by an arbitrator or court,

based on a violation of this chapter by an institution or representative of an institution, but have been unable to collect the award from the institution.

7. You sought legal counsel that resulted in the cancellation of one or more of your student loans and have an invoice for services rendered and evidence of the cancellation of the student loan or loans.

To qualify for STRF reimbursement, the application must be received within four (4) years from the date of the action or event that made the student eligible for recovery from STRF.

A student whose loan is revived by a loan holder or debt collector after a period of noncollection may, at any time, file a written application for recovery from STRF for the debt that would have otherwise been eligible for recovery. If it has been more than four (4) years since the action or event that made the student eligible, the student must have filed a written application for recovery within the original four (4) year period, unless the period has been extended by another act of law.

However, no claim can be paid to any student without a social security number or a taxpayer identification number."

The Institution failed to include the required updated Student Tuition Recovery Fund (STRF) language, that was changed in September 2017, in its 2019 catalog and in its enrollment agreement.

Order of Abatement:

The Bureau orders the Institution to submit an updated catalog and enrollment agreement to include the information as required by 5, CCR Section 76215.

Assessment of Fine

The fine for this violation is \$500.00

5. **Violation:**

CEC Section 94911 (e)(1)(3) -Minimum Requirements for Enrollment Agreements

(e) (1) A disclosure with a clear and conspicuous caption, "STUDENT'S RIGHT TO CANCEL," under which it is explained that the student has the right to cancel the enrollment agreement and obtain a refund of charges paid through attendance at the first class session, or the seventh day after enrollment, whichever is later.

(3) The text shall also include a description of the procedures that a student is required to follow to cancel the enrollment agreement or withdraw from the institution and obtain a refund.

The Institution failed to include a description of the procedures that a student is required to follow to cancel the enrollment agreement or withdraw from the Institution and obtain a refund.

Order of Abatement:

The Bureau orders the Institution to submit an updated enrollment agreement to include the information as required by CEC Section 94911.

Assessment of Fine

The fine for this violation is \$500.00

TOTAL ADMINISTRATIVE FINE DUE: \$9,051.00

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 **\$9,051.00** 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 **September 21, 2019**, 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 **August 22, 2019**. Payment of the administrative fine and evidence of compliance with the order(s) of abatement shall be due by **September 21, 2019**. 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:

Cheryl Lardizabal, 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 Cheryl Lardizabal, Citation Analyst, at (916) 621-2591 or Cheryl.Lardizabal@dca.ca.gov.

Beth Scott

8-22-19

Beth Scott
Enforcement Chief

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