



Bureau for Private Postsecondary Education
1747 N. Market Blvd. Ste 225 Sacramento, CA 95834
P.O. Box 980818, West Sacramento, CA 95798-0818
P (916) 574-8900 F (916) 263-1897 www.bppe.ca.gov



CITATION: ASSESSMENT OF FINE AND ORDER OF ABATEMENT

To: Envaj Inc., Owner
International College
5500 Pomona Boulevard
Los Angeles, CA 90022

INSTITUTION CODE: 1923121
CITATION NUMBER: 2021105
CITATION ISSUANCE/SERVICE DATE: October 8, 2020
DUE DATE: November 7, 2020
FINE AMOUNT: \$ \$13,500.00

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 Envaj Inc., Owner of International College (Institution) located at 5500 Pomona Boulevard, Los Angeles, CA 90022, 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 November 22, 2016, the Bureau received a complaint alleging that the Institution failed to refund \$120,000.000 in unused tuition from Supplemental Job Placement Benefits (SJPB) that was paid to the Institution on behalf of injured workers.

During the course of the investigation Bureau staff found that the Institution refused to provide refunds to students that had not started or completed their programs. The Institution verbally confirmed it would not drop, withdrawal, or refund students due to lack of attendance. Furthermore, Bureau staff reviewed student files and found that 78% of the students' files reviewed did not complete their programs and only three students were issued refunds to their insurance carriers. As a result, the Bureau found that the Institution owes refunds for students totaling \$102,567.06.

On October 24, 2018, Bureau conducted a joint inspection and investigation at the Institution. As a result, Bureau staff found material violations related to obtaining high school diplomas, administering alternative Ability to Benefit (ATB) exams, and maintaining supporting documentation to substantiate the data reported on School Performance Fact Sheets (SPFS).

VIOLATION(S)

#	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: 5, CCR Section 71750 (a)(b)(c)(1)(2)(3) – Withdrawals and Refunds <i>“(a) Every institution shall make refunds that are no less than the refunds required under the Act and this Division.</i> <i>(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.</i> <i>(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:</i> <i>(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.</i> <i>(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.</i> <i>(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.”</i></p> <p style="color: red;">Bureau staff reviewed student files and found that 78% of the students’ files reviewed did not complete their programs and only three students were issued refunds to their insurance carriers. As a result, the Bureau found that the Institution owes refunds for students totaling \$102,567.06.</p> <p><u>Order of Abatement:</u> The Bureau orders the Institution to provide a list of students who are owed a refund for not starting or completing their programs and provide proof of refund to the Bureau. In addition, the Bureau orders that the Institution submit an established policy, or procedure, of how the Institution will maintain future compliance with 5, CCR section 71750.</p> <p><u>Assessment of Fine</u> The fine for this violation is <u>\$5,000.00</u></p>
2.	<p>Violation: 5, CCR Section 71770 (a)(1) – Admissions Standards and Transferred Credits Policy <i>“(a) The institution shall establish specific written standards for student admissions for each educational program. These standards shall be related to the particular educational program. An institution shall not admit any student who is obviously unqualified or who does not appear to have a reasonable prospect of completing the program. In addition to any specific standards for an educational program, the admissions standards must specify as applicable that:</i> <i>(1) Each student admitted to an undergraduate degree program, or a diploma program, shall possess</i></p>

a high school diploma or its equivalent, or otherwise successfully take and pass the relevant examination as required by section 94904 of the Code.”

5, CCR Section 71920 (b)(1)(A) – Student Records

“(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;”

CEC Section 94904 (a)(b) – Ability to Benefit Students

“(a) Except as provided in subdivision (c), before an ability-to-benefit student may execute an enrollment agreement, the institution shall have the student take an independently administered examination from the list of examinations prescribed by the United States Department of Education pursuant to Section 484(d) of the federal Higher Education Act of 1965 (20 U.S.C. Sec. 1070a et seq.). The student shall not enroll unless the student achieves a score, as specified by the United States Department of Education, demonstrating that the student may benefit from the education and training being offered.

(b) If the United States Department of Education does not have a list of relevant examinations that pertain to the intended occupational training, the bureau may publish its own list of acceptable examinations and required passing scores.”

During the October 24, 2018 joint inspection and investigation, Bureau staff reviewed student files and found that the student files failed to contain high school diplomas or ATB exam results. Institution staff stated that the Institution did not administer an ATB exam prior to enrolling students.

Order of Abatement:

The Bureau orders the Institution to submit a policy, or procedure, of how the Institution will maintain future compliance with 5, CCR sections 71770(a)(1), 71920(b)(1)(a), and CEC section 94904(a)(b). In addition, if the Institution wishes to offer an ATB exam to incoming student’s, the Bureau orders the Institution to submit the name of the ATB exam they would like to administer for Bureau approval.

Assessment of Fine

The fine for this violation is \$1,500.00

3”. **Violation:**

CEC Section 94910 (a)(b) – Minimum Requirements for School Performance Fact Sheet

“Except as provided in subdivision (d) of Section 94909 and Section 94910.5, prior to enrollment, an institution shall provide a prospective student with a School Performance Fact Sheet containing, at a minimum, the following information, as it relates to the educational program:

(a) Completion rates, as calculated pursuant to Article 16 (commencing with Section 94928).

(b) Placement rates for each educational program, as calculated pursuant to Article 16 (commencing with Section 94928), if the educational program is designed to lead to, or the institution makes any express or implied claim related to preparing students for, a recognized career, occupation, vocation, job, or job title.”

CEC Section 94929.5 (a)(1) – Reporting of Student Performance Data

“(a) An institution shall annually report to the bureau, as part of the annual report, and shall publish in its School Performance Fact Sheet, all of the following:

(1) The job placement rate, calculated by dividing the number of graduates employed in the field by the number of graduates available for employment for each program that is either (1) designed, or advertised, to lead to a particular career, or (2) advertised or promoted with any claim regarding job placement.”

5, CCR Section 74112 (i)(1)(2)(3)(4)(m)(3)(4)(5)(6)(7)(8)(9) – Uniform Data – Annual Report, Performance Fact Sheet

“(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.”

(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:

(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.”

Violation: CEC Section 94910(a)(b), CEC Section 94929.5(a)(1), and 5, CCR Section 74112

(i)(1)(2)(3)(4): Bureau staff reviewed the Institution's 2017 SPFS and found that the document was missing the required employment placement data. Furthermore, the Institution reported "N/A" in the corresponding fields.

Violation: 5, CCR Section 74112 (m)(3)(4)(5)(6)(7)(8)(9): Bureau staff reviewed the Institution's supporting documentation to substantiate the data reported on the 2015-2016 SPFS. Bureau staff found that the supporting documentation was missing the following elements:

- Any and all documentation used to provide data regarding license examinations and examination results;
- Students unavailable for graduation or unavailable for employment, and the documentation of the unavailability;
- The name, email address, phone number and position or title of the institution's representative; copies of notes, letters or emails through which the information was requested and gathered.

Order of Abatement:

The Bureau orders the Institution to submit a policy, or procedure, of how the Institution will maintain future compliance with CEC sections 94910 and 94929.5, and 5, CCR section 74112(i)(1)(2)(3)(4)(m)(3)(4)(5)(6)(7)(8)(9).

Assessment of Fine

The fine for this violation is \$7,000.00

TOTAL ADMINISTRATIVE FINE DUE: \$13,500.00

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 **\$13,500.00** 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 **November 7, 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 **October 8, 2020**. Payment of the administrative fine and evidence of compliance with the order(s) of abatement shall be due by **November 7, 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:

Gabriella Perez, 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 Gabriella Perez, Citation Analyst, at (916) 574-8969 or Gabriella.Perez@dca.ca.gov.

“Original signature on file”

“10/8/2020”

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