

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

In the Matter of the First Amended Accusation)
Against:)

Case No. 1002039

ITT EDUCATIONAL SERVICES, INC.,)
DBA ITT TECHNICAL INSTITUTE)
13000 North Meridian St.)
Indianapolis, IN 46032)

**DEFAULT DECISION AND
ORDER**

Approval to Operate Accredited Institution)
School Code Numbers 44971351 (362 North)
Clovis Avenue, Clovis, CA 93612); 66733893-)
(1140 Galaxy Way, Suite 400, Concord, CA)
94520); 32243734 (4160 Temescal Canyon)
Road, Suite 100, Corona, CA 92883);)
3901451 (16916 S. Harlan Road, Lathrop,)
CA 95330); 91554400 (1200 Clay Street,)
Suite 200; Oakland, CA. 94612); 3004931)
(4000 Metropolitan Drive, Suite 100, Orange,)
CA 92868); 5601571 (2051 North Solar Drive,)
Oxnard, CA 93030); 3400531 (10863 Gold)
Center Drive, Rancho Cordova, CA 95670);)
3602131(670 East Carnegie Drive, San Bernardino,)
CA 92408); 3703911 (401 Mile of Cars Way,)
Suite 100, National City, CA 91950);)
1909091 (650 West Cienega Avenue, San Dimas,)
CA 91773); 1900961 (12669 Encinitas Avenue,)
Sylmar, CA 91342); 1916401 (2555 West 190th)
Street, Suite 125, Torrance, CA 90504);)
46576621 (19800 South Vermont Avenue,)
Torrance, CA 90502); 48441864 (440 South)
Melrose Drive, Suite 100, Vista, CA 92801))

[Gov. Code, § 11520]

Respondent.)

FINDINGS OF FACT

1. On or about August 30, 2016, Complainant Joanne Wenzel, in her official capacity as the Deputy Bureau Chief of the Bureau for Private Postsecondary Education, Department of Consumer Affairs, filed First Amended Accusation No. 1002039 against ITT Educational Services Inc. (Respondent) before the Director of Consumer Affairs. (Accusation attached as Exhibit A; First Amended Accusation attached as Exhibit B.)
2. The Bureau granted an approval to operate by means of accreditation to five ITT Technical Institute schools, Institution Code Numbers 44971351, 66733893, 32243734, 3901451, and 91554400; one ITT Technical Institute Orange school, Institution Code Number 3004931; one ITT Technical Institute Oxnard school, Institution Code Number 5601571; one ITT Technical Institute Rancho Cordova school, Institution Code Number 3400531; one ITT Technical Institute San Bernardino school, Institution Code Number 3602131; one ITT Technical Institute San Diego school, Institution Code Number 3703911; one ITT Technical Institute San Dimas school, Institution Code Number 1909091; one ITT Technical Institute Sylmar school, Institution Code Number 1900961; two ITT Technical Institute Torrance schools, Institution Code Numbers 1916401 and 46576621; and one ITT Technical Institute Vista school, Institution Code Number 48441864. Obtaining approval by means of accreditation requires that the schools' owner have accreditation through an accredited agency recognized by the United States Department of Education ("USDOE"). The schools listed above are owned by ITT Educational Services, Inc. ("Respondent"). The following table outlines the date of issuance and expiration for each institution:

Institution Code	Location	Approval Date	Expiration Date
1900961	Sylmar	10/1/82	12/31/12
1909091	San Dimas	2/1/82	12/31/12
1916401	Torrance	11/1/86	12/31/12
3004931	Orange	11/1/83	12/31/12
3400531	Rancho Cordova	11/1/78	
3602131	San Bernardino	10/8/86	12/31/12
3703911	San Diego	5/1/81	12/31/12
3901451	Lathrop	6/1/97	12/31/13
5601571	Oxnard	6/9/94	12/31/12
32243734	Corona	9/28/10 -	9/27/15
44971351	Clovis	6/11/06	5/31/14
46576621	Torrance	7/29/05	12/31/12
48441864	Vista	7/11/14	12/31/17
66733893	Concord	9/28/10	9/27/15
91554400	Oakland	9/28/10	9/27/15

3. On or about August 31, 2016, Respondent was served by Certified and First Class Mail copies of the Accusation No. 1002039, Statement to Respondent, Notice of Defense, Request for Discovery, and Discovery Statutes (Government Code sections 11507.5, 11507.6, and 11507.7) at Respondent's address of record which, pursuant to Business and Professions Code section 136 and California Code of Regulations, title 16, Section 1409.1, is required to be reported and maintained with the Bureau. Respondent's address of record was and is:

13000 North Meridian Street
Indianapolis, IN 46032

4. Service of the Accusation was effective as a matter of law under the provisions of Government Code section 11505, subdivision (c) and/or Business & Professions Code section 124.

5. On or about September 29, 2016, Respondent was served by Certified and First Class Mail copies of the First Amended Accusation No. 1002039.

6. Government Code section 11506(c) states, in pertinent part:

(c) The respondent shall be entitled to a hearing on the merits if the respondent files a notice of defense ... and the notice shall be deemed a specific denial of all parts of the accusation ... not expressly admitted. Failure to file a notice of defense ... shall constitute a waiver of respondent's right to a hearing, but the agency in its discretion may nevertheless grant a hearing.

7. Respondent failed to file a Notice of Defense within 15 days after service upon them of the Accusation and First Amended Accusation, and therefore waived their right to a hearing on the merits of Accusation No. 1002039 and First Amended Accusation No. 1002039.

8. California Government Code section 11520(a) states, in pertinent part:

(a) If the respondent either fails to file a notice of defense ... or to appear at the hearing, the agency may take action based upon the respondent's express admissions or upon other evidence and affidavits may be used as evidence without any notice to respondent ...

9. Pursuant to its authority under Government Code section 11520, the Director finds Respondent is in default. The Director will take action without further hearing and, based on the

First Amended Accusation No. 1002039 and the documents contain in Default Decision Evidence Packet in this matter, which includes:

Exhibit 1: Pleadings offered for jurisdictional purposes: Accusation No. 1002039, Statement to Respondent, Notice of Defense (two blank copies), Request for Discovery and Discovery Statutes (Government Code sections 11507.5, 11507.6 and 11507.7), proof of service; and if applicable, mail receipt or copy of returned mail envelopes; First Amended Accusation No. 1002039, Supplemental Statement to Respondent, Notice of Defense (two blank copies), Request for Discovery and Discovery Statutes (Government Code sections 11507.5, 11507.6 and 11507.7), proof of service; and if applicable, mail receipt or copy of returned mail envelopes;

Exhibit 2: License History Certification for ITT Educational Services Inc., School Codes: 44971351, 66733893, 32243734, 3901451, 91554400, 3004931, 5601571, 3400531, 3602131, 3703911, 1909091, 1900961, 1916401, 46576621, 48441864;

Exhibit 3: Certification of Costs: Declaration of Carter Ott in Case No. 1002039, dated December 5, 2016;

Exhibit 4: Certification of Costs of Investigation by Bureau for Private Postsecondary Education in Case No. 1002039, dated January 9, 2017;

Exhibit 5: Emergency Decision Packet (Notice of Emergency Decision, Emergency Decision, Declaration of Yvette Johnson and attached Exhibits), dated August 26, 2016.

Exhibit 6: Investigative Report by Investigator Yvette Johnson, dated August 26, 2016.

The Director finds that the charges and allegations contained in First Amended Accusation No. 1002039 are, separately and severally, found to be true and correct by a preponderance of the evidence.

10. A Certification of Costs for prosecution in the amount of \$3,182.50 as of November 24, 2016, was submitted as part of the evidence packet. Pursuant to Business and Professions Code section 125.3, it is hereby determined that there is prima facie evidence that the costs are reasonable.

11. A Certification of Costs of investigation in the amount of \$429.71 as of December 7, 2016, was submitted as part of the evidence packet. Pursuant to Business and Professions Code section 125.3, it is hereby determined that there is prima facie evidence that the costs are reasonable.

DETERMINATION OF ISSUES

1. Based on the foregoing findings of fact, Respondent has subjected the following approval to discipline:

Approval to Operate - School Codes: 44971351, 66733893, 32243734, 3901451, 91554400, 3004931, 5601571, 3400531, 3602131, 3703911, 1909091, 1900961, 1916401, 46576621, 48441864.

2. The agency has jurisdiction to adjudicate this case by default.

3. The Director of Consumer Affairs is authorized to revoke Respondent's Approval to Operate based upon the following violation alleged in the First Amended Accusation which is supported by the evidence contained in the Default Decision Evidence Packet in this case:

a. Violation of California Code of Regulations, Title 5, subsections 71745, subdivision (a) -- Financial Resources.

ORDER

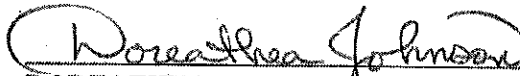
IT IS SO ORDERED that Approval to Operate (School Codes: 44971351, 66733893, 32243734, 3901451, 91554400, 3004931, 5601571, 34005-31, 3602131, 3703911, 1909091, 1900961, 1916401, 46576621, 48441864) issued to Respondent ITT Educational Services Inc. is revoked.

Pursuant to Government Code section 11520, subdivision (c), Respondent may serve a written motion requesting that the Decision be vacated and stating the grounds relied on within seven (7) days after service of the Decision on Respondent. The agency in its discretion may vacate the Decision and grant a hearing on a showing of good cause, as defined in the statute.

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This Decision shall become effective on AUG - 5 2017

IT IS SO ORDERED June 28, 2017



DOREATHEA JOHNSON
Deputy Director, Legal Affairs
Department of Consumer Affairs

Attachments:

Exhibit A: Accusation No. 1002039

Exhibit B: First Amended Accusation No. 1002039