

1 KAMALA D. HARRIS  
Attorney General of California  
2 JAMES M. LEDAKIS  
Supervising Deputy Attorney General  
3 MARICHELE S. TAHIMIC  
Deputy Attorney General  
4 State Bar No. 147392  
600 West Broadway, Suite 1800  
5 San Diego, CA 92101  
P.O. Box 85266  
6 San Diego, CA 92186-5266  
Telephone: (619) 645-3154  
7 Facsimile: (619) 645-2061  
*Attorneys for Complainant*

8  
9 **BEFORE THE**  
**DEPARTMENT OF CONSUMER AFFAIRS**  
10 **FOR THE BUREAU FOR PRIVATE POSTSECONDARY EDUCATION**  
**STATE OF CALIFORNIA**

11  
12 In the Matter of the Statement of Issues  
Against:

Case No. 1000398

13  
14 **CALIFORNIA INSTITUTE OF**  
**ENGINEERING; PAUL HOA TRAN,**  
15 **OWNER**

**STATEMENT OF ISSUES**

16 Respondent.

17  
18 Complainant alleges:

19 **PARTIES**

20 1. Joanne Wenzel (Complainant) brings this Statement of Issues solely in her official  
21 capacity as the Chief of the Bureau for Private Postsecondary Education, Department of  
22 Consumer Affairs.

23 2. On or about February 3, 2012, the Bureau for Private Postsecondary Education  
24 received an application for an Approval to Operate a Non-Accredited Institution (Application  
25 Number 24362) from California Institute of Engineering; Tran, Paul Hoa Tran, owner  
26 (Respondent). On or about January 31, 2012, Paul Hoa Tran certified under penalty of perjury to  
27 the truthfulness of all statements, answers, and representations in the application. The Bureau  
28 denied the application on February 6, 2015.

JURISDICTION

3. This Statement of Issues is brought before the Director of the Department of Consumer Affairs (Director) for the Bureau for Private Postsecondary Education, under the authority of the following laws.<sup>1</sup> All section references are to the Education Code unless otherwise indicated.

4. Education Code (hereinafter "Code") Section 94886 states:

Except as exempted in Article 4 (commencing with section 94874) or in compliance with the transition provisions in Article 2 (commencing with Section 94802), a person shall not open, conduct, or do business as a private postsecondary educational institution in this state without obtaining an approval to operate under this chapter.

5. Code Section 94887 states:

An approval to operate shall be granted only after an applicant has presented sufficient evidence to the bureau, and the bureau has independently verified the information provided by the applicant through site visits or other methods deemed appropriate by the bureau, that the applicant has the capacity to satisfy the minimum operating standards. The bureau shall deny an application for an approval to operate if the application does not satisfy those standards.

**STATUTORY AND REGULATORY PROVISIONS**

6. Title 5, California Code of Regulations ("CCR"), section 71100 states:

(a) An applicant seeking approval to operate pursuant to Section 94886 of the Code, other than Approval to Operate by Accreditation pursuant to Section 94890(a)(1) of the Code, shall complete the "Application for Approval to Operate for an Institution Not Accredited," Form Application 94886 (rev. 2/10). An applicant seeking approval to operate by accreditation pursuant to Section 94890(a)(1) of the Code shall comply with section 71390.

(b) An applicant shall submit the completed form, the information or documentation required by this Article, the appropriate application fee as provided in Section 94930.5(a)(1) of the Code, and any appropriate annual fee as required by Article 1 of Chapter 5 of this Division, to the Bureau.

(c) An application that fails to contain all of the information required by this article shall render it incomplete.

---

<sup>1</sup> On October 11, 2009, the Bureau for Private Postsecondary Education Act of 2009 (SB 48 and hereinafter, "the Act") was signed into law. The Act, which became operative on January 1, 2010, established the Bureau for Private Postsecondary Education (hereinafter "Bureau"). The California Private Postsecondary Education Act of 2009 was recently amended, effective January 1, 2015. See Senate Bill No. 1247. This Statement of Issues is based on the amended version of the Act.

1           7.     Code Section 94837 states, "Educational program" means a planned sequence  
2 composed of a single course or module, or set of related courses or modules, that provides  
3 education, training, skills, or experience, or a combination of these."

4           8.     Code Section 94897 states in part:

5                 An institution shall not do any of the following:

6                 ...

7                 (p) Offer an associate, baccalaureate, master's, or doctoral degree without  
8 disclosing to prospective students prior to enrollment whether the institution or  
9 the degree program is unaccredited and any known limitation of the degree,  
10 including, but not limited to, all of the following:

11                     (1) Whether a graduate of the degree program will be eligible to sit for  
12 the applicable licensure exam in California and other states.

13                     (2) A statement that reads: "A degree program that is unaccredited or a  
14 degree from an unaccredited institution is not recognized for some employment  
15 positions, including, but not limited to, positions with the State of California."

16                     (3) That a student enrolled in an unaccredited institution is not eligible for  
17 federal financial aid programs.

18           9.     Code section 94909 states in part:

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

22                 ...

23                     (8) A detailed description of institutional policies in the following areas:

24                         (A) Admissions policies, including the institution's policies  
25 regarding the acceptance of credits earned at other institutions or through  
26 challenge examinations and achievement tests, admissions requirements  
27 for ability-to-benefit students, and a list describing any transfer or  
28 articulation agreements between the institution and any other college or  
university that provides for the transfer of credits earned in the program  
of instruction. If the institution has not entered into an articulation or  
transfer agreement with any other college or university, the institution  
shall disclose that fact.

                   ...

                   (10) A statement reporting whether the institution participates in federal  
and state financial aid programs, and if so, all consumer information that is  
required to be disclosed to the student pursuant to the applicable federal and  
state financial aid programs.

...

(16) A statement specifying whether the institution, or any of its degree programs, are accredited by an accrediting agency recognized by the United States Department of Education. If the institution is unaccredited and offers an associate, baccalaureate, master's, or doctoral degree, or is accredited and offers an unaccredited program for an associate, baccalaureate, master's, or doctoral degree, the statement shall disclose the known limitations of the degree program, including, but not limited to, all of the following:

(A) Whether a graduate of the degree program will be eligible to sit for the applicable licensure exam in California and other states.

(B) A degree program that is unaccredited or a degree from an unaccredited institution is not recognized for some employment positions, including, but not limited to, positions with the State of California.

(C) That a student enrolled in an unaccredited institution is not eligible for federal financial aid programs.

...

10. Title 5, CCR, section 71290 states, "The Form Application 94886 shall include a copy of the institution's catalog, in published or proposed-to-be-published form. The catalog shall meet the requirements of the Act and of section 71810."

11. Title 5, CCR, section 71700 states, "The Bureau may request that an institution document compliance with the standards set forth in the Act and this Division to obtain and maintain an approval to operate."

12. Title 5, CCR, section 71710 states:

In order to meet its mission and objectives, the educational program defined in section 94837 of the Code shall be comprised of a curriculum that includes:

(a) those subject areas that are necessary for a student to achieve the educational objectives of the educational program in which the student is enrolled;

(b) subject areas and courses or modules that are presented in a logically organized manner or sequence to students;

(c) course or module materials that are designed or organized by duly qualified faculty. For each course or module, each student shall be provided with a syllabus or course outline that contains:

(1) a short, descriptive title of the educational program;

(2) a statement of educational objectives;

(3) length of the educational program;

1 (4) sequence and frequency of lessons or class sessions;

2 (5) complete citations of textbooks and other required written materials;

3 (6) sequential and detailed outline of subject matter to be addressed or a  
list of skills to be learned and how those skills are to be measured;

4 (7) instructional mode or methods.

5 (d) if degree granting, require research of an appropriate degree that utilizes a  
library and other learning resources;

6 (e) specific learning outcomes tied to the sequence of the presentation of the  
7 material to measure the students' learning of the material; and

8 (f) evaluation by duly qualified faculty of those learning outcomes.

9 13. Title 5, CCR, section 71715 states in part:

10 ...

11 (b) The institution shall document that the instruction offered leads to the  
12 achievement of the learning objectives of each course.

13 ...

14 (d) Distance education as defined in section 94834 of the Code, does not  
15 require the physical presence of students and faculty at the same location but  
16 provides for interaction between students and faculty by such means as  
17 telecommunication, correspondence, electronic and computer augmented  
educational services, postal service, and facsimile transmission. In addition to  
the other requirements of this chapter and the Act, an institution offering  
distance education shall:

18 (1) ensure that the educational program offered through distance  
education is appropriate for delivery through distance education methods;

19 (2) assess each student, prior to admission, in order to determine whether  
20 each student has the skills and competencies to succeed in a distance education  
environment;

21 (3) ensure that the materials and programs are current, well organized,  
22 designed by faculty competent in distance education techniques and delivered  
using readily available, reliable technology;

23 (4) provide for meaningful interaction with faculty who are qualified to  
24 teach using distance education methods;

25 (5) maintain clear standards for satisfactory academic progress;

26 (6) timely complete student evaluations of learning outcomes by duly  
27 qualified faculty, which are appropriate for use with the distance education  
methods used, and evaluated by duly qualified faculty.

28 (7) employ a sufficient number of faculty to assure that (A) the  
institution's response to, or evaluation of, each student lesson is returned to the

1 student within 10 days after the lesson is received by the institution; and (B) the  
2 institution's response to, or evaluation of, each student project or dissertation is  
3 returned to the student within the time disclosed in the catalog; and,

4 (8) shall maintain a record of the dates on which lessons, projects, and  
5 dissertations were received and responses were returned to each student.

6 14. Title 5, CCR, section 71720 states in part:

7 (a) An Educational Program Leading to a Degree.

8 ...

9 (2) Each institution shall develop and implement written policies and  
10 procedures providing for the participation by duly qualified faculty in the  
11 conducting of research, development of curricula, academic planning,  
12 enforcement of standards of academic quality, pursuit of academic matters  
13 related to the institution's mission and objectives, establishment of criteria for  
14 contracting with new faculty, and evaluation of faculty credentials;

15 ...

16 15. Title 5, CCR, section 71740 states:

17 (a) A degree granting institution shall make available for student use a library  
18 and other learning resources.

19 (b) An institution shall provide or make provisions for the library and other  
20 learning resources needed to support each educational program it offers,  
21 including resources such as reference works, periodicals, monographs, and  
22 media and equipment specific to the educational programs offered.

23 (c) An institution shall describe onsite library and other learning resources, if  
24 any, that enable students to pursue inquiries, searches for information and  
25 documentation, and assignments connected with their study programs.

26 (d) An institution that depends for library and other learning resources primarily  
27 on other institutions' collections and resources not in its possession shall do all  
28 of the following:

(1) Describe those library and other learning resources, in the application  
and catalog.

(2) Provide students and faculty with access to the regular services of a  
professional librarian or information specialist experienced in the electronic  
retrieval of information, who shall provide support for faculty in curriculum  
matters and actively serve as a resource guide for both graduate and  
undergraduate students.

(3) Assure that students have access to the library collections and  
resources of another institution, organization, or library.

(4) Document compliance with paragraphs (1), (2), and (3).

1           16. Title 5, CCR, section 71760 states, "Each institution shall develop and maintain  
2 adequate procedures used by the institution to assure that it is maintained and operated in  
3 compliance with the Act and this Division."

4           17. Title 5, CCR, section 71770 states in part:

5           ...

6           (b) The institution shall specify the maximum credit it will transfer from another  
7 institution for each educational program, and the basis upon which the  
transferred credit will be awarded.

8           (1) Except as limited by subdivision (c) of this section, a maximum of 75  
9 percent of the units or credit that may be applied toward the award of a bachelor's  
degree may be derived from a combination of any or both of the following:

10                   (A) Units earned at institutions approved by the Bureau, public or  
11 private institutions of higher learning accredited by an accrediting  
12 association recognized by the U. S. Department of Education, or any  
13 institution of higher learning, including foreign institutions, if the  
14 institution offering the undergraduate program documents that the  
institution of higher learning at which the units were earned offers degree  
programs equivalent to degree programs approved by the Bureau or  
accredited by an accrediting association recognized by the U.S.  
Department of Education;

15                   (B) Challenge examinations and standardized tests such as the  
16 College Level Placement Tests (CLEP) for specific academic disciplines.

17           (2) No more than 20% of graduate semester units or the equivalent in  
18 other units awarded by another institution may be transferred for credit toward a  
Master's degree. An institution may accept transfer credits only from the  
institutions of higher learning described in subsection (1)(A).

19           (3) No more than 30 graduate semester credits or its equivalent awarded  
20 by another institution may be credited toward a doctoral degree. This subdivision  
21 does not apply to graduate programs that lead to a profession or an occupation  
requiring state licensure where the licensing agency has a regulation permitting a  
different standard.

22           ...

23           18. Title 5, CCR, section 71810 states in part:

24           ...

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

27           ...

28           (6) The institution's policies and practices regarding any form of financial  
aid, including all consumer information which the institution is required to

1 disclose to the student under any state or federal financial aid program;

2 ...

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

7 ...

8 19. Title 5, CCR, section 71850 states:

9 Graduation requirements for an undergraduate degree program shall meet  
10 minimum credit requirements and shall include provisions for general education  
11 appropriate to the level and type of degree. The institution shall specify the  
12 distribution of general education credit requirements by subject area for each  
13 undergraduate degree program.

14 (a) A Bachelor's degree may be awarded to a student whom the institution can  
15 document has achieved sequential learning equivalent in general education and  
16 equivalent in depth of achievement in a designated major field to that acquired in  
17 four years of study beyond high school, as measured by a minimum of 120  
18 semester credits or its equivalent. At least 25 percent of the credit requirements  
19 for a Bachelor's degree shall be in general education.

20 (b) An Associate degree may be awarded only to a student whom the institution  
21 can document has achieved sequential learning equivalent to that acquired in two  
22 years of study beyond high school, as measured by a minimum of 60 semester  
23 credits or its equivalent. Except as provided in subdivision (c) of this section, at  
24 least 25 percent of the credit requirements for an Associate degree shall be in  
25 general education.

26 (c) The Specialized Associate degree (Occupational) or the Associate of Applied  
27 Science degree may be awarded only to a student who completes at least the  
28 learning outcomes equivalent to a minimum of 60 semester credits or the  
equivalent. A minimum of seventy-five percent of the credits shall be in the  
occupational area for which training is offered. The general education offered as  
part of a Specialized Associate degree (Occupational) or an Associate of Applied  
Science degree program shall be such as is necessary for a student to achieve the  
educational objectives of the program in which the student is enrolled. General  
education shall be at the same level of quality as that taught in approved  
Bachelor's or Associate degree programs.

### 23 **FACTS**

24 20. On February 3, 2012, the Bureau received an Application for Approval to Operate a  
25 Non-Accredited Institution (Application# 24362) from Paul Hoa Tran, owner of California  
26 Institute of Engineering (Respondent).

27 21. On March 27, 2012, the Bureau sent Respondent a letter advising of numerous  
28 deficiencies in the application, including deficiencies in the information concerning the



1 institution's ownership and control, the catalog, the facilities and equipment, exemplar enrollment  
2 agreement and financial resources.

3 22. On October 1, 2012, the Bureau received Respondent's response to the deficiency  
4 letter, which included a school catalog, among other things. However, deficiencies in the  
5 application and supporting documents remained.

6 23. On October 4, 2012, the Bureau sent Respondent a second letter advising of  
7 deficiencies in the application and supporting documents, including deficiencies in the exemplar  
8 enrollment agreement and catalog.

9 24. On March 19, 2013, the Bureau sent Respondent a third letter advising of deficiencies  
10 in the application and supporting documents, including ownership information, instruction and  
11 degrees offered, catalog and self-monitoring procedures.

12 25. On April 19, 2013, the Bureau received Respondent's response to the third deficiency  
13 letter, which included information regarding instruction and degrees offered, information  
14 regarding the qualifications of the faculty, and a school catalog, among other things. However,  
15 deficiencies in the application and supporting documents remained.

16 26. On July 1, 2013, the enrollment agreement and catalog were submitted by  
17 Respondent.

18 27. On July 26, 2013, the Bureau sent Respondent a fourth letter advising of deficiencies  
19 in the application and supporting documents, including in the instruction and degrees offered, the  
20 description of the educational program, the faculty, the facilities and equipment and the catalog,  
21 among others. In addition, on July 26, 2013, the Bureau requested Respondent give the Bureau a  
22 demonstration of the courses offered in the platform to be used by Respondent to deliver the on-  
23 line educational program.

24 28. On August 29, 2013, the Bureau received Respondent's response to the fourth  
25 deficiency letter, which included information regarding the educational program, information  
26 regarding the qualifications of the faculty, and a school catalog, among other things. However,  
27 deficiencies in the application and supporting documents remained.

28



1 necessary for a student to achieve the educational objectives of the educational program in which  
2 the student is enrolled, as more fully set forth in paragraphs 26 and 32 and incorporated herein as  
3 though set forth in full.

4 **SECOND CAUSE FOR DENIAL**

5 **(Failure to Demonstrate That Instruction Offered**  
6 **Meets Minimum Operating Standards - Instruction )**

7 35. Respondent's application is subject to denial under title 5, CCR, sections 71100 and  
8 71715 in that Respondent's application did not demonstrate that the instruction offered by the  
9 institution meets minimum operating standards for distance education as follows, and as more  
10 fully set forth in paragraphs 26 and 32 and incorporated herein:

11 a. Respondent failed to demonstrate that instruction in each course leads to the  
12 achievement of the learning objective of each course, as required by 5, CCR, section 71715(b).  
13 Respondent provided the Bureau with a recorded Power Point presentation for a single course and  
14 four sample video lectures. However, Respondent failed to provide syllabi for the Bureau's  
15 evaluation.

16 b. Respondent failed to demonstrate the educational program offered through distance  
17 education is appropriate for delivery through distance education methods, as required by title 5,  
18 CCR, section 71715(d)(1).

19 i. Respondent seeks to offer educational programs resulting in a Bachelor of  
20 Science degree in civil engineering and a Bachelor of Science degree in Environmental  
21 Engineering. Private and public universities in various states that offer similar degrees provide  
22 both theory and practice. While the theory portion of the educational program may be presented  
23 on-line, Respondent does not have a laboratory or mechanism for students to participate in the  
24 practical portion of such a program.

25 c. Respondent failed to demonstrate that the materials and programs offered through  
26 distance education are current, well organized, designed by faculty competent in distance  
27 education techniques and delivered using readily available, reliable technology, as required by  
28 title 5, CCR, section 71715(d)(3).

1 d. Respondent failed to demonstrate that it has clear standards for satisfactory academic  
2 progress in the courses to be offered via distance education, as required by title 5, CCR, section  
3 71715(d)(5). Respondent failed to provide a syllabus for review.

4 e. Respondent failed to demonstrate that the institution hired duly qualified faculty to  
5 timely complete student evaluations of learning outcomes nor hired faculty competent in distance  
6 education techniques and/or methods, as required by title 5, CCR, section 71715(d)(6).

7 f. Respondent failed to demonstrate the institution's platform or delivering distance  
8 education had a mechanism to track and log student work, as required by title 5, CCR, section  
9 71715(d)(8).

10 **THIRD CAUSE FOR DENIAL**

11 **(Deficiencies Regarding Faculty)**

12 36. Respondent's application is subject to denial under title 5, CCR, sections 71100 and  
13 71720(a)(2) in that Respondent has not demonstrated that the institution developed and  
14 implemented written policies and procedures providing for the participation by duly qualified  
15 faculty in the conducting of research, development of curricula, academic planning, enforcement  
16 of standards of academic quality, pursuit of academic matters related to the institution's mission  
17 and objectives, establishment of criteria for contracting with new faculty, and evaluation of  
18 faculty credentials.

19 **FOURTH CAUSE FOR DENIAL**

20 **(Deficiencies Regarding Library and Other Learning Resources)**

21 37. Respondent's application is subject to denial under title 5, CCR, sections 71100 and  
22 71740 in that Respondent has not demonstrated that the institution can make available a library  
23 and other learning resources to students, as required by title 5, CCR, section 71740.

24 **FIFTH CAUSE FOR DENIAL**

25 **(Deficiencies Regarding Self-Monitoring Procedures)**

26 38. Respondent's application is subject to denial under title 5, CCR, sections 71100 and  
27 71760 in that Respondent failed to develop and maintain adequate procedures used by the  
28

1 institution to assure that it is maintained and operated in compliance with the Act and the  
2 regulations.

3 39. The institution's self-monitoring policy is unclear and its list of self-monitoring  
4 strategies is non-specific. For example, in the checklist for self-monitoring, Table B refers to  
5 "general education courses," which are not offered by the institution.

6 **SIXTH CAUSE FOR DENIAL**

7 **(Lack of Required Language in School Catalog)**

8 40. Respondent's application is subject to denial under title 5, CCR, sections 71100 and  
9 71770 and Code section 94909 in that the school's catalog submitted with Respondent's  
10 application failed to comply with the Bureau's statues and regulations in that the school catalog  
11 failed to include:

12 a. the information is required by Code section 94909(a)(8)(A) and title 5, CCR,  
13 71770(b) regarding the institution's admissions policies. Specifically, the catalog failed to include  
14 language regarding the acceptance of credits earned at other institutions or through challenge  
15 examinations and achievement tests; admissions requirements for ability-to-benefit students; a list  
16 describing any transfer or articulation agreements between the institution and any other college or  
17 university that provides for the transfer of credits earned in the program of instruction; and, if the  
18 institution has not entered into an articulation or transfer agreement with any other college or  
19 university, the disclosure of that fact.

20 b. the statements required by Code section 94909(a)(16) and 94897(p) specifying  
21 whether the institution or any of its degree programs are accredited by an accrediting agency  
22 recognized by the United States Department of Education; whether a graduate of the degree  
23 program will be eligible to sit for the applicable licensure exam; whether a degree from the  
24 program or institution is not recognized for employment purposes; and, whether a student  
25 enrolled in the institution is not eligible for financial aid.

26 c. the statement required by Code section 94909(a)(10) reporting whether the institution  
27 participates in federal and state financial aid programs and all consumer information required to  
28 be disclosed to the student.

1 d. disclosure of the institution's policies and practices regarding any form of financial  
2 aid as required by title 5, CCR, 71810(b)(6), including all consumer information which the  
3 institution is required to disclose to the student under any state or federal financial aid program.

4 **SEVENTH CAUSE FOR DENIAL**

5 **(Minimum Educational Requirements to Award Undergraduate Degree)**

6 41. Respondent's application is subject to denial under title 5, CCR, sections 71100 and  
7 71850 in that the institution is offering Bachelor degrees that require completion of general  
8 education courses, which the institution does not offer. Respondent failed to clearly identify the  
9 appropriate type and level of general education courses by subject area, such as Social Sciences,  
10 Communication, Arts and Humanities, to ensure that prospective students have completed the  
11 appropriate coursework at another institution. Respondent also failed to specify the distribution  
12 of general credit requirements by subject area for each undergraduate degree program.

13 **PRAYER**

14 WHEREFORE, Complainant requests that a hearing be held on the matters herein alleged,  
15 and that following the hearing, the Director of the Department of Consumer Affairs issue a  
16 decision:

- 17 1. Denying the application of California Institute of Engineering, Paul Hoa Tran, Owner  
18 for an approval to operate a non-accredited institution; and,  
19 2. Taking such other and further action as deemed necessary and proper.

20  
21 DATED: 8/31/15

  
22 JOANNE WENZEL  
23 Chief  
24 Bureau for Private Postsecondary Education  
25 Department of Consumer Affairs  
26 State of California  
27 *Complainant*

28  
SD2015701026  
81112815.doc