



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

To: Aero Tech Academy, Inc., Owner
Aero Tech Academy, Inc.
1745 Sessums Drive
Redlands, CA, 92374

INSTITUTION CODE: 29965930

CITATION NUMBER: 1920311

CITATION ISSUANCE/SERVICE DATE: May 27, 2020

DUE DATE: June 26, 2020

FINE AMOUNT: \$ 15,501.00

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 Aero Tech Academy, Inc., Owner of Aero Tech Academy, Inc. (Institution) located at 1745 Sessums Drive, Redlands, CA, 92374, 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 December 17, 2018, Bureau staff found that the Institution did not submit the 2016 Annual Report. In accordance with CEC section 94934 and 5, CCR section 74110 (c) and (d), an Institution shall file its Annual Report by December 1st of every year. As of December 17, 2018, the Institution has not submitted the 2016 Annual Report.

On December 20, 2018, the Bureau's Annual Report Unit (ARU) notified institutions by mail, to the addresses on records, informing them that the online portal to submit the 2017 Annual Report would be opening with an April 20, 2019 due date. On or about February 14, 2019, the institutions were notified by mail, sent to the addresses on records, that the online portal was open. On or about April 22, 2019, ARU mailed reminder letters to the institutions, sent to the addresses on records, that the online portal opened January 16, 2019 and that submission deadlines were extended to May 16, 2019. On or about September 18, 2019, the institutions were notified by mail, sent to the addresses on records, that the 2017 Annual Report and/or its components had not been received by the Bureau. Institutions were provided with a deadline of October 10, 2019. As of November 14, 2019, the Institution has not submitted the Annual Report for the 2017 calendar year.

On January 16, 2019, Bureau staff conducted an announced Compliance Inspection at the Institution. Bureau staff reviewed the enrollment agreement and found that the “Notice Concerning Transferability of Credentials” statement had a different institution name and had the program listed as “ESL.” Bureau staff informed the Institution representative that the English as a Second Language (ESL) program is not a Bureau approved program. Upon review of the student files, Bureau staff found enrollment agreements that were for the program “Private Pilot Course”, of which the Institution representative confirmed that the course is different from the other Bureau approved programs. Bureau staff informed the Institution Representative that all programs offered must be Bureau approved and that the Institution would need to submit the request for a non-substantive change to the Bureau.

During the Inspection, the Institution representative informed Bureau staff that the 2017/2018 graduate files were not onsite, as they had been submitted to the FAA per their requirement. Bureau staff confirmed with the Institution representative that the Institution did not have a second set of graduate files for review and informed the Institution representative that they are required to maintain a second set of all students’ academic and financial records.

In addition, the student files reviewed did not contain documents showing the total amount of money received from or on behalf of students, the amounts and the dates of which the funds were received, high school diplomas/GED or ATB/TOEFL results, and a signed/initialed and dated SPFS by the Institution or the student.

Additionally, the faculty files reviewed did not contain an application or resume to document proof of education or background experience that deems the faculty member qualified to teach.

Lastly, upon review of the 2016/2017 SPFS, the Institution failed to include the required initial and date line as well as the required statement for Institutions that do not participate in Federal Financial Aid. Bureau staff requested the substantiating documentation for the 2016/2017 SPFS, however the Institution representative was unable to provide the it as the Institution did not collect or maintain all of the required data points per 5 CCR Section 74112 (m)(1-9).

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><u>Violation:</u> 5, CCR Section 74110 (a-d) – Annual Report <i>“(a) The annual report required by section 94934 of the Code shall include the information required by section 94929.5 and 94934 for all educational programs offered in the prior calendar year. (b) In addition to the information required by section 94934 and this section provided under penalty of perjury, the institution shall have annual financial statements prepared for the institution's prior fiscal year and signed under penalty of perjury, and shall submit a hard copy under separate cover of such statements in conjunction with its annual report. The form, content and mode of preparation of financial statements shall comply with Section 74115 of this Division. The Bureau may request that the institution immediately make available for inspection to a representative of the Bureau, these financial statements at the offices of the institution. (c) An institution shall file its annual report by December 1st. The Bureau may extend the period for filing if the institution demonstrates evidence of substantial need but in no case longer than 60 days. The institution shall not change the date of its filing its annual report because of a change in the fiscal year without the Bureau's approval. (d) The annual report shall be electronically filed by submitting the information required by section 94934 of the Code and this section via the online form provided on the Bureau's website, electronically attaching, as directed,</i></p>

the School Performance Fact Sheet, the enrollment agreement, and the school catalog”.

CEC Section 94934(a)(1-9) - Annual Report

“(a) As part of the compliance program, an institution shall submit an annual report to the bureau, under penalty of perjury, signed by a responsible corporate officer, by July 1 of each year, or another date designated by the bureau, and it shall include the following information for educational programs offered in the reporting period:

(1) The total number of students enrolled by level of degree or for a diploma.

(2) The number of degrees, by level, and diplomas awarded.

(3) The degree levels and diplomas offered.

(4) The Student Performance Fact Sheet, as required pursuant to Section 94910.

(5) The school catalog, as required pursuant to Section 94909.

(6) The total charges for each educational program by period of attendance.

(7) A statement indicating whether the institution is, or is not, current in remitting Student Tuition Recovery Fund assessments.

(8) A statement indicating whether an accrediting agency has taken any final disciplinary action against the institution.

(9) Additional information deemed by the bureau to be reasonably required to ascertain compliance with this chapter”.

The Bureau has not received the Annual Report for years 2016 and 2017 from the Institution.

Order of Abatement:

The Bureau orders the Institution to submit its Annual Report in accordance with 5, CCR section 74110 (a-d) and CEC section 94934(a)(1-9). The Institution shall submit the following:

2016 Annual Report:

- Complete the 2016 Annual Report template located on the Bureau’s website at https://bppe.ca.gov/annual_report/2016_annual_report.shtml.
- Save the following documents to a cd or flash drive:
 - 2016 Annual Report
 - School Performance Fact Sheets
 - Catalog, and
 - Enrollment Agreement
 - The cd *or* flash drive and a hard copy of the financial statements for year-end 2016 must be submitted via regular mail to the Bureau for Private Postsecondary Education, 1747 N. Market Blvd., Suite 225, Sacramento, CA 95834.

2017 Annual Report

- Complete and submit the 2017 Annual Report via the Bureau’s Online Annual Report Submission Portal website at https://bppe.ca.gov/annual_report/.
- A hard copy of the financial statements for year-end 2017 must be submitted via regular mail to the Bureau for Private Postsecondary Education, 1747 N. Market Blvd., Suite 225 Sacramento, CA 95834.

Assessment of Fine

The fine for this violation is \$5,000.00

2.

Violation:

5, CCR Section 71650 - Application for a Change in Educational Objectives

(a) An institution seeking to change its educational objectives shall complete the "Change in Educational Objectives" form (OBJ rev. 2/10) to obtain prior authorization. The form shall be submitted to the Bureau along with the appropriate fee as provided in Section 94930.5(c) of the Code. For an institution approved under section 94885 of the Code it shall be signed and dated by the signatory(ies) required by section 71380, and for an institution approved under section 94890 of the Code it shall be signed and dated by the signatory(ies) required by section 71390, and each fact stated therein and each attachment thereto shall be declared to be true under penalty of perjury, in the following form:

"I declare

(Date)

(Signature)"

5, CCR Section 71660 - Notifications of Non-Substantive Changes.

An institution shall notify the Bureau of a non-substantive change including: change of location of less than 10 miles; addition of a program related to the approved programs offered by the institution; addition of a new branch five miles or less from the main or branch campus; addition of a satellite; and change of mailing address. All such notifications shall be made within 30 days of the change and sent to the Bureau, in writing, to the address listed in section 70020.

CEC Section 94893 - Authorization Required for Substantive Change

If an institution intends to make a substantive change to its approval to operate, the institution shall receive prior authorization from the bureau. Except as provided in subdivision (a) of Section 94896, if the institution makes the substantive change without prior bureau authorization, the institution's approval to operate may be suspended or revoked.

The Institution offered, and enrolled, students in an unapproved ESL course. In addition, the Institution failed to notify the Bureau of the non-substantive change for the addition of the "Private Pilot Course."

Order of Abatement:

The Bureau orders the Institution to discontinue enrolling students in the ESL course, cease all instructional services, and submit evidence of compliance to the Bureau. If the Institution wishes to continue offering the program, they must submit an Application for Change in Educational Objectives to add the ESL Course for Bureau approval. In addition, the Bureau orders the Institution to submit a notice, in writing, to the Bureau to add the non-substantive addition of the "Private Pilot Course.

Assessment of Fine

The fine for this violation is \$2,500.00

3.

Violation:

5, CCR Section 71920 (a)(b)(1)(A)(3)(5)(A-E) (9)— Student Records

(a) The institution shall maintain a file for each student who enrolls in the institution whether or not the student completes the educational service.

(b) In addition to the requirements of section 94900, the file shall contain all of the following pertinent student records:

(1) Written records and transcripts of any formal education or training, testing, or experience that are

relevant to the student's qualifications for admission to the institution or the institution's award of credit or acceptance of transfer credits including the following:

(A) Verification of high school completion or equivalency or other documentation establishing the student's ability to do college level work, such as successful completion of an ability-to-benefit test;

(3) Copies of all documents signed by the student, including contracts, instruments of indebtedness, and documents relating to financial aid;

(5) In addition to the requirements of section 94900(b) of the Code, a transcript showing all of the following:

(A) The courses or other educational programs that were completed, or were attempted but not completed, and the dates of completion or withdrawal;

(B) Credit awarded for prior experiential learning, including the course title for which credit was awarded and the amount of credit;

(C) Credit for courses earned at other institutions;

(D) Credit based on any examination of academic ability or educational achievement used for admission or college placement purposes;

(E) The name, address, website address, and telephone number of the institution.

(9) A document showing the total amount of money received from or on behalf of the student and the date or dates on which the money was received;

5, CCR Section 71930 (d) - Maintenance of Records

(d) The institution shall maintain a second set of all academic and financial records required by the Act and this chapter at a different location unless the original records, including records stored pursuant to subdivision (b) of this section, are maintained in a manner secure from damage or loss. An acceptable manner of storage under this subsection would include fire resistant cabinets.

Violation: 5, CCR Section 71920 (a)(b)(1)(A): Student files failed to include verification of high school completion or equivalency or other documentation establishing the student's ability to do college level work, such as successful completion of an ATB test.

Violation: 5, CCR Section 71920 (b)(3): Student files failed to include a signed SPFS that is initialed and dated by the student at the time of enrollment.

Violation: 5, CCR Section 71920 (a)(b)(5)(A-E): Student files failed to include a transcript.

Violation: 5, CCR Section 71920 (a)(b)(9): Student files failed to include a document showing the total amount of money received from, or on behalf of, the student and the date(s) the money was received.

Violation: 5, CCR Section 71930(d): The Institution did not have the 2017/2018 graduate files for Bureau staff to review.

Order of Abatement:

The Bureau orders the Institution to submit an established policy, or procedure, of how the Institution will maintain future compliance with 5, CCR sections 71920 and 71930.

Assessment of Fine

The fine for this violation is \$1,501.00

4.

Violation:

CEC Section 94900.5. (b) - Required Institutional Records

An institution shall maintain, for a period of not less than five years, at its principal place of business in

this state, complete and accurate records of all of the following information:
(b) The names and addresses of the members of the institution's faculty and records of the educational qualifications of each member of the faculty.

The Institution's faculty files failed to include documentation of the educational qualifications for each member of the faculty.

Order of Abatement:

The Bureau orders the Institution to submit an established policy, or procedure, on how the Institution will maintain future compliance with CEC Section 94900.5.

Assessment of Fine

The fine for this violation is \$1,500.00

5. **Violation:**

5, CCR Section 74112 (f)(g)(2)(h)(i)(j)(k)(m)(1-9)(n) - Uniform Data- Annual Report, Performance Fact Sheets

"(f) Total Charges. The institution's Annual Report and Performance Fact Sheet shall include the total charges for a student to complete the program within 100% of the program length. The institution must include the disclosure that there may be additional charges if the program is not completed on-time.

Total charges shall be disclosed in the Performance Fact Sheet in a format substantially similar to the format listed below (dates and numbers are for example only):

Cost of Educational Program:

Total Charges for the program for students completing on-time in 20XX: \$50,000. Total Charges may be higher for students that do not complete on-time.

Student's Initials: _____ Date: _____

Initial only after you have had sufficient time to read and understand the information

(g) Student Loan/Debt Information.

(2) Institutions that do not participate in federal financial aid programs shall include one of two statements in the Performance Fact Sheet in a format substantially similar to the following:

Students at (name of institution) are not eligible for federal student loans. The U.S. Department of Education has determined that this institution does not meet the criteria that would allow its students to participate in federal student aid programs.

or

(Name of Institution) is eligible, but chooses not to participate in federal student aid programs. So students here do not have federal student loans.

Student's Initials: _____ Date: _____

Initial only after you have had sufficient time to read and understand the information.

(h) Completion Rates. Reporting of completion rates for an institution's Annual Report and Performance Fact Sheet shall include, for each educational program, the number of students who began the program as defined in subdivision (d)(1) of this section, the number of students available for graduation, number

of on-time graduates, and completion rate(s). An optional table may be added to include completion rate data for students completing within 150% of the published program length. For an institution reporting completion data pursuant to section 94929(b) of the Code, completion data shall be separately reported for each program and the Performance Fact Sheet shall disclose, if true, that the completion data is being reported for students completing within 150% of the published program length, and that data is not being separately reported for students completing the program within 100% of the published program length. Programs that are more than one year in length which are reporting 150% Completion Rate will provide four calendar years of data.

Completion rates shall be included in the Performance Fact Sheet in a format substantially similar to the chart below (dates, numbers, and other data shown are for example only):

On-time Completion Rates (Graduation Rates) (includes data for the two calendar years prior to reporting)

Name of Educational Program (Program Length)

Calendar Year	Number of Students Who Began the Program	Students Available for Graduation	Number of On-time Graduates	On-Time Completion Rate
20XX	100	98	70	71%
20XY	80	80	55	69%

Students Completing Within 150% of the Published Program Length

Name of Educational Program (Program Length)

Calendar Year	Number of Students Who Began the Program	Students Available for Graduation	150% Graduates	150% Completion Rate
20XX	100	98	95	97%
20XY	80	80	78	98%
*20XZ	90	90	87	97%
*20YA	87	85	74	87%

*Included only if program is more than one year in length

Student's Initials: _____ Date: _____
Initial only after you have had sufficient time to read and understand the information.

(i) Job Placement Rates.

(1) Any placement data required by sections 94910(b) and 94929.5(a) of the Code shall be reported for the number of students who began the program as defined in subdivision (d)(1) of this section for each reported calendar year.

(2) Placement is measured six months from the graduation date of each student. For programs that require passage of a licensing examination, placement shall be measured six months after the announcement of the examination results for the first examination available after a student completes an applicable educational program. Reporting of placement rates shall include for each educational program: the number of students who began the program, the number of graduates as defined in subdivision (b) section 94842 of the Code, the graduates available for employment, graduates employed in the field and job placement rate(s).

(3) If the institution makes any claim related to preparing students for a job or regarding job placement, the list required by section 94910(f)(2) of the Code shall identify the employment positions

by using the Detailed Occupation or six-digit level of the Standard Occupational Classification codes.
 (4) Placement rate shall be calculated as follows: the number of graduates employed in the field as defined in section 94928(e)(1) of the Code in conjunction with section 74112(d)(3) divided by the number of graduates available for employment as defined in section 94928(d) of the Code.

(k) Salary and Wage Information.

All Salary and Wage Information shall be reported to the Bureau pursuant to sections 94910(d) and 94929.5(a)(3) of the Code and shall be included in the Performance Fact Sheet, for each educational program, in a format substantially similar to the chart below (dates, numbers, salaries, and other data shown are for example only).

Salary and Wage Information (includes data for the two calendar years prior to reporting)

Name of Educational Program (Program Length)

Annual Salary and Wages Reported for Graduates Employed in the Field

Calendar Year	Graduates Available for Employment	Graduates Employed in the Field	\$15,001	\$20,001	\$25,001	\$30,001	No Salary Information Reported
			- \$20,000	- \$25,000	- \$30,000	- \$35,000	
20XX	100	70	5	40	6	3	16
20XY	80	55	5	7	3	5	35

Student's Initials: _____ Date: _____

Initial only after you have had sufficient time to read and understand the information.

“(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:

- (1) the list of job classifications determined to be considered gainful employment for the educational program;*
- (2) student name(s), address, phone number, email address, program completed, program start date, scheduled completion date, and actual completion dates;*
- (3) graduate's place of employment and position, date employment began, date employment ended, if applicable, actual salary, hours per week, and the date employment was verified;*
- (4) for each employer from which employment or salary information was obtained, the employer name(s) address and general phone number, the contact person at the employer and the contact's phone number and email address, and all written communication with employer verifying student's employment or salary;*
- (5) for students who become self-employed, all documentation necessary to demonstrate self-employment;*
- (6) a description of all attempts to contact each student. or employer;*
- (7) any and all documentation used to provide data regarding license examinations and examination results;*
- (8) for each student determined to be unavailable for graduation or unavailable for employment, the identity of the student, the type of unavailability, the dates of unavailability, and the documentation of the unavailability; and*
- (9) the name, email address, phone number, and position or title of the institution's representative who was primarily responsible for obtaining the students' completion, placement, licensing, and salary and wage data, the date that the information was gathered, and copies of notes, letters or emails through which the information was requested and gathered.*

(n) The institution shall provide on a separate document along with the Performance Fact Sheet the same cancellation disclosure as that which is required to be included with the enrollment agreement by Section 94911(e)(1) of the Code. The separate document shall be substantially the same size as the Performance Fact Sheet and shall be captioned "STUDENT'S RIGHT TO CANCEL" using bold 14 pt. type.

5, CCR Section 71930 (e) - Maintenance of Records

(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.

CEC Section 94912 - Signature, Initials Required

Prior to the execution of an enrollment agreement, the information required to be disclosed pursuant to subdivisions (a) to (d), inclusive, of Section 94910 shall be signed and dated by the institution and the student. Each of these items shall also be initialed and dated by the student.

Violation: 5, CCR Section 74112 (f)(h)(i)(j)(k): The Institution failed to include the required statement "Initial only after you had sufficient time to read and understand this information" in the 2016/2017,

Violation: 5, CCR Section 74112 (g)(2): The Institution failed to include , the required statements for schools that do not participate in Federal Financial Aid and "Initial only after you had sufficient time to read and understand this information" in the 2016/2017 SPFS.

Violation: 5, CCR Section 74112 (m)(1-9) & 71930 (e): The Institution failed to collect and maintain all the required substantiating documentation for the data in the 2016/2017 SPFS.

Violation: 5, CCR Section 74112 (n): The Institution failed to include the cancellation disclosure captioned "STUDENT'S RIGHT TO CANCEL" in the 2016/2017 SPFS.

Violation: CEC Section 94912: The Institution failed to include the signature and date lines for the Student and School Official in the 2016/2017 SPFS.

Order of Abatement:

The Bureau orders the Institution to submit a written policy, or procedure, of how future compliance with 5, CCR sections 74112 and 71930, and CEC 94912 will be maintained.

Assessment of Fine

The fine for this violation is \$5,000.00

TOTAL ADMINISTRATIVE FINE DUE: \$15,501.00

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 **\$15,501.00** 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 26, 2020**, 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 27, 2020**. Payment of the administrative fine and evidence of compliance with the order(s) of abatement shall be due by **June 26, 2020**. 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
1747 N. Market Blvd., Suite 225
Sacramento, CA 95834

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) 574-8968 or Cheryl.Lardizabal@dca.ca.gov.

“Original signature on file”

“5/27/2020”

Christina Villanueva
Discipline Manager

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