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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 Accusation Against:

Case No. 999964

13 **CALIFORNIA UNIVERSITY OF**  
**MANAGEMENT & SCIENCES**  
14 **721 N. Euclid Street**  
**Anaheim, CA 92801**

**A C C U S A T I O N**

15  
16 **School Code 3012941**

17 Respondent.

18  
19 Complainant alleges:

20 **PARTIES**

21 1. Leeza Rifredi (Complainant) brings this Accusation solely in her official capacity as  
22 the Deputy Bureau Chief of the Bureau for Private Postsecondary Education, Department of  
23 Consumer Affairs.

24 **Main Campus**

25 2. On or about January 1, 1995, the Bureau for Private Postsecondary and Vocational  
26 Education<sup>1</sup> (hereinafter "BPPVE") issued an approval to operate California University of

27 <sup>1</sup> The former Bureau for Private Postsecondary and Vocational Education sunsetted on  
28 July 1, 2007. On October 11, 2009, the Bureau for Private Postsecondary Education Act of 2009  
(continued...)

1 Management and Sciences (Respondent). Respondent was approved to offer Bachelor of Science  
2 degree programs in Business Management, Computer Information Systems, Economics,  
3 International Business, and Masters of Science degree programs in Business Administration,  
4 Computer Information Systems, Economics and International Business. In 2003, BPPVE  
5 approved Respondent to offer English as a Second Language. In 2004, BPPVE approved  
6 Respondent to offer an Associate degree program in Healthcare Business Administration. In  
7 2011, the current Bureau for Private Postsecondary Education (BPPE) approved Respondent to  
8 offer Bachelor of Science and Master's degree programs in Sports Management. In 2012, BPPE  
9 approved Respondent to offer Associates degree programs in Body Works, Paralegal Studies,  
10 Professional Golf Management and a Doctorate program in Business Administration. In 2015,  
11 BPPE approved Respondent to offer a Master's degree program in Healthcare Management.  
12 Respondent's approval to operate will expire on December 31, 2017.

13 **Branch Campus**

14 3. On or about February 4, 2014, Respondent was issued an approval to operate a branch  
15 campus of California University of Management and Sciences at 8525 Gibbs Drive, Suite 105, in  
16 San Diego (San Diego campus). Respondent was approved to offer Associate's degrees in Body  
17 Works, Paralegal Studies, Professional Golf Management, Healthcare Business Administration,  
18 and Business Management; Bachelor's degrees in Computer Information Systems, Economics,  
19 International Business, and Sport Management; Masters of Science degree programs in Business  
20 Administration, Computer Information Systems, Economics, International Business and Sports  
21 Management; and English as a Second Language.

22 **JURISDICTION**

23 4. This Accusation is brought before the Director of the Department of Consumer  
24 Affairs (Director) for the Bureau for Private Postsecondary Education, under the authority of the  
25 following laws. All section references are to the Education Code unless otherwise indicated.

26 \_\_\_\_\_  
27 (...continued)  
28 (AB 48) was signed into law. The Act, which became operative on January 1, 2010, established  
the Bureau for Private Postsecondary Education).

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5. Education Code (Code) section 94932 states:

The bureau shall determine an institution's compliance with the requirements of this chapter. The bureau shall have the power to require reports that institutions shall file with the bureau in addition to the annual report, to send staff to an institution's sites, and to require documents and responses from an institution to monitor compliance. When the bureau has reason to believe that an institution may be out of compliance, it shall conduct an investigation of the institution. If the bureau determines, after completing an investigation, that an institution has violated any applicable law or regulation, the bureau shall take appropriate action pursuant to this article.

6. Code section 94933 states:

The bureau shall provide an institution with the opportunity to remedy noncompliance, impose fines, place the institution on probation, or suspend or revoke the institution's approval to operate, in accordance with this article, as it deems appropriate based on the severity of an institution's violations of this chapter, and the harm caused to students.

7. Code section 94937 states:

(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:

(1) Obtaining an approval to operate by fraud.

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

(b) The bureau shall adopt regulations, within one year of the enactment of this chapter, governing probation and suspension of an approval to operate.

(c) The bureau may seek reimbursement pursuant to Section 125.3 of the Business and Professions Code.

(d) An institution shall not be required to pay the cost of investigation to more than one agency.

8. Business and Professions Code section 118 states, in part:

...

(b) The suspension, expiration, or forfeiture by operation of law of a license issued by a board in the department, or its suspension, forfeiture, or cancellation by order of the board or by order of a court of law, or its surrender without the

1 written consent of the board, shall not, during any period in which it may be  
2 renewed, restored, reissued, or reinstated, deprive the board of its authority to  
3 institute or continue a disciplinary proceeding against the licensee upon any  
4 ground provided by law or to enter an order suspending or revoking the license  
5 or otherwise taking disciplinary action against the licensee on any such ground.

6 (c) As used in this section, 'board' includes an individual who is authorized by  
7 any provision of this code to issue, suspend, or revoke a license, and 'license'  
8 includes 'certificate,' 'registration,' and 'permit.'"

## 9 STATUTORY AND REGULATORY PROVISIONS

10 9. Business and Professions Code section 477 states:

11 As used in this division:

12 (a) 'Board' includes 'bureau,' 'commission,' 'committee,' 'department,'  
13 'division,' 'examining committee,' 'program,' and 'agency.'

14 (b) 'License' includes certificate, registration or other means to engage in a  
15 business or profession regulated by this code.

16 10. Section 94892 of the Education Code (Code) states:

17 If an agency of this state other than the bureau or of the federal government  
18 provides an approval to offer an educational program and the institution already  
19 has a valid approval to operate issued by the bureau, that agency's educational  
20 program approval may satisfy the requirements of this article without any  
21 further review by the bureau. The bureau may incorporate that educational  
22 program into the institution's approval to operate when the bureau receives  
23 documentation signifying the conferral of the educational program approval by  
24 that agency.

25 11. Section 94893 of the Code states:

26 If an institution intends to make a substantive change to its approval to operate,  
27 the institution shall receive prior authorization from the bureau. Except as  
28 provided in subdivision (a) of Section 94896, if the institution makes the  
substantive change without prior bureau authorization, the institution's approval  
to operate may be suspended or revoked.

12. Section 94896 of the Code states:

(a) An institution that has been granted an approval to operate by means of  
accreditation shall only make a substantive change in accordance with the  
institution's accreditation standards.

(b) The institution shall notify the bureau of the substantive change on a form  
provided by the bureau.

///

1           13.       Section 94897 of the Code states in part:

2           An institution shall not do any of the following:

3           ...

4           (g) Offer to compensate a student to act as an agent of the institution with

5           regard to the solicitation, referral, or recruitment of any person for enrollment in  
6           the institution, except that an institution may award a token gift to a student for  
7           referring an individual, provided that the gift is not in the form of money, no  
8           more than one gift is provided annually to a student, and the gift's cost is not  
9           more than one hundred dollars (\$100).

10          ...

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

15          ...

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

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

20          ...

21          (m) Direct any individual to perform an act that violates this chapter, to refrain  
22          from reporting unlawful conduct to the bureau or another government agency,  
23          or to engage in any unfair act to persuade a student not to complain to the  
24          bureau or another government agency.

25          ...

26       14.       Section 94899 of the Code states:

27       If an institution offers an educational program in a profession, occupation,  
28       trade, or career field that requires licensure in this state, the institution shall  
29       have an educational program approval from the appropriate state licensing  
30       agency to conduct that educational program in order that a student who  
31       completes the educational program, except as provided in Section 94905, is  
32       eligible to sit for any required licensure examination.

33       15.       Section 94900 of the Code states:

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

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

2 (1) The degree or certificate granted and the date on which that degree or  
3 certificate was granted.

4 ...

5 (3) The grades earned by the student in each of those courses."

6 16. Section 94901 of the Code states:

7 (a) An institution's recruiters shall be employees.

8 (b) (1) An institution shall issue identification to each recruiter identifying  
9 the recruiter and the institution.

10 (2) The recruiter shall have the issued identification with him or her while  
11 recruiting.

12 17. Section 94927 of the Code states:

13 An institution shall be considered in default of the enrollment agreement when  
14 an educational program is discontinued or canceled or the institution closes  
15 prior to completion of the educational program. When an institution is in  
16 default, student institutional charges may be refunded on a pro rata basis if the  
17 bureau determines that the school has made provision for students enrolled at  
the time of default to complete a comparable educational program at another  
institution at no additional charge to the students beyond the amount of the total  
charges in the original enrollment agreement. If the institution does not make  
that provision, a total refund of all institutional charges shall be made to  
students."

18 18. Title 5, California Code of Regulations (CCR), section 71130 states in part:

19 (a)(1) The institution shall identify the name, address, email address, and  
20 telephone number of each person, as defined in section 94855 of the Code, who  
owns or controls 25% or more of the stock or an interest in the institution and,  
21 to the extent applicable, each general partner, officer, corporate director,  
member of the board of directors and any other person who exercises  
22 substantial control over the institution's management or policies. For the  
purpose of this paragraph, a person exercises "substantial control over the  
23 institution's management or policies" if the person has the authority to cause the  
institution to expend money or incur debt in the amount of five thousand dollars  
24 (\$5,000) or more in any year.

25 ...

26 19. Title 5, CCR, section 71150 states, "If the institution has a governing board, the Form  
27 Application 94886 shall include the name, work address, email address, and telephone number of  
28 each member of the governing board."

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20. Title 5, CCR, section 71380 states:

(a) The Form Application 94886 shall be signed and dated, and each fact stated therein and each attachment thereto shall be declared to be true under penalty of perjury, as follows:

(1) By each owner of the institution, or

(2) If the institution is incorporated, by the chief executive officer of the corporation and each person who owns or controls 25 percent or more of the stock or interest in the institution, or

(3) By each member of the governing body of a nonprofit corporation.

(b) The declaration shall be in the following form:

"I declare under penalty of perjury under the laws of the State of California that the foregoing and all attachments are true and correct.

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Signature)"

21. Title 5, CCR, section 71550 states:

(a) An institution seeking to add a separate branch pursuant to section 94894(h) shall complete the "Application for Addition of a Separate Branch" form (SEP rev. 2/10) to obtain prior authorization. The form shall be submitted to the Bureau along with the appropriate fee as provided in Section 94930.5(a)(2) of the Code. It shall be signed and dated by the signatory(ies) required by section 71380 for an institution approved under section 94885 of the Code and section 71390 for an institution approved under section 94890 of the Code, and each fact stated therein and each attachment thereto shall be declared to be true under penalty of perjury, in the following form:

"I declare under penalty of perjury under the laws of the State of California that the foregoing and all attachments are true and correct.

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Signature)"

...  
(d) Any approval of the addition of a new branch pursuant to this section shall run co-existent with the approval of the main campus in this state and shall be renewed at the same time.

22. Title 5, CCR, section 71920 states in part:

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

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

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 23. Title 5, CCR, section 71930 states in part:

9 (a) An institution shall maintain all records required by the Act and this chapter.  
10 The records shall be maintained in this state.

11 (b) (1) In addition to permanently retaining a transcript as required by section  
12 94900(b) of the Code, the institution shall maintain for a period of 5 years the  
13 pertinent student records described in Section 71920 from the student's date of  
14 completion or withdrawal.

15 (e) All records that the institution is required to maintain by the Act or this  
16 chapter shall be made immediately available by the institution for inspection  
17 and copying during normal business hours by the Bureau and any entity  
18 authorized to conduct investigations. ...

19 24. Title 5, CCR, section 76120 states in part:

20 (a) Each qualifying institution shall collect an assessment of zero dollars (\$0)  
21 per one thousand dollars (\$1,000) of institutional charges, rounded to the  
22 nearest thousand dollars, from each student in an educational program who is a  
23 California resident or is enrolled in a residency program. For institutional  
24 charges of one thousand dollars (\$1,000) or less, the assessment is zero dollars  
25 (\$0).

26 (b) Unless a student has a separate agreement to repay the third party, a student  
27 whose costs are paid to the institution by third-party payer shall not pay the  
28 STRF assessment to the qualifying institution.

29 ...  
30 **COST RECOVERY**

31 25. Section 125.3 of the Business and Professions Code provides, in pertinent part, that  
32 the Board may request the administrative law judge to direct a licentiate found to have committed  
33 a violation or violations of the licensing act to pay a sum not to exceed the reasonable costs of the  
34 investigation and enforcement of the case, with failure of the licentiate to comply subjecting the



1 license to not being renewed or reinstated. If a case settles, recovery of investigation and  
2 enforcement costs may be included in a stipulated settlement.

### 3 **FACTS**

#### 4 **COMPLAINT INVESTIGATION**

5 26. On September 10, 2014, the Bureau's Complaint Investigation Unit received an  
6 anonymous complaint, via e-mail, about Respondent and South Baylo University (SBU) advising  
7 that a civil lawsuit was filed against Respondent and SBU alleging student grade tampering,  
8 students hired for faculty positions, I-20 Student Visa fraud and operating a diploma mill. The  
9 complaint alleged that D.P. was the founder and President of Respondent and SBU, and the head  
10 of the Board of Trustees of Respondent institution. The allegations in this Accusation pertain to  
11 Respondent only.

12 27. On October 27, 2014, the Bureau received information from the Veterinary Medical  
13 Board (VMB) that Respondent was teaching an unapproved Associate of Science in Veterinary  
14 Technician (ASVT) Program. Respondent advertised the ASVT program was designed to  
15 prepare the students to become licensed veterinary technicians and assume entry-level positions  
16 in the veterinary industry. In or about December 2014, there were six students enrolled in the  
17 ASVT program. Respondent was notified that the program was not approved by the Bureau nor  
18 the VMB and that the students were entitled to full refunds. Respondent canceled the program  
19 and refunded the students their tuition on or about September, 2015.

20 28. On April 1, 2015, the Bureau received another complaint, this time from  
21 "whistleblowers," that alleged computer tampering, falsification of records, selling diplomas, and  
22 grade tampering, among other things. The whistleblowers were M.P., A.P. and G.C. Several  
23 documents supporting the complaint were provided by the whistleblowers, including records of  
24 20 students attending Respondent's Anaheim campus.

25 29. On December 17, 2015, K.J., an investigator for the Bureau, requested copies of the  
26 records of 17 students of Respondent's San Diego branch campus and the records of 24 students  
27 of the Anaheim campus. J.B. provided some of the records requested. According to J.B., the  
28

1 records of four students were maintained at the Virginia campus, which Respondent owns. K.J.  
2 compared the records received from Respondent with the records provided by the whistleblowers.

3 30. The whistleblowers alleged that a proprietary school record system was developed by  
4 J.S., L.Y. and J.K. at Respondent school and also at South Baylo University. J.S. has the master  
5 code, however, J.S., J.K and L.Y. have full administrative access to the school record system,  
6 including Registrar editing and remote computer access.

7 31. On or about January 30, 2015, former student J.H.K. requested her official school  
8 transcript from Respondent's Registrar, F.K. J.H.K. received the transcript but noted the  
9 transcript did not match the SEVIS<sup>2</sup> (Student and Exchange Visitor Information System) records.  
10 For example, the school records indicated J.H.K. started an ESL course in Summer of 2007<sup>3</sup>, the  
11 SEVIS records indicated J.H.K. started the ESL course in Spring of 2007. J.H.K.'s academic  
12 record for Spring 2007 was missing. The school records showed J.H.K. started the Associate  
13 Science in Healthcare Business Administration (ASHBA) program in Spring of 2010 while the  
14 SEVIS records showed J.H.K. started in the Spring of 2009. J.H.K. had three student ID  
15 numbers: G123006, I0720041 and M092005. J.H.K.'s ASHBA program records could not be  
16 located and her true grades could not be ascertained. Therefore, there was no way to issue an  
17 accurate academic transcript for J.H.K. When the whistleblowers brought this issue before J.S.,  
18 the President of the school, J.S. stated that this was "no big deal," and was just a simple matter of  
19 generating a "suitable" new transcript, and that he "would make one up and send [by the next  
20 day]." A new transcript was issued but because the school's computer system automatically  
21 calibrated and recalculated the corresponding financial ledger for J.H.K., the ledger indicated the

22  
23  
24 <sup>2</sup> According to the Immigration and Customs Enforcement website, "SEVIS is a web-  
25 based system for maintaining information on international nonimmigrant students and exchange  
26 visitors in the United States. ... Records of these nonimmigrant admissions and continued  
27 participation in these educational programs are maintained in SEVIS. Further, SEVIS enables  
28 SEVP to assure proper reporting and record keeping by schools and exchange visitor programs,  
thereby ensuring data currency and integrity. ..." (www.ice.gov/sevis)

<sup>3</sup> The institution's academic year is described as Fall (year), Winter (year), Spring (year)  
and Summer (year), if applicable.

1 school owed J.H.K. \$940.00 in tuition reimbursement. J.S. was again advised and the following  
 2 day, the ledger was revised to show a zero balance owed to J.H.K.

3 32. The Bureau investigator, K.J., reviewed the student academic records (SARs),  
 4 financial ledgers and copies of SEVIS records provided by the whistleblowers and found  
 5 discrepancies between the records, including discrepancies in units earned, GPAs and degrees  
 6 earned. In addition, the whistleblowers reported that grades of failing students were changed to  
 7 "A" or "B" and that grades were altered to issue a Master's Degree to approximately seven  
 8 students.

9 33. In or about January, 2016, K.J. obtained and reviewed 21 Anaheim Student Records  
 10 received from Respondent and compared those with the records provided by the whistleblowers.  
 11 The following table summarizes K.J.'s findings:

Student ID #	Enrolled/ Grad	Comments
I1072004	4/1/2007	Different SAR versions. 1/12/2016 SAR had four Quarters and do not match 9/28/2009 SAR 1/12/2016. Ledger does not match ledger provided by whistleblowers.
M092005	2010	1/12/2016 SAR had four added Quarters 1/12/2016 ledger had two added Quarters
G123006	2012	Documents match
G144002	10/6/2014	Respondent did not provided a SAR or Ledger for the student
G121045	1/3/2012 N/A	Class SM540 student received a W grade for Winter 2013. Class GM510 grade was changed from C- to A on 11/25/2014. SAR Class SM540 grade was changed from W to A on 11/25/2014. SAR Ledger- \$200 graduate evaluation fee was charged on 3/14/2014. 1/12/2016 SAR did not have a completion date. Copy of Diploma not provided by Respondent. Student provided K.J. with Official Transcript showing completion date of 3/31/2017 and copy of Diploma.
G114006	9/12/2011 12/31/2013	Class SM540 student received a F grade for Winter 2013 Class SM540 grade was changed from F to B on 11/25/2014 SAR Class SM540 grade was changed from B to F on 1/16/2016 SAR Ledger- \$200 graduate eval fee was charged on 9/3/2013

		1/12/2016 SAR did not have a completion date.
1	G151004	1/5/2015 1/4/20 17
2		Student Name obtained from Respondent's website. Faculty list states International Student Advisor/Instructor. All tuition charges were reversed AS-Scholarship.
3		
4	M054008 and G094001 [same student]	10/9/2005 6/30/2008  9/14/2009 3/31/2012
5		19 Modified grades/classes. Transfer credits were increased from 12 to 52. 6/30/2008 Graduation date and BSBM Degree were added to 2/6/2015 SAR.
6		Earned units were increased from 64 to 128.
7		GPA was decreased from 3.38 to 3.31.
8		Ledger note-SBU-wife/family discount.
9		Previous College Transcripts not provided by Respondent.
10	G101004 (San Diego Branch Director)	12/23/2009 6/30/2012
11		In class CS521, student received an F grade in Winter 2012; in class BA532, student received a D grade in Winter 2012. On 2/6/2015 SAR, student received B grades for classes BA532 and CS521 in Winter 2012.
12		
13	G112003	4/4/2011
14		5/15/2015 Email from A.P. stated V.L.'s MBA Diploma was #MA032012002 issued 9/13/2012. Email dated 8/27/20 14 from M.P. stated D.P. instructed an employee to change V.L.s resume to remove the MBA Diploma.
15		1/12/2016 SAR did not have a completion date.
16		Ledger - \$200 graduate eval fee was charged on 7/6/2012.
17		V.L.'s personnel file included a 8/27/2014 Official Transcript that indicated she did not complete the MSSM.
18		
19		
20	G113019	7/1/2011 12/31/2013
21		In class SM540, student received a W grade in Winter 2013; on 11/25/2014 SAR, SM540 grade changed from W to B. Student received MSSM on 12/31/2013.
22		1/12/2016 SAR was missing 12/31/2013 graduation date. BA521 grade was changed from B to W on 1/12/2016 SAR.
23		
24		
25	G151041	1/5/20 15
26	G121011	12/27/2011
27	G134046	10/4/2013 3/31/2015
28	M133002	6/27/20 13
		Verified student's last name on 1-20 Form was NA
		Verified student's last name on 1-20 Form was NA
		Student name used to sign 1-20 Form different from student name.
		Student recruited by Y.C.

1 2 3 4	G122051 4/20/2012 12/31/2013	In class SM540; student received an F grade in Winter 2013. On 11/14/2014 SAR, SM450 grade changed from F to B. Diploma issued on 12/31/2013. SM450 grade changed from B to F on 11/12/2016 SAR. MSSM was missing on 1/12/2016 SAR
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5  
6 34. In addition to J.H.K., student records containing discrepancies in grades included the  
7 following: G101004, G121045, G113019, G113009, G122051, and G114006.

8 35. In addition, students were enrolled without I-20 visas and students with F-1 visas,  
9 which are non-immigrant student visas, were charged STRF (Student Tuition Recovery Fund)  
10 fees even though their tuition was paid for by a third party. These included Students SDE144039,  
11 SDE144042, SDE144031, SDE144041, SDE143018, SDE144029, SDE144036, SDE144026,  
12 and SDE144030.

13 36. Respondent engaged in unlawful recruiting practices. On or about January 27, 2014,  
14 Respondent entered into an agreement with Y.C. to search for and recruit students. Y.C. was  
15 owned by A.Y.S., a student at Respondent institution when the agreement was signed. Y.C.  
16 invoiced Respondent \$3,000.00 for recruiting three students.

17 37. On or about October 13, 2014, Respondent entered into an agreement with  
18 H.E.V.H.U., an independent contractor, to search for and recruit students. M.L, who was the  
19 Director of Respondent's San Diego branch, was the owner of H.E.V.H.U. H.E.V.H.U. invoiced  
20 Respondent \$7,000.00 for recruiting six students.

21 38. K.J. compared the student records received from Respondent and those received from  
22 the whistleblowers and found discrepancies in students' grades in the SARs; discrepancies in  
23 financial ledgers; missing student academic records and/or financial ledgers from Respondent;  
24 copies of diplomas not provided by Respondent; SARs missing completion dates; and  
25 discrepancies in degrees earned.

26 39. On November 24, 2015, K.J. reviewed Respondent's Application for Addition of a  
27 Separate Branch for an Accredited Institution to add Respondent's San Diego branch, which was  
28 received by the Bureau on July 15, 2013. The application stated the proposed branch would be

1 located at 8525 Gibbs Drive, Suite 105 in San Diego and identified eight members of the Board  
2 of Trustees, including D.P., J.S., and A.P. It did not identify J.L. as a Board member, or  
3 otherwise disclose J.L.'s association with the San Diego branch. The application contained  
4 supplemental declaration pages bearing numerous signatures, including the purported signature of  
5 "A.P." A.P. denied the signature on the declaration page ascribed to A.P. was his. A.P. was  
6 falsely identified as a member of the Board of Trustees for Respondent's San Diego campus.

7 40. The investigation revealed that the San Diego campus was being operated as a  
8 separate corporate entity and not as Respondent's branch campus. J.L. was the Chief Executive  
9 Officer, Secretary, Chief Financial Officer, the sole Director and the agent for service of process  
10 for California University of Management and Sciences, San Diego, the purported Branch campus.  
11 J.L.'s son, M.L., was the Branch Director and also the owner of the recruiting company  
12 H.E.V.H.U. J.L. was identified in Respondent's publications as the President and Founder of the  
13 San Diego campus. However, Respondent did not notify the Bureau of J.L.'s association with the  
14 San Diego campus.

15 41. After D.P. learned that the whistleblowers made a complaint and provided documents  
16 to the Bureau, D.P. extensively questioned the whistleblowers and requested the whistleblowers  
17 identify which documents were provided to the Bureau so he could "fix" the documents. The  
18 three whistleblowers were subsequently placed on administrative leave and were terminated.

19 42. Respondent attempted to dissuade the whistleblowers from further reporting  
20 Respondent's unlawful conduct or cooperating with the Bureau by filing a cross-complaint  
21 against the whistleblowers in their wrongful termination action. The cross-complaint alleged the  
22 whistleblowers "intentionally and substantially interfered with" Respondent's property and  
23 breached various duties to Respondent by taking possession of confidential documents and  
24 providing them to the Bureau and the U.S. Department of Education.

25 43. On March 14, 2017, the Bureau received a School Closure Plan from Respondent  
26 regarding closure of the San Diego branch effective April 10, 2017. On March 17, 2017, J.B.  
27 advised that the last day of instruction at the San Diego campus would be June 30, 2017.

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1 **FIRST CAUSE FOR DISCIPLINE**

2 **(Student Records Violations - Modification or Alteration)**

3 44. Respondent is subject to disciplinary action under Code section 94897, subdivisions  
4 (j) and (m), in conjunction with Code section 94900(b)(3) and title 5, CCR, section  
5 71920(b)(5)(A) for modifying or altering student records, which is a prohibited business practice,  
6 in that Respondent modified and/or altered student records, including financial ledgers, as follows  
7 and as set forth in paragraphs 26 – 43 above, and incorporated by this reference as though set  
8 forth in full herein.

9 **SECOND CAUSE FOR DISCIPLINE**

10 **(Student Records Violation – Missing Records)**

11 45. Respondent is subject to disciplinary action under Code section 94897, subdivision  
12 (k), in conjunction with Code section 94900, subdivisions (a) and (b)(1) and title 5, CCR, section  
13 71930(b)(1) and (e) for failing to maintain pertinent student records and/or destroying pertinent  
14 student records, and failing to make such records immediately available for inspection by the  
15 Bureau, as follows and as set forth in paragraphs 26 – 43 above, and incorporated by this  
16 reference as though set forth in full herein:

17 a. Student #SDE144039: Whistleblowers provided student records to K.J., including  
18 SARs and SEVIS records. Respondent failed to provide this student's records.

19 b. Student #G121045: K.J. received this student's Official Transcript and copy of  
20 Master's Degree diploma from this student's representative. Respondent failed to provide this  
21 student's diploma.

22 c. Student #G112003 (V.L.): A diploma was issued to this student, however,  
23 Respondent failed to provide a copy of the diploma to K.J. and the SAR indicated that this student  
24 did not complete the Master's Program.

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1 or as otherwise having an interest in the institution, as set forth in paragraphs 26 – 43 above, and  
2 incorporated by this reference as though set forth in full herein.

3 **SEVENTH CAUSE FOR DISCIPLINE**

4 **(Branch Application – Untrue or Misleading Statements)**

5 50. Respondent is subject to disciplinary action under Code section 94897, subdivision  
6 (j)(3), and title 5, CCR, sections 71130, 71380, and 71550, for making untrue or misleading  
7 statements in its Application for Addition of Separate Branch by failing to identify J.L. as an  
8 officer, corporate director, or member of the board of directors of the San Diego branch campus,  
9 or as otherwise having an interest in the institution, and by falsely identifying A.P. as a Board  
10 member, as set forth in paragraphs 26 – 43 above, and incorporated by this reference as though  
11 set forth in full herein.

12 **EIGHTH CAUSE FOR DISCIPLINE**

13 **(Unapproved Veterinary Program)**

14 51. Respondent is subject to disciplinary action under Code sections 94892, 94893,  
15 94896, 94899 and 94927, 94897, for failing to obtain the Bureau's prior authorization to make a  
16 substantive change to its educational programs by adding the ASVT program, and failed to obtain  
17 approval from the Veterinary Medical Board to offer the ASVT program, as set forth in  
18 paragraphs 26 – 43 above, and incorporated by this reference as though set forth in full herein.

19 **PRAYER**

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

23 1. Revoking or suspending Approval to Operate Institution Number 3012941, issued to  
24 California University of Management & Sciences;

25 2. Ordering California University of Management & Sciences to pay the Bureau for  
26 Private Postsecondary Education the reasonable costs of the investigation and enforcement of this  
27 case, pursuant to Business and Professions Code section 125.3 and Code section 94937(c); and,

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

DATED: 8/14/2017

*Leeza Riferdi*

LEEZA RIFREDI  
Deputy Bureau Chief  
Bureau for Private Postsecondary Education  
Department of Consumer Affairs  
State of California  
*Complainant*

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