



APPEAL OF CITATION INFORMAL CONFERENCE
DECISION: CITATION MODIFIED

September 19, 2022

Federico College, Inc., Owner
 Federico College, Inc.
 3117 W. Shaw Ave. St
 108 Fresno, CA 93704

Date of Issuance	Citation Number	Institution Code
September 19, 2022	2122141	1000431

On August 17, 2022, an informal telephone conference was held in the matter of Citation: Assessment of Fine and Order of Abatement No. 2122141 (Citation) against Federico College, Inc., Owner of Federico College, Inc. (Institution). In attendance were Ebony Santee, Licensing Chief, Suzanne Federico, Owner/Director, and Linda Federico, Education Consultant.

Pursuant to Business and Professions Code, section 125.9; California Education Code, section 94936; and Title 5 of the California Code of Regulations, section 75020 and section 75040, the Bureau for Private Postsecondary Education (Bureau) renders the following decision relative to your appeal of the Citation No. 2122141.

It is the decision of the Licensing Chief that on September 3, 2022, Citation No. 2122141 is modified and makes the following change(s):

VIOLATION CODE SECTIONS

#	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> CEC Section 94935(b)(h) – Notice to Comply <i>“(b) An institution that receives a notice to comply shall have no more than 30 days from the date of inspection to remedy the noncompliance.</i> <i>(h) If an institution fails to comply with a notice to comply within the prescribed time, the bureau shall take appropriate administrative enforcement action.”</i></p> <p>The Institution failed to comply with the NTC within the prescribed time of 30 days. The institution was unable to submit proof of compliance with the following laws and regulation:</p> <ul style="list-style-type: none"> • 5, CCR Section 71810(a) Website <p><u>Order of Abatement:</u> The Institution shall submit proof of compliance with the violation listed above, which was cited in</p>

	<p>the NTC.</p> <p><u>Assessment of Fine</u> The fine for this violation is \$501.00.</p>
2.	<p><u>Violation:</u> 5, CCR Section 74112(m)(3)(4)(5)(6)(7)(8)(9) - Uniform Data - Annual Report, Performance Fact Sheet</p> <p><i>“(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:</i></p> <p><i>(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;</i></p> <p><i>(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;</i></p> <p><i>(5) for students who become self-employed, all documentation necessary to demonstrate self-employment;</i></p> <p><i>(6) a description of all attempts to contact each student. or employer;</i></p> <p><i>(7) any and all documentation used to provide data regarding license examinations and examination results;</i></p> <p><i>(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</i></p> <p><i>(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.”</i></p> <p>During the inspection, Bureau staff reviewed the supporting documentation to substantiate the data reported on the 2018-2019 SPFS and found that the following information was missing:</p> <ul style="list-style-type: none"> • (m)(3) Graduate’s position, date employment ended, and the date employment was verified; • (m)(4) Employer’s address and general phone number, the contact person at the employer and the contact’s phone number and email address; • (m)(5) Documentation necessary to demonstrate self-employment; • (m)(6) A description of all attempts to contact each student, or employer; • (m)(7) Any and all documentation used to provide data regarding license examinations and examination results; • (m)(8) Any and all documentation for students 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; • (m)(9) Position and title of the Institution’s representative who was primarily responsible for obtaining the data, in addition to date information was gathered, and copies of notes, letters or emails through which the information was requested and gathered.

Order of Abatement:

The Bureau orders the Institution to submit the missing documentation (as noted above) to substantiate the data reported on the 2018-2019 SPFS. In addition, the Bureau orders the Institution to submit a written policy, or procedure, of how future compliance will be maintained in accordance with 5, CCR Section 74112.

Assessment of Fine

The fine for this violation is \$5,000.00

Reason for modification: New substantive facts were presented at the conference.

The administrative fine for this violation has been modified from \$5,000.00 to \$1,500.00

3.

Violation:

CEC Section 94885(a)(6) and (9)- Minimum Operating Standards

“(a) The bureau shall adopt by regulation minimum operating standards for an institution that shall reasonably ensure that all of the following occur: [...]

(6) The institution is financially sound and capable of fulfilling its commitments to students. [...]

(9) The institution is maintained and operated in compliance with this chapter and all other applicable ordinances and laws.”

5, CCR Section 71745(a)(6)- Financial Resources.

“(a) The institution shall document that it has at all times sufficient assets and financial resources to do all of the following: [...]

(6) Maintain a ratio of current assets to current liabilities of 1.25 to 1.00 or greater at the end of the most recent fiscal year when using generally accepted accounting principles, or for an institution participating in Title IV of the federal Higher Education Act of 1965, meet the composite score requirements of the U.S. Department of Education. For the purposes of this section, current assets does not include: intangible assets, including goodwill, going concern value, organization expense, startup costs, long-term prepayment of deferred charges, and non-returnable deposits, or state or federal grant or loan funds that are not the property of the institution but are held for future disbursement for the benefit of students. Unearned tuition shall be accounted for in accordance with general accepted accounting principles.”

For the reasons stated above, the institution is in violation of these sections of law.

Order of Abatement:

The Bureau orders the institution to:

1. Submit a detailed plan to address its financial shortfalls and to meet the ratio of current assets to current liabilities of 1.25 to 1.00 or greater at the end of the most recent fiscal year in accordance with 5, CCR 71745(a)(6).
2. In addition, please provide an explanation of all measures to be taken by the Institution to ensure it meets future financial responsibilities.
3. Please provide the Bureau with, in electronic format:
 - a) a roster of all currently enrolled students that includes the student (1) names, (2) addresses, (3) telephone numbers, (4) email addresses, (5) program in which they are enrolled, (6) date of enrollment, (7) total cost of the program and (8) the total amount the student has paid.

Assessment of Fine

The fine for this violation is \$00.00

4.

Violation:

5, CCR Section 76130 (a-e)- Collection and Submission of Assessments

“(a) A qualifying institution shall collect the assessment from each student in an educational program at the time it collects the first payment from or on behalf of the student at or after enrollment. The assessment shall be collected for the entire period of enrollment, regardless of whether the student pays the institutional charges in increments.

(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:

(1) April 30 for the first quarter,

(2) July 31 for the second quarter,

(3) October 31 for the third quarter, and

(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.

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.

(c) The STRF Assessment Reporting Form shall contain the following information:

(1) Total number of students who signed enrollment agreements for educational programs during the reporting period; and

(2) Total number of students eligible for STRF who signed enrollment agreements for educational programs during the reporting period; and

(3) The total number of students who signed their enrollment agreement during the reporting period, were eligible for STRF, and who made their first payment during the reporting period; and

(4) The total number of students who signed their enrollment agreement in a previous reporting period, were eligible for STRF, and who made their first payment during the current reporting period; and

(5) Total amount of institutional charges after rounding each student's institutional charges to the nearest \$1,000, for all eligible STRF students whose STRF assessment was collected in the reporting period; and

(6) Current contact telephone number of the person preparing the form; and

(7) A declaration dated and signed under penalty of perjury by the person preparing the form that the form and any attachments are true and correct.

(d) In the event of a school closure, any collected assessments shall be remitted to the Bureau within seven days following the cessation of instruction.

(e) Submission of all prior reports and assessments required by this section is a condition of renewal.”

The Institution has failed to submit STRF Assessment Reporting Forms for the following quarters:

- **Fourth Quarter of 2021; and**
- **First Quarter of 2022**

On December 22, 2021, the Institution was notified via mail at 5660 North Blackstone Avenue, Fresno, CA 93710, that the STRF Assessment Reporting Form for the 4th quarter of 2021 was due.

On March 10, 2022, was notified via mail at 3117 W. Shaw Ave. St. 108, Fresno CA 93704, that the STRF Assessment Reporting Form for the 4th quarter of 2021 was due. As of May 26, 2022, the Bureau has not received the STRF Assessment Reporting Form from the Institution.

On March 24, 2022, the Institution was notified via mail at 3117 W. Shaw Ave. St. 108, Fresno CA 93704, that the STRF Assessment Reporting Form for the 1st quarter of 2022 was due. As of May 26, 2022, the Bureau has not received the STRF Assessment Reporting Form from the Institution.

Order of Abatement:

The Bureau orders that the Institution submit the delinquent STRF Assessment Reporting Forms with the STRF Assessments collected from students for the quarter listed above. The information provided shall comply with "Record Keeping Requirements" Pursuant to 5, CCR section 76140.

Reason for modification: New substantive facts were presented at the conference. The Order of Abatement has been satisfied.

Assessment of Fine

The fine for this violation is \$50.00

TOTAL MODIFIED ADMINISTRATIVE FINE DUE: \$2,051.00

ORDER OF ABATEMENT

The Bureau orders that you comply with the orders described in the 'Violation Code Sections' of this document and submit evidence of compliance within 30 days from the date of this decision.

PENALTY – ASSESSMENT OF A FINE

Payment of the administrative fine is due within 30 days from the date of this decision. Please complete the Payment of Fine form. Payment must be made to the Bureau by check, or money order. Please include the citation number on the payment of the fine assessment. Payment of the administrative fine shall not constitute an admission of the violation(s) charged and shall be represented as satisfactory resolution of the matter for purposes of public disclosure. Payments may be mailed to:

Cheryl Lardizabal, Discipline Citation Program
Bureau for Private Postsecondary Education
1747 N. Market Blvd., Suite 225
Sacramento, CA 95834

APPEAL OF CITATION

You *do not* have the right to request another Informal Conference to appeal this modified Citation. If you did not initially request an Administrative Hearing within 30 days from when the original citation was issued, you can no longer request one.

EFFECTIVE DATE OF CITATION AND FINE ASSESSMENT

This modified Citation is effective on **September 19, 2022**. The Order of Abatement and payment are due by **October 19, 2022**.

Failure to abate the violation or to pay the administrative fine within the time allowed is grounds for denial of an application for an approval to operate or discipline. The Bureau will promptly take all

appropriate action to enforce the Modified 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 decision or desire further information, please contact Cheryl Lardizabal, Citation Analyst, at (916) 574-7427 or at Cheryl.Lardizabal@dca.ca.gov.

“Original Signature on File”

“9/19/2022”

Christina Villanueva
Discipline Manager

Date

Enclosures

- Payment of Fine – Waiver of Appeal Rights
- Declaration of Service by Certified and First-Class Mail