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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. 999341

13
14 **THE AMERICAN UNIVERSITY FOR**
SCIENCE AND TECHNOLOGY;
15 **MOHAMED ABDULWAHAB, Ph.D.,**
Owner
16

STATEMENT OF ISSUES

17 **Approval to Operate an Institution Non-**
Accredited Applicant
18

Respondent.
19

20
21 Complainant alleges:

22 **PARTIES**

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

26 2. On or about August 2, 2010, the Bureau for Private Postsecondary Education received
27 an application for an Approval to Operate an Institution Non-Accredited from The American
28 University for Science and Technology (Respondent). On or about July 26, 2010, Mohamed

1 Abdulwahab, Ph.D. certified under penalty of perjury to the truthfulness of all statements,
2 answers, and representations in the application. The Bureau denied the application on October
3 25, 2013.

4 JURISDICTION

5 3. The former Bureau for Private Postsecondary and Vocational Education sunsetted on
6 July 1, 2007. On October 11, 2009, the Bureau for Private Postsecondary Education Act of 2009
7 (SB 48 and hereinafter, "the Act") was signed into law. The Act, which became operative on
8 January 1, 2010, established the Bureau for Private Postsecondary Education (hereinafter
9 "Bureau").

10 4. Education Code Section 94886 states:

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

16 5. Education Code Section 94887 states:

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

23 STATUTORY AND REGULATORY PROVISIONS

24 6. Title 5, CCR, section 71100 states:

25 (a) An applicant seeking approval to operate pursuant to Section 94886 of the
26 Code, other than Approval to Operate by Accreditation pursuant to Section
27 94890(a)(1) of the Code, shall complete the "Application for Approval to
28 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.

1 7. Education Code section 94828 defines “Curriculum” as “... an organized set of
2 courses or modules of instruction that are prerequisites to the award of a degree or diploma.”

3 8. Education Code section 94837 states:

4 ‘Educational program’ means a planned sequence composed of a single course
5 or module, or set of related courses or modules, that provides the education,
6 training, skills, and experience leading to the award of a recognized educational
7 credential such as a degree or diploma.

8 9. Education Code Section 94900 states:

9 (a) An institution shall maintain records of the name, address, e-mail address,
10 and telephone number of each student who is enrolled in an educational
11 program in that institution.

12 (b) An institution shall maintain, for each student granted a degree or certificate
13 by that institution, permanent records of all of the following:

- 14 (1) The degree or certificate granted and the date on which that degree or
15 certificate was granted.
- 16 (2) The courses and units on which the certificate or degree was based.
- 17 (3) The grades earned by the student in each of those courses.

18 10. Education Code Section 94900.5 states:

19 An institution shall maintain, for a period of not less than five years, at its
20 principal place of business in this state, complete and accurate records of all of
21 the following information:

- 22 (a) The educational programs offered by the institution and the curriculum for
23 each.
- 24 (b) The names and addresses of the members of the institution's faculty and
25 records of the educational qualifications of each member of the faculty.
- 26 (c) Any other records required to be maintained by this chapter, including, but
27 not limited to, records maintained pursuant to Article 16 (commencing with
28 Section 94928).

 11. Education Code Section 94909 states:

 (a) Prior to enrollment, an institution shall provide a prospective student, either
in writing or electronically, with a school catalog containing, at a minimum, all
of the following:

1 (5) A description of the programs offered and a description of the
2 instruction provided in each of the courses offered by the institution, the
3 requirements for completion of each program, including required courses, any
4 final tests or examinations, any required internships or externships, and the total
5 number of credit hours, clock hours, or other increments required for
6 completion.

7

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

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

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

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

22 . . .

23 12. Title 5, CCR, section 71700 states:

24 The Bureau may request that an institution document compliance with the
25 standards set forth in the Act and this Division to obtain and maintain an
26 approval to operate.

27 13. Title 5, CCR, section 71710 states:

28 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;

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- (4) sequence and frequency of lessons or class sessions;
 - (5) complete citations of textbooks and other required written materials;
 - (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;
 - (7) instructional mode or methods.
- (d) if degree granting, require research of an appropriate degree that utilizes a library and other learning resources;
- (e) specific learning outcomes tied to the sequence of the presentation of the material to measure the students' learning of the material; and
- (f) evaluation by duly qualified faculty of those learning outcomes.

14. Title 5, CCR, section 71715 states in part:

...

(d) Distance education as defined in section 94834 of the Code, does not require the physical presence of students and faculty at the same location but provides for interaction between students and faculty by such means as 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:

- (1) ensure that the educational program offered through distance education is appropriate for delivery through distance education methods;
- (2) assess each student, prior to admission, in order to determine whether each student has the skills and competencies to succeed in a distance education environment;
- (3) ensure that the materials and programs are current, well organized, designed by faculty competent in distance education techniques and delivered using readily available, reliable technology;
- (4) provide for meaningful interaction with faculty who are qualified to teach using distance education methods;
- (5) maintain clear standards for satisfactory academic progress;
- (6) timely complete student evaluations of learning outcomes by duly qualified faculty, which are appropriate for use with the distance education methods used, and evaluated by duly qualified faculty.
- (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 student within 10 days after the lesson is received by the institution; and (B) the institution's response to, or evaluation of, each student project or dissertation is returned to the student within the time disclosed in the catalog; and

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

3 15. Title 5, CCR, section 71720 states:

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

5 (1) An institution offering an educational program that leads to a degree
6 shall employ duly qualified faculty sufficient in number to provide the
7 instruction, student advisement, and learning outcomes evaluation necessary for
8 the institution to document its achievement of its stated mission and objectives,
9 and for students to achieve the specific learning objectives of each course
10 offered;

11

12 (4) The faculty shall have sufficient expertise to support the institution's
13 awarding of a degree identifying a specialty or major field of emphasis,
14 demonstrated by, at a minimum:

15 (A) That the person possesses one of the following:

16

17 (9) The institution shall maintain records documenting that each faculty
18 member is duly qualified and was qualified to perform the duties to which the
19 faculty member was assigned, including providing instruction, evaluating
20 learning outcomes, evaluating graduate dissertations, theses, and student
21 projects, and participating on doctoral committees.

22 . . .

23 16. Title 5, CCR, section 71730 states in part:

24 (a) Each institution shall have a chief executive officer, a chief operating officer
25 and chief academic officer. One person may serve more than one function.

26

27 (e) The chief academic officer shall possess a degree or equivalent acceptable
28 experience at least equal to the highest qualifications required of the
institution's faculty. Chief academic officers employed on the date of
implementation of these regulations, who do not meet the qualifications for
their positions, shall have three years to earn the necessary degrees or
experience to qualify them for their position.

(f) The institution shall employ administrative personnel who have the expertise
to ensure the achievement of the institution's mission and objectives and the
operation of the educational programs.

. . .

1 17. Title 5, CCR, section 71735 states in part:

2 (a) An institution shall have sufficient facilities and necessary equipment to
3 support the achievement of the educational objectives of all of the courses and
4 educational programs in which students are enrolled. If an institution represents
5 that the educational service will fit or prepare a student for employment in a
6 particular occupation or as described in particular job titles, either of the
7 following conditions shall be met:

8

9 18. Title 5, CCR, section 71745 states:

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

12 . . .

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

24 . . .

25 (c) An institution shall provide to the Bureau its most current financial
26 statements upon request.

27 19. Title 5, CCR, section 71760 states:

28 Each institution shall develop and maintain adequate procedures used by the
institution to assure that it is maintained and operated in compliance with the
Act and this Division.

20 20. Title 5, CCR, section 71770 states in part:

21 (a) The institution shall establish specific written standards for student
22 admissions for each educational program. These standards shall be related to
23 the particular educational program. An institution shall not admit any student
24 who is obviously unqualified or who does not appear to have a reasonable
25 prospect of completing the program. In addition to any specific standards for an
26 educational program, the admissions standards must specify as applicable that:

27 (1) Each student admitted to an undergraduate degree program, or a
28 diploma program, shall possess a high school diploma or its equivalent, or
otherwise successfully take and pass the relevant examination as required by
section 94904 of the Code.

1 (2) Each student admitted into a post-baccalaureate degree program shall
2 possess a bachelor's degree or its equivalent. If a graduate program leads to a
3 profession or an occupation requiring state licensure and the licensing agency
4 does not require that a member of the profession or occupation possess a
5 Bachelor's degree or its equivalent, this subdivision does not apply.

6 ...

7 21. Title 5, CCR, section 71810 states:

8 (a) Each institution shall provide a catalog pursuant to section 94909 of the
9 Code, which shall be updated annually. Annual updates may be made by the
10 use of supplements or inserts accompanying the catalog. If changes in
11 educational programs, educational services, procedures, or policies required to
12 be included in the catalog by statute or regulation are implemented before the
13 issuance of the annually updated catalog, those changes shall be reflected at the
14 time they are made in supplements or inserts accompanying the catalog.

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

17

18 22. Title 5, CCR, section 71850, states in part:

19 Graduation requirements for an undergraduate degree program shall meet
20 minimum credit requirements and shall include provisions for general education
21 appropriate to the level and type of degree. The institution shall specify the
22 distribution of general education credit requirements by subject area for each
23 undergraduate degree program.

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

...
21

22 23. Title 5, CCR, section 71865 states in part:

23 (a) A Master's degree may only be awarded to a student who
24 demonstrates at least the achievement of learning in a designated major field
25 that is equivalent in depth to that normally acquired in a minimum of 30
26 semester credits or its equivalent or one year of study beyond the Bachelor's
27 degree.

28

(c)(1) A Doctor of Philosophy degree (Ph.D.) is a research-oriented
degree requiring a minimum of three years of full-time graduate education or
the equivalent in part-time study. Such a doctoral program shall include

1 substantial instruction in both theory and research at an advanced level in a
2 designated field and specialty, and may only be awarded to a student who has
3 completed a program of study that includes research methodology and
4 demonstrated learning achievement through original research directly
5 attributable to the student. Each educational program leading to a Doctor of
6 Philosophy degree shall involve preparation for scholarship and systematic
7 inquiry.

8 (2)(A) Each Doctor of Philosophy program shall include a minimum of
9 two formal evaluations of the student by a doctoral committee. The doctoral
10 committee shall be composed of at least three members of the institution's own
11 faculty who meet the qualifications in subdivision (c)(3).

12 (B) The first evaluation shall consider the student's qualifications,
13 including the student's knowledge, skills, and conceptual framework, for
14 undertaking rigorous inquiry into the student's designated field.

15 (C) The second evaluation shall consider the design procedures and
16 products of a formal original inquiry proposed and completed by the student.

17 (3) The faculty members who serve on each student's doctoral
18 examining committee shall meet the following qualifications:

19 (A) Each member shall have earned a Doctoral degree from: an
20 institution that is approved by the Bureau or previously approved by a
21 predecessor agency of the Bureau; or an accredited institution in the United
22 States or Canada; or other state approved institution that documents that the
23 institution at which the faculty member earned his or her degree is equivalent to
24 an institution that is approved by the Bureau; or an institution outside the
25 United States or Canada and in addition provides a comprehensive evaluation
26 of the degree performed by a foreign credential evaluation service that is a
27 member of the National Association of Credential Evaluation Services
28 (NACES).

(B) The chair and the majority of the committee shall have earned
degrees related to the student's field of investigation.

(C) A minimum of 50% of the faculty on the committee shall have
degrees conferred by an institution accredited by an accrediting association
recognized by the United States Department of Education or the American Bar
Association, unless the accreditation does not exist.

(D) All of the faculty shall have three or more years of field or research
experience related to their degrees obtained after they obtained their degrees.

(E) All of the faculty shall have been active in their field of scholarship
or profession during the five year period preceding their participation on the
committee.

(4) The formal evaluation procedures shall provide the committee as a
whole with the opportunity to jointly examine the candidate.

(5) If the candidate is not physically present and the evaluation must
take place by telephone or other means of electronic communication, one of the
following shall apply:

1 (A) One faculty member on the student's doctoral committee from the
2 main location (i.e., the state in which the program is licensed or otherwise
officially approved) must be present at the location where the doctoral student
is examined.

3 (B) A proctor, selected and approved by the doctoral committee, shall
4 sit as an observer with the student at the distant location and verify, under
5 penalty of perjury under the laws of the State of California, the identity of the
student and the facts that the student received no prompting by anyone and did
not have access to unallowed materials during the evaluation process.

6 (6) If a project includes more than one student, the individual student's
7 role and contributions shall be clearly identified and documented.

8 (7) The institution shall maintain a written record of the evaluations.
9 This record shall include the names and signatures of all committee members
who participated in the evaluations.

10 ...

11 24. Title 5, CCR, section 71920 states:

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

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

15 (1) Written records and transcripts of any formal education or training,
16 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
17 transfer credits including the following:

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

20 (B) Records documenting units of credit earned at other
institutions that have been accepted and applied by the institution as
21 transfer credits toward the student's completion of an educational
program;

22 (C) Grades or findings from any examination of academic ability
or educational achievement used for admission or college placement
23 purposes;

24 (D) All of the documents evidencing a student's prior experiential
learning upon which the institution and the faculty base the award of any
25 credit;

26 (2) Personal information regarding a student's age, gender, and ethnicity
if that information has been voluntarily supplied by the student;

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

///

1 (4) Records of the dates of enrollment and, if applicable, withdrawal
2 from the institution, leaves of absence, and graduation; and

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

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

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

10 (C) Credit for courses earned at other institutions;

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

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

16 (6) For independent study courses, course outlines or learning contracts
17 signed by the faculty and administrators who approved the course;

18 (7) The dissertations, theses, and other student projects submitted by
19 graduate students;

20 (8) A copy of documents relating to student financial aid that are
21 required to be maintained by law or by a loan guarantee agency;

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

24 (10) A document specifying the amount of a refund, including the
25 amount refunded for tuition and the amount for other itemized charges, the
26 method of calculating the refund, the date the refund was made, and the name
27 and address of the person or entity to which the refund was sent;

28 (11) Copies of any official advisory notices or warnings regarding the
student's progress; and

(12) Complaints received from the student.

25. Title 5, CCR, section 71930 states:

....

(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. ...

1 **FACTS**

2 26. On August 2, 2010, the Bureau received an Application for Approval to Operate a
3 Non-accredited Institution (Application No. 22705) from Mohamed Abdulwahab, owner of The
4 American University for Science and Technology (Respondent).

5 27. On November 17, 2010, the Bureau received a request to add additional degree
6 programs in engineering to the application received on August 2, 2010.

7 28. On June 28, 2011, the Bureau sent Respondent a letter advising that the Bureau could
8 not grant Respondent an approval to operate because of deficiencies in the application, including
9 deficiencies pertaining to the institution's organization and management, faculty, enrollment
10 agreements, school catalog, library and other resources and the school performance fact sheet.
11 On July 25, 2011, the Bureau received Respondent's response to the deficiency letter.

12 29. On August 23, 2011, the Bureau sent Respondent another deficiency letter advising of
13 the deficiencies that remained with Respondent's application. On September 22, 2011, the
14 Bureau received Respondent's response to the deficiency letter. On November 15, 2011, the
15 Bureau received additional documentation in response to the August 23, 2011 deficiency letter.

16 30. On March 1, 2013, the Bureau gave Respondent notice of a site visit to be conducted
17 on April 3-4, 2013. The Bureau's letter to Respondent advised that an institution may be subject
18 to a site visit to verify an applicant's capacity to meet the minimum operating standards. Included
19 with the letter was the Visiting Committee Review Checklist, which requested that certain
20 documents be made available for the site visit, including but not limited to, the curriculum for all
21 educational programs; and the resumes/curricula vitae for all curriculum developers; all student
22 records; and, all institution policies and procedures.

23 31. On April 3-4, 2013, a site visit was conducted by the Bureau pursuant to Education
24 Code section 94882. The Visiting Committee consisted of seven Bureau staff and three expert
25 consultants and assessed Respondent's ability to comply with the Act and the stated objective of the
26 each educational program sought to be offered. The institution planned to offer direct instruction
27 and at the time of the site visit, was offering distance education programs.

28

1 32. Following the site visits on April 3-4, 2013, the Visiting Committee (hereinafter
2 “VC”) recommended that Respondent’s Application for an Approval to Operate an Institution –
3 Non-Accredited. On August 29, 2013, the Visiting Committee Report was sent to Respondent.
4 On September 16, 2013, the Bureau received Respondent’s response to the Visiting Committee
5 Report.

6 33. The Bureau denied Respondent’s Application for Approval to Operate a Non-
7 Accredited Institution and sent Respondent a “Notice of Denial” on October 25, 2013.

8 **FIRST CAUSE FOR DENIAL OF APPLICATION**

9 **(Insufficient Documentation to Support Qualifications of Officers)**

10 34. Respondent’s application is subject to denial under Education Code section 94887
11 and title 5, CCR, sections 71100 and 71700, in conjunction with title 5, CCR, section
12 71720(a)(4)(A)(9), section 71730, subdivision (e) and (f) in that Respondent lacked the proper
13 documentation to support the experience and qualifications of Respondent’s Chief Academic
14 Officer (“CAO”) and Chief Operating Officer (“COO”). The circumstances are as follows:

15 35. During the site visit, Respondent provided the VC with the curricula vitae of the CAO
16 and COO. However, when the VC requested to inspect the personnel files of the CAO and COO
17 for specific documents, such as transcripts, copies of degrees, contracts with Respondent,
18 Respondent was unable to provide the documents requested. Respondent is required to have
19 documentation supporting the curriculum vitae of personnel and any contracts between personnel
20 and Respondent readily available for inspection by the Bureau. The curricula vitae provided in
21 support of the qualifications of the CAO and COO were insufficient to support the qualifications
22 and experience for the hiring of these officers.

23 **SECOND CAUSE FOR DENIAL OF APPLICATION**

24 **(Failure to Have a Curriculum for Educational Programs)**

25 36. Respondent’s application is subject to denial under Education Code section 94887
26 and title 5, CCR, sections 71100 and 71700, in conjunction with Code section 94900.5 and title 5,
27 CCR, section 71710, in that Respondent did not have a curriculum developed for any of
28 Respondent’s educational programs. The circumstances are as follows.

1 37. In order for Respondent to meet its mission and objectives, the educational programs
2 offered by Respondent shall be a comprised of a curriculum whose contents are specified in title
3 5, CCR, section 71710. In place of a curriculum or syllabus, Respondent identified a program
4 manager’s selected textbook via title, author and ISBN number, as the outline for each subject.
5 Respondent used the textbook’s Table of Contents as the syllabus. However, this method is
6 insufficient and does not comply with regulations.

7 **THIRD CAUSE FOR DENIAL OF APPLICATION**

8 **(Failure to Meet Requirements for Distance Education)**

9 38. Respondent’s application is subject to denial under Education Code section 94887
10 and title 5, CCR, sections 71100 and 71700, in conjunction with title 5, CCR, section 71715,
11 subdivision (d), for failure to show that Respondent could meet the minimum operating standards
12 for distance education. The circumstances are as follows.

13 39. Respondent was unable to provide curriculum for the VC’s review, therefore the VC
14 was unable to determine if the instruction offered leads to the learning objective of each course.
15 The VC attempted to review student records for compliance, however, the student records did not
16 contain a record of student work, final projects, thesis or dissertations. Student files also did not
17 contain the pre-admission assessment to determine whether each student had the skills and
18 competencies to succeed in a distance education environment. Respondent did not establish that
19 it contracted with sufficient, duly qualified faculty to create the courses, instruct the students
20 and/or evaluate student work as noted in the Fifth Cause for Denial of Application below.

21 **FOURTH CAUSE FOR DENIAL OF APPLICATION**

22 **(Failure to Maintain the Required Current Assets to Liabilities Ratio)**

23 40. Respondent’s application is subject to denial under Education Code section 94887
24 and title 5, CCR, section 71100, in conjunction with title 5, CCR, section 71745 for failure to
25 document that it had sufficient assets and financial resources to maintain a ratio of current assets
26 to current liabilities of 1.25 to 1.00. The circumstances are as follows.

27 41. The audited financial statements provided by Respondent on July 15, 2010 for fiscal
28 year ending 2009 indicated a current assets to liabilities ratio of 1.26 to 1.0. Financial statements

1 provided by Respondent to the VC for fiscal year ending 2012 indicated a current assets to
2 liabilities ratio of 1.09 to 1.0.

3 **FIFTH CAUSE FOR DENIAL OF APPLICATION**

4 **(Insufficient Documentation to Support Qualifications of Faculty)**

5 42. Respondent's application is subject to denial under Education Code section 94887
6 and title 5, CCR, sections 71100 and 71700, in conjunction with Code section 94900.5(b) and
7 title 5, CCR, section 71720(a)(4)(A)(9), in that Respondent had insufficient documentation to
8 support that Respondent contracted with duly qualified faculty to deliver the requisite educational
9 programs either by direct instruction or distance education. The circumstances are as follows.

10 43. The faculty files obtained during the site visit consisted of one of the following: a
11 resume, curriculum vitae or a response to a Craigslist posting. The faculty files did not include
12 any contracts with the instructors, copies of degrees, course assignments, degree transcripts or
13 transcript evaluations from the National Association of Credential Evaluation Services.

14 44. Respondent adopted a Faculty Hiring Policy from another institution, which included
15 a policy on the content of personnel files. Respondent did not follow the policy it adopted.

16 **SIXTH CAUSE FOR DENIAL OF APPLICATION**

17 **(Failure to Have Institution Records Available for Bureau Inspection)**

18 45. Respondent's application is subject to denial under Education Code section 94887
19 and title 5, CCR, sections 71100 and 71700, in conjunction with title 5, CCR, section 71930, in
20 that Respondent failed to have the personnel files for its officers and faculty, consisting of
21 contracts, copies of degrees, and transcripts, available for the Bureau's inspection during the site
22 visit as set forth in the First and Fifth Causes for Denial above and incorporated by this reference
23 as though set forth in full.

24 **SEVENTH CAUSE FOR DENIAL OF APPLICATION**

25 **(Failure to Document Possession of Sufficient Facilities and Equipment)**

26 46. Respondent's application is subject to denial under Education Code section 94887
27 and title 5, CCR, section 71100, in conjunction with title 5, CCR, section 71735, in that
28

1 Respondent was unable to document that it had equipment and facilities to deliver its educational
2 programs to student. The circumstances are as follows.

3 47. The institution shared the second floor of an office building with other unrelated
4 businesses. The institution consisted of a small office and a conference room. There was no
5 physical library at the location. Respondent relied on affiliate schools for the delivery of its
6 distance education programs, however Respondent's contracts with the affiliate schools were
7 cancelled. Therefore, Respondent did not have the facilities and equipment to deliver its
8 educational programs to its students.

9 **EIGHTH CAUSE FOR DENIAL OF APPLICATION**

10 **(Inadequate Self-Monitoring Procedures to Ensure Compliance with the Act)**

11 48. Respondent's application is subject to denial under Education Code section 94887
12 and title 5, CCR, section 71100, in conjunction with title 5, CCR, section 71760 in that
13 Respondent did not have adequate Self-Monitoring Procedures to ensure compliance with the Act
14 and the Self-Monitoring Procedures that were in place were not being followed by Respondent.

15 **NINTH CAUSE FOR DENIAL OF APPLICATION**

16 **(Student Admissions and Transfer Policy)**

17 49. Respondent's application is subject to denial under Education Code section 94887
18 and title 5, CCR, sections 71100 and 71700, in conjunction with title 5, CCR, section 71770 in
19 that student records obtained from the site visit were inadequate to assess the students'
20 qualifications for admissions or the granting of transfer credit to the institution. The
21 circumstances are as follows.

22 50. Respondent's policy for international transcripts was that "...official documents of all
23 coursework must be sent directly to [Respondent] from the awarding institution. If the transcripts
24 are in a foreign language, an English translation is also required. Foreign credentials are required
25 to be evaluated by a recognized independent agency."

26 51. A review of student records revealed the following deficiencies and demonstrated that
27 Respondent was not following its own policy:

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- 1 a. Student ID #: ----366: student information was in a foreign language with no
2 English translation; no transcripts were provided;
- 3 b. Student ID #: ----491: transferred credits were not evaluated properly; there was no
4 copy of a high school diploma or equivalent in the student file;
- 5 c. Student ID #: ----539: no degrees or transcripts were in the student file;
- 6 d. Student ID #: ----375: transcripts were in a foreign language with no English
7 translation as required by Respondent's policy for international transcripts, no proper evaluation
8 of transcripts;
- 9 e. Student ID #: ----372: student file contained no information regarding admission or
10 transfer credits;
- 11 f. Student ID #: ----370: student file contained no information regarding admission or
12 transfer credits, Respondent issued student a high school diploma to this foreign student, then
13 enrolled the student into an undergraduate program;
- 14 g. Student ID #: ----379: student file contained no information regarding admission or
15 transfer credits, student file contained information in a foreign language with no English
16 translation as required by Respondent's policy for international transcripts;
- 17 h. Student ID #: ----351: transcripts were in a foreign language with no English
18 translation as required by Respondent's policy for international transcripts.

19 52. The student records reviewed by the VC did not show that transcripts were evaluated
20 by a recognized independent agency, usually a member of the National Association of Credential
21 Evaluation Services.

22 **TENTH CAUSE FOR DENIAL OF APPLICATION**

23 **(Deficiencies in School Catalog)**

24 53. Respondent's application is subject to denial under Education Code section 94887
25 and title 5, CCR, sections 71100 and 71700, in conjunction with Code section 94909 and title 5,
26 CCR, section 71810 in that Respondent's catalog failed to describe each course offered by the
27 institution and failed to update accreditation and program disclosure requirements that became
28 effective January 1, 2013.

1 **ELEVENTH CAUSE FOR DENIAL OF APPLICATION**

2 **(Failure to Meet Minimum Educational Requirements to Award an Undergraduate Degree)**

3 54. Respondent's application is subject to denial under Education Code section 94887
4 and title 5, CCR, sections 71100 and 71700, in conjunction with title 5, CCR, section 71850,
5 subdivision (a) in that Respondent could not document that it could meet the minimum
6 educational requirements to award an undergraduate degree. The circumstances are as follows.

7 55. A Bachelor's degree may be awarded to a student whom the institution can document
8 has achieved "sequential learning equivalent" in general education and "equivalent in depth of
9 achievement in a designated major field" to that acquired in four years of study beyond high
10 school as measured by a minimum of 120 semester credits, of which 25 percent of the credit
11 requirements for a Bachelor's degree shall be in general education.

12 56. While Respondent specified the correct number of credits to award an undergraduate
13 degree, in light the absence of a curriculum, syllabi and student transcripts in student files,
14 Respondent was unable to document that the courses it provided met the objectives of the
15 program.

16 **TWELFTH CAUSE FOR DENIAL OF APPLICATION**

17 **(Failure to Meet Minimum Educational Requirements to Award a Graduate Degree)**

18 57. Respondent's application is subject to denial under Education Code section 94887
19 and title 5, CCR, sections 71100 and 71700, in conjunction with title 5, CCR, section 71865,
20 subdivisions (a) and (c) and section 71720 in that Respondent could not document that it could
21 meet the minimum educational requirements to award a graduate degree. The circumstances are
22 as follows.

23 58. While Respondent specified the correct number of credits to award a graduate degree,
24 in light the absence of a curriculum, syllabi and student transcripts in student files, Respondent
25 was unable to document that the courses it provided met the objectives of the program.

26 59. In a review of 27 randomly selected student files, the VC identified deficiencies in
27 each of them. According to these student files, Respondent issued Doctor of Philosophy degrees
28 in Nutrition and Food Sciences; International Business; Sociology; Business Administration;

1 Education Technology, Management; Marketing; Accounting and Finance; Education,
2 Curriculum and Instruction; Clinical Psychology; and, Risk Management, among others.
3 However, the student files contained no documentation to show compliance with the requirements
4 of title 5, CCR, section 71865(c) nor did the student records identify the members of the doctoral
5 committee, in their field of study, who recommended the student for the degree.

6 60. Pursuant to title 5, CCR, section 71865(c)(2), each Doctor of Philosophy program
7 shall include a minimum of two formal evaluations of the student by a doctoral committee. The
8 doctoral committee shall be composed of at least three members of the institution's own faculty
9 who meet the requisite qualifications. Respondent was unable to provide documentation for the
10 committee members in their respective fields to conclude that the faculty members would be able
11 to meet the regulatory requirements.

12 **THIRTEENTH CAUSE FOR DENIAL OF APPLICATION**

13 **(Failure to Maintain Adequate Records)**

14 61. Respondent's application is subject to denial under Education Code section 94887
15 and title 5, CCR, sections 71100, 71700 and 71930, in conjunction with Code section 94900.5(b)
16 and title 5, CCR, sections 71920 and 71720(a)(4)(A)(9) in that student records and faculty
17 personnel files were missing the required information.

18 **PRAYER**

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

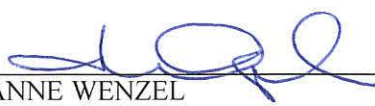
22 1. Denying the application of American University for Science and Technology for an
23 Approval to Operate an Institution Non-Accredited; and,

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

DATED: 11/14/14



JOANNE WENZEL
Chief
Bureau for Private Postsecondary Education
Department of Consumer Affairs
State of California
Complainant

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