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

12
13 In the Matter of the Accusation Against:

Case No. 1002741

14 **ALLIANCE SCHOOL OF TRUCKING**

15 **9410 Jordan Avenue**
Chatsworth, CA 91311

16 **Institution Code: 90919933**

17 **ACCUSATION**

18 Respondent.

19
20 **PARTIES**

21 1. Dr. Michael Marion, Jr. (“Complainant”) brings this Accusation solely in his official
22 capacity as the Chief of the Bureau for Private Postsecondary Education, Department of
23 Consumer Affairs.

24 2. On or about December 21, 2010, the Bureau for Private Postsecondary Education
25 (“Bureau”) issued Approval to Operate Number 90919933 to Alliance School of Trucking. The
26 Approval to Operate was in full force and effect at all times relevant to the charges brought herein
27 and will expire on August 16, 2020, unless renewed.

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JURISDICTION

3. This Accusation is brought before the Director of the Department of Consumer Affairs (“Director”) for the Bureau, under the authority of the following laws. All section references are to the Education Code unless otherwise indicated.

4. Business and Professions Code section 118, subdivision (b), provides that the suspension, expiration, surrender, or cancellation of a license shall not deprive the Bureau of jurisdiction to proceed with a disciplinary action during the period within which the license may be renewed, restored, reissued or reinstated.

5. Section 94875 provides that the Bureau shall regulate private postsecondary educational institutions.

6. Section 94877 states, in relevant part, that:

“(a) The bureau shall adopt and shall enforce regulations to implement this chapter pursuant to the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).

“(b) The bureau shall develop and implement an enforcement program, pursuant to Article 18 (commencing with Section 94932) to implement this chapter. . . .”

7. California Code of Regulations, title 5, section 75100 provides that the Bureau may suspend, revoke or place on probation with terms and conditions an approval to operate.

STATUTORY PROVISIONS

8. Section 94937 states in relevant part:

“(a) As a consequence of an investigation, which may incorporate any materials obtained or produced in connection with a compliance inspection, and upon a finding that an institution has committed a violation, the bureau may place an institution on probation or may suspend or revoke an institution's approval to operate for:

...

(2) A material violation or repeated violations of this chapter or regulations adopted pursuant to this chapter that have resulted in harm to students. For purposes of this paragraph, ‘material violation’ includes, but is not limited to, misrepresentation, fraud in the inducement of a

1 contract, and false or misleading claims or advertising, upon which a student reasonably relied in
2 executing an enrollment agreement and that resulted in harm to the student.”

3 ...

4 9. Section 94897 states in relevant part:

5 “An institution shall not do any of the following:

6 ...

7 (h) Pay any consideration to a person to induce that person to sign an enrollment agreement
8 for an educational program.

9 ...

10 (j) In any manner make an untrue or misleading change in, or untrue or misleading
11 statement related to, a test score, grade or record of grades, attendance record, record indicating
12 student completion, placement, employment, salaries, or financial information, including any of
13 the following:

14 ...

15 (3) Any other record or document required by this chapter or by the bureau.

16 ...

17 (k) Willfully falsify, destroy, or conceal any document of record while that document of
18 record is required to be maintained by this chapter.

19 ...

20 **REGULATORY PROVISIONS**

21 10. California Code of Regulations, title 5, section 75050, subdivision (b), states:

22 “Failure of an applicant or institution issued an approval to operate to abate the violation or
23 to pay the fine within the time allowed is a ground for denial or discipline of an approval to
24 operate.”

25 **COST RECOVERY**

26 11. Section 94937, subdivision (d), provides that the Bureau may seek reimbursement
27 costs of investigation and enforcement pursuant Business and Professions Code section 125.3.
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1 Reporting Forms to the Bureau for the 3rd and 4th quarters of 2016, the 4th quarter of 2017, and the
2 1st, 2nd, and 3rd quarters of 2018. Respondent was required to comply with the citation's Order of
3 Abatement by submitting all delinquent STRF Reporting Forms to the Bureau. Respondent was
4 also fined \$50, which Respondent was to pay within 30 days of service of the citation.

5 Respondent has not complied with the Order of Abatement and the fine remains unpaid.

6 16. On or about June 6, 2019, the Bureau issued Citation No. 1819209 to Respondent.

7 The citation was issued for the following violations:

8 i. Respondent failed to submit Annual Reports for 2016 and 2017 to the Bureau, along
9 with School Performance Facts Sheets ("SPFS"), Catalog, and Enrollment Agreements, and
10 financial statements for 2016, as well as financial statements for 2017;

11 ii. Respondent failed to pay the 2014 Annual Fee and the late penalty fee, the entirety of
12 the 2018 Annual Fee and the late penalty fee;

13 iii. Respondent's website failed to include a SPFS for each program offered, student
14 brochures, and the most recent Annual Report;

15 iv. Respondent failed to have the duties, responsibilities, and performance evaluation
16 criteria for each administrator set forth in a personnel manual or other writing;

17 v. Respondent failed to maintain a current cancellation and withdrawal log;

18 vi. Respondent's student files did not contain copies of documentation proving high
19 school completion or the equivalent and transcripts for Respondent's programs;

20 vii. During a compliance inspection, Respondent failed to make documentation available
21 to the Bureau, including the Annual Report, financial records, student rosters, and STRF
22 documentation.

23 17. Pursuant to Citation No. 1819209, the Bureau ordered Respondent to comply with the
24 Orders for Abatement for each violation, which included the following:

- 25 • Submit the 2016 Annual Report and School Performance Facts Sheets, Catalog,
26 Enrollment Agreement, 2016 financial statements, 2017 Annual Report, and 2017
27 financial statements;

28

- 1 • Submit the remaining \$1,742 balance for the 2018 Annual Fee, as well as late
2 payment fees for 2014 and 2018
- 3 • Update Respondent’s website and submit proof of compliance to the Bureau,
4 including a School Performance Fact Sheet for every program offered by
5 Respondent, a school catalog, and the most recent Annual Report;
- 6 • Submit documentation outlining the duties, responsibilities, and performance
7 evaluation criteria for the Chief Academic Officer, Chief Operating Officer, and
8 Chief Executive Officer;
- 9 • Submit a copy of the monthly cancellation and withdrawal log template and a
10 written declaration of compliance as to withdrawals and refunds regulations;
- 11 • Submit a policy and procedure of how Respondent will comply with student
12 records regulations;
- 13 • Submit a policy and procedure of how Respondent will ensure all records that
14 Respondent is required to maintain will be made readily available to the Bureau
15 upon request.

16 18. Pursuant to Citation No. 1819209, Respondent was required to pay a fine of \$11,000
17 to the Bureau within 30 days of service of the citation. Respondent failed to pay the fine or
18 comply with the Orders of Abatement.

19 **FIRST CAUSE FOR DISCIPLINE**

20 **(Prohibited Business Practices)**

21 19. Respondent is subject to disciplinary action under section 94897, subdivisions (h),
22 (j)(3), and (k), in that Respondent’s scheme to defraud the VA involved the payment of
23 consideration to veterans to induce them to sign enrollment agreements for Respondent’s
24 programs. Moreover, Respondent created and submitted fraudulent enrollment certifications and
25 other documents, which Respondent submitted to the VA for payment. Complainant refers to and
26 by this reference incorporates paragraphs 13 through 18 as though set forth in full.

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1 **SECOND CAUSE FOR DISCIPLINE**

2 **(Material Violations Causing Harm to Students)**

3 20. Respondent is subject to disciplinary action under section 94937, subdivision
4 (a)(2), in that Respondent’s scheme to obtain money from the VA by means of materially false
5 and fraudulent representations regarding student enrollment and attendance resulted in harm to
6 students in that Respondent’s students did not receive the training and education for which the
7 VA paid over \$4.3 million. Furthermore, Respondent’s fraud scheme compromised the system
8 designed to help veterans after they complete their service. Complainant refers to and by this
9 reference incorporates paragraphs 13 through 18 as though set forth in full.

10 **THIRD CAUSE FOR DISCIPLINE**

11 **(Failure to Pay Fines and Abate Violations)**

12 21. Respondent is subject to disciplinary action under California Code of
13 Regulations, title 5, section 75050, subdivision (b), in that Respondent failed to pay \$11,050 in
14 fines that the Bureau assessed in conjunction with the issuances of Citation Nos. 1819061 and
15 1819209. Respondent likewise failed to comply with the Orders of Abatement set forth in the
16 two citations. Complainant refers to and by this reference incorporates paragraphs 13 through 18
17 as though set forth in full.

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PRAYER

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

1. Revoking or suspending Approval to Operate Number 90919933, issued to Respondent;

2. Ordering Respondent to pay the Bureau for Private Postsecondary Education the reasonable costs of the investigation and enforcement of this case, pursuant to Business and Professions Code section 125.3; and,

3. Taking such other and further action as deemed necessary and proper.

DATED: "2/4/2020" _____

"Original signature on file" _____

DR. MICHAEL MARION, JR.
Bureau Chief
Bureau for Private Postsecondary
Education
Department of Consumer Affairs
State of California
Complainant

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