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8	DEEOD			
9	BEFORE THE DEPARTMENT OF CONSUMER AFFAIRS			
10	FOR THE BUREAU FOR PRIVATE STATE OF C.			
11				
12				
13	In the Matter of the Accusation Against:	Case No. 1002741		
14	ALLIANCE SCHOOL OF TRUCKING			
15	9410 Jordan Avenue Chatsworth, CA 91311	ACCUSATION		
16	Institution Code: 90919933			
17	Respondent.			
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19				
20	$\frac{PART}{1}$			
21		nt") brings this Accusation solely in his official		
22	capacity as the Chief of the Bureau for Private Postsecondary Education, Department of			
23	Consumer Affairs.	Durson for Driveto Destace and ary Education		
24	2. On or about December 21, 2010, the Bureau for Private Postsecondary Education			
25 26	("Bureau") issued Approval to Operate Number 90919933 to Alliance School of Trucking. The			
26 27	Approval to Operate was in full force and effect at all times relevant to the charges brought hereir and will expire on August 16, 2020, unless renewed.			
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		LLIANCE SCHOOL OF TRUCKING) ACCUSATION		

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1	JURISDICTION		
2	3. This Accusation is brought before the Director of the Department of Consumer		
3	Affairs ("Director") for the Bureau, under the authority of the following laws. All section		
4	references are to the Education Code unless otherwise indicated.		
5	4. Business and Professions Code section 118, subdivision (b), provides that the		
6	suspension, expiration, surrender, or cancellation of a license shall not deprive the Bureau of		
7	jurisdiction to proceed with a disciplinary action during the period within which the license may		
8	be renewed, restored, reissued or reinstated.		
9	5. Section 94875 provides that the Bureau shall regulate private postsecondary		
10	educational institutions.		
11	6. Section 94877 states, in relevant part, that:		
12	"(a) The bureau shall adopt and shall enforce regulations to implement this chapter pursuant		
13	to the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of		
14	Division 3 of Title 2 of the Government Code).		
15	"(b) The bureau shall develop and implement an enforcement program, pursuant to Article		
16	18 (commencing with Section 94932) to implement this chapter"		
17	7. California Code of Regulations, title 5, section 75100 provides that the Bureau may		
18	suspend, revoke or place on probation with terms and conditions an approval to operate.		
19	STATUTORY PROVISIONS		
20	8. Section 94937 states in relevant part:		
21	"(a) As a consequence of an investigation, which may incorporate any materials obtained or		
22	produced in connection with a compliance inspection, and upon a finding that an institution has		
23	committed a violation, the bureau may place an institution on probation or may suspend or revoke		
24	an institution's approval to operate for:		
25			
26	(2) A material violation or repeated violations of this chapter or regulations adopted		
27	pursuant to this chapter that have resulted in harm to students. For purposes of this paragraph,		
28	'material violation' includes, but is not limited to, misrepresentation, fraud in the inducement of a		
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	(ALLIANCE SCHOOL OF TRUCKING) ACCUSATION		

1	contract, and false or misleading claims or advertising, upon which a student reasonably relied in			
2	executing an enrollment agreement and that resulted in harm to the student."			
3				
4	9. Section 94897 states in relevant part:			
5	"An institution shall not do any of the following:			
6				
7	(h) Pay any consideration to a person to induce that person to sign an enrollment agreement			
8	for an educational program.			
9				
10	(j) In any manner make an untrue or misleading change in, or untrue or misleading			
11	statement related to, a test score, grade or record of grades, attendance record, record indicating			
12	student completion, placement, employment, salaries, or financial information, including any of			
13	the following:			
14				
15	(3) Any other record or document required by this chapter or by the bureau.			
16				
17	(k) Willfully falsify, destroy, or conceal any document of record while that document of			
18	record is required to be maintained by this chapter.			
19				
20	REGULATORY PROVISIONS			
21	10. California Code of Regulations, title 5, section 75050, subdivision (b), states:			
22	"Failure of an applicant or institution issued an approval to operate to abate the violation or			
23	to pay the fine within the time allowed is a ground for denial or discipline of an approval to			
24	operate."			
25	<u>COST RECOVERY</u>			
26	11. Section 94937, subdivision (d), provides that the Bureau may seek reimbursement			
27	costs of investigation and enforcement pursuant Business and Professions Code section 125.3.			
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	(ALLIANCE SCHOOL OF TRUCKING) ACCUSATION			

1	12. Business and Professions Code section 125.3 provides, in pertinent part, that the			
2	Board may request the administrative law judge to direct a licentiate found to have committed a			
3	violation or violations of the licensing act to pay a sum not to exceed the reasonable costs of the			
4	investigation and enforcement of the case, with failure of the licentiate to comply subjecting the			
5	license to not being renewed or reinstated. If a case settles, recovery of investigation and			
6	enforcement costs may be included in a stipulated settlement.			
7	FACTUAL ALLEGATIONS			
8	13. Amit Marshall is the owner, president, and director of Alliance School of Trucking			
9	Inc., a California Corporation, which owns and operates Alliance School of Trucking			
10	("Respondent").			
11	14. On or about July 29, 2019, Emmit Marshall, aka Amit Marshall ("Marshall"), pleaded			
12	guilty to five counts of felony wire fraud in United States District Court for the Central District of			
13	California, Case No. CR2017-00194-SVW. The circumstances underlying the conviction are that			
14	between on or about December 8, 2011 and on or about April 22, 2015, Marshall defrauded the			
15	Department of Veterans Affairs ("VA") of over \$4.3 million in tuition and other payments after			
16	falsely certifying that veterans had attended classes in Respondent's non-college degree			
17	programs. Respondent recruited veterans to take trucking classes under the Post-9/11 GI Bill.			
18	Pursuant to the Post-9/11 GI Bill, the VA paid tuition and fees directly to Respondent. The VA			
19	also paid housing and books/supplies allowances to veterans enrolled in Respondent's full-time			
20	programs. Respondent recruited eligible veterans to enroll in Respondent's programs by telling			
21	the veterans they could collect housing and other fees from the VA without attending the			
22	programs. Knowing that the vast majority of veterans enrolled in Respondent's programs did not			
23	intend to attend any portion of the programs, Respondent created and submitted fraudulent			
24	enrollment certifications to the VA. Respondent also created fraudulent documents in the student			
25	files.			
26	15. The Bureau issued two citations for violations unrelated to Marshall's conviction. On			
27	or about December 4, 2018, the Bureau issued Citation No. 1819061 to Respondent. The basis for			
28	the citation was that Respondent failed to submit Student Tuition Recovery Fund ("STRF")			

1	Reporting Forms to the Bureau for the 3 rd and 4 th quarters of 2016, the 4 th quarter of 2017, and the		
2	1 st , 2 nd , and 3 rd quarters of 2018. Respondent was required to comply with the citation's Order of		
3	Abatement by submitting all delinquent STRF Reporting Forms to the Bureau. Respondent was		
4	also fined \$50, which Respondent was to pay within 30 days of service of the citation.		
5	Respondent has not complied with the Order of Abatement and the fine remains unpaid.		
6	16. On or about June 6, 2019, the Bureau issued Citation No. 1819209 to Respondent.		
7	The citation was issued for the following violations:		
8	i. Respondent failed to submit Annual Reports for 2016 and 2017 to the Bureau, along		
9	with School Performance Facts Sheets ("SPFS"), Catalog, and Enrollment Agreements, and		
10	financial statements for 2016, as well as financial statements for 2017;		
11	ii. Respondent failed to pay the 2014 Annual Fee and the late penalty fee, the entirety of		
12	the 2018 Annual Fee and the late penalty fee;		
13	iii. Respondent's website failed to include a SPFS for each program offered, student		
14	brochures, and the most recent Annual Report;		
15	iv. Respondent failed to have the duties, responsibilities, and performance evaluation		
16	criteria for each administrator set forth in a personnel manual or other writing;		
17	v. Respondent failed to maintain a current cancellation and withdrawal log;		
18	vi. Respondent's student files did not contain copies of documentation proving high		
19	school completion or the equivalent and transcripts for Respondent's programs;		
20	vii. During a compliance inspection, Respondent failed to make documentation available		
21	to the Bureau, including the Annual Report, financial records, student rosters, and STRF		
22	documentation.		
23	17. Pursuant to Citation No. 1819209, the Bureau ordered Respondent to comply with the		
24	Orders for Abatement for each violation, which included the following:		
25	• Submit the 2016 Annual Report and School Performance Facts Sheets, Catalog,		
26	Enrollment Agreement, 2016 financial statements, 2017 Annual Report, and 2017		
27	financial statements;		
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1	• Submit the remaining \$1,742 balance for the 2018 Annual Fee, as well as late			
2	payment fees for 2014 and 2018			
3	• Update Respondent's website and submit proof of compliance to the Bureau,			
4	including a School Performance Fact Sheet for every program offered by			
5	Respondent, a school catalog, and the most recent Annual Report;			
6	• Submit documentation outlining the duties, responsibilities, and performance			
7	evaluation criteria for the Chief Academic Officer, Chief Operating Officer, and			
8	Chief Executive Officer;			
9	• Submit a copy of the monthly cancellation and withdrawal log template and a			
10	written declaration of compliance as to withdrawals and refunds regulations;			
11	• Submit a policy and procedure of how Respondent will comply with student			
12	records regulations;			
13	• Submit a policy and procedure of how Respondent will ensure all records that			
14	Respondent is required to maintain will be made readily available to the Bureau			
15	upon request.			
16	18. Pursuant to Citation No. 1819209, Respondent was required to pay a fine of \$11,000			
17	to the Bureau within 30 days of service of the citation. Respondent failed to pay the fine or			
18	comply with the Orders of Abatement.			
19	FIRST CAUSE FOR DISCIPLINE			
20	(Prohibited Business Practices)			
21	19. Respondent is subject to disciplinary action under section 94897, subdivisions (h),			
22	(j)(3), and (k) , in that Respondent's scheme to defraud the VA involved the payment of			
23	consideration to veterans to induce them to sign enrollment agreements for Respondent's			
24	programs. Moreover, Respondent created and submitted fraudulent enrollment certifications and			
25	other documents, which Respondent submitted to the VA for payment. Complainant refers to and			
26	by this reference incorporates paragraphs 13 through 18 as though set forth in full.			
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1	SECOND CAUSE FOR DISCIPLINE		
2	(Material Violations Causing Harm to Students)		
3	20. Respondent is subject to disciplinary action under section 94937, subdivision		
4	(a)(2), in that Respondent's scheme to obtain money from the VA by means of materially false		
5	and fraudulent representations regarding student enrollment and attendance resulted in harm to		
6	students in that Respondent's students did not receive the training and education for which the		
7	VA paid over \$4.3 million. Furthermore, Respondent's fraud scheme compromised the system		
8	designed to help veterans after they complete their service. Complainant refers to and by this		
9	reference incorporates paragraphs 13 through 18 as though set forth in full.		
10	THIRD CAUSE FOR DISCIPLINE		
11	(Failure to Pay Fines and Abate Violations)		
12	21. Respondent is subject to disciplinary action under California Code of		
13	Regulations, title 5, section 75050, subdivision (b), in that Respondent failed to pay \$11,050 in		
14	fines that the Bureau assessed in conjunction with the issuances of Citation Nos. 1819061 and		
15	1819209. Respondent likewise failed to comply with the Orders of Abatement set forth in the		
16	two citations. Complainant refers to and by this reference incorporates paragraphs 13 through 18		
17	as though set forth in full.		
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1	PRAYER			
2	WHI	EREFORE, Complaina	nt requests that a hearing be held on the matters herein alleged,	
3	and that fo	llowing the hearing, th	e Director of the Department of Consumer Affairs issue a	
4	decision:			
5	1.	1. Revoking or suspending Approval to Operate Number 90919933, issued to		
6	Responder	nt;		
7	2. Ordering Respondent to pay the Bureau for Private Postsecondary Education the			
8	reasonable	costs of the investigati	ion and enforcement of this case, pursuant to Business and	
9	Profession	s Code section 125.3; a	and,	
10	3.	Taking such other and	d further action as deemed necessary and proper.	
11		"2/4/2020"	"Original signature on file"	
12	DATED:	2/4/2020	DR. MICHAEL MARION, JR.	
13			Bureau Chief Bureau for Private Postsecondary	
14			Education Department of Consumer Affairs	
15			State of California Complainant	
16			Complainant	
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