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10 **BEFORE THE**
DEPARTMENT OF CONSUMER AFFAIRS
11 **FOR THE BUREAU FOR PRIVATE POSTSECONDARY EDUCATION**
STATE OF CALIFORNIA
12
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14 In the Matter of the Accusation Against:

Case No. BPPE24-0397

15 **VOLLMER UNIVERSITY**

ACCUSATION

16 **Institution Code No. 14961533**

17 Respondent.
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20 **PARTIES**

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

24 2. On or about February 5, 2020, the Bureau issued an Approval to Operate to Vollmer
25 University (Respondent), owned by Vollmer University, Inc., Institution Code Number
26 14961533. The Approval to Operate was in full force and effect at all times relevant to the
27 charges brought herein and will expire on February 4, 2025, unless renewed. Respondent filed a
28 Certificate of Dissolution with the California Secretary of State on December 12, 2023.

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 (Code) unless otherwise indicated.

5 **STATUTORY PROVISIONS**

6 4. Business and Professions Code section 23.7 states, “Unless otherwise expressly
7 provided, “license” means license, certificate, registration, or other means to engage in a business
8 or profession regulated by this code or referred to in Section 1000 or 3600.”

9 5. Section 94932 of the Code states:

10 The bureau shall determine an institution's compliance with the requirements
11 of this chapter. The bureau shall have the power to require reports that institutions
12 shall file with the bureau in addition to the annual report, to send staff to an
13 institution's sites, and to require documents and responses from an institution to
14 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 a compliance inspection or investigation, that an
institution has violated any applicable law or regulation, the bureau shall take
appropriate action pursuant to this article.

15 6. Section 94934 of the Code states:

16 (a) As part of the compliance program, an institution shall submit an annual
17 report to the bureau, under penalty of perjury, signed by a responsible corporate
18 officer, by July 1 of each year, or another date designated by the bureau, and it shall
include the following information for educational programs offered in the reporting
period:

19 (1) The total number of students enrolled by level of degree or for a
20 diploma.

21 (2) The number of degrees, by level, and diplomas awarded.

22 (3) The degree levels and diplomas offered.

23 (4) The Student Performance Fact Sheet, as required pursuant to Section
94910.

24 (5) The school catalog, as required pursuant to Section 94909.

25 (6) The total charges for each educational program by period of
26 attendance.

27 (7) A statement indicating whether the institution is, or is not, current in
remitting Student Tuition Recovery Fund assessments.

28 (8) A statement indicating whether an accrediting agency has taken any

1 final disciplinary action against the institution.

2 (9) Additional information deemed by the bureau to be reasonably
3 required to ascertain compliance with this chapter.

4 (b) The bureau, by January 1, 2011, shall prescribe the annual report's format
5 and method of delivery.

6 7. Section 94936 of the Code states:

7 (a) As a consequence of an investigation, which may incorporate any materials
8 obtained or produced in connection with a compliance inspection, and upon a finding
9 that the institution has committed a violation of this chapter or that the institution has
10 failed to comply with a notice to comply pursuant to Section 94935, the bureau shall
11 issue a citation to an institution for violation of this chapter, or regulations adopted
12 pursuant to this chapter.

13 (b) The citation may contain any of the following:

14 (1) An order of abatement that may require an institution to demonstrate
15 how future compliance with this chapter or regulations adopted pursuant to this
16 chapter will be accomplished.

17 ...

18 (c)(1) The citation shall be in writing and describe the nature of the violation
19 and the specific provision of law or regulation that is alleged to have been violated.

20 (2) The citation shall inform the institution of its right to request a hearing
21 in writing within 30 days from service of the citation.

22 (3) If a hearing is requested, the bureau shall select an informal hearing
23 pursuant to Article 10 (commencing with Section 11445.10) of Chapter 4.5 of
24 Part 1 of Division 3 of Title 2 of the Government Code or a formal hearing
25 pursuant to Chapter 5 (commencing with Section 11500) of Part 1 of Division 3
26 of Title 2 of the Government Code.

27 (4) If a hearing is not requested, payment of the administrative fine is due
28 30 days from the date of service, and shall not constitute an admission of the
violation charged.

...

8. Section 94893 of the Code states:

If an institution intends to make a substantive change to its approval to operate, the institution shall receive prior authorization from the bureau. Except as 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.

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9. Section 94894 of the Code states:

The following changes to an approval to operate are considered substantive changes and require prior authorization:

...

(b) A change in ownership or person in control.

...

(d) A change in business organization form.

...

REGULATORY PROVISIONS

10. Title 5, CCR, section 74010 (Regulation 74010) states:

(a) The annual report required by Section 94934 of the Code shall include the information required by this section, subsections (f) through (j) of section 74112, and sections 94929.5 and 94934 of the Code for all educational programs offered in the prior calendar year, and all of the following for the prior calendar year:

(1) Information regarding institutional branch campuses, including addresses and programs offered at each campus, if applicable;

(2) Information regarding satellite locations, including addresses and with which campus(es) the satellite location is affiliated, if applicable;

(3) Name of institutional accreditors for each branch and satellite campus, and for each such campus at which any programs have programmatic accreditation, the names of the programmatic accreditor for each such program, and effective dates for each programmatic accreditation, if applicable;

(4) Information regarding participation in state and federal student loan and grant programs, including the total amount of funding received from each source for those students enrolled in an approved California school regardless of their state of residency;

(5) Information regarding participation in other public funding programs, including the amount of funding received from each public funding source; for purposes of this section, public funding is any financial aid paid on behalf of students or directly to an institution from any public source, such as the Workforce Investment Act, any veterans' financial aid programs pursuant to Section 21.4253 of Title 38 of the Code of Federal Regulations or any other financial aid program that is intended to help students pay education-related expenses, including tuition, fees, room and board, and supplies for education;

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1 (6) The total percentage of institutional income that comes from any
public funding sources; and

2 (7) A blank copy of the institution's enrollment agreement and the
3 catalog for the reporting year.

4 (b) In addition to the information required by section 94934 of the Code and
this section provided under penalty of perjury, the institution shall have annual
5 financial statements prepared for the institution's prior fiscal year and signed under
6 penalty of perjury, and shall submit a hard copy under separate cover of such
statements in conjunction with its annual report. The form, content and mode of
7 preparation of financial statements shall comply with Section 74115 of this Division.
The Bureau may request that the institution immediately make available for
8 inspection to a representative of the Bureau, these financial statements at the offices
of the institution.

9 (c) As part of its annual report to the Bureau, every institution shall provide
graduate identification data for each student who graduated from the institution's
10 educational program(s), which shall include:

11 (1) The graduate's name and federal taxpayer identification number,
which is either the graduate's social security number (SSN) or individual
12 taxpayer identification number (ITIN). If the graduate does not have an SSN or
ITIN, the graduate's information shall be reported as "not available";

13 (2) The date of graduation;

14 (3) The following information regarding the educational program in
15 which the graduate was enrolled:

16 (A) The federal Bureau of Labor Statistic's Standard Occupation
Classification (SOC) codes for which the institution has identified that the
17 program prepares its graduates when required for the reporting of job
placement rates under subdivision (i)(3) of section 74112 of this Division;

18 (B) Educational program's name;

19 (C) Program length, as measured in clock hours or credit hours; and

20 (D) Type or title of degree, diploma or certificate awarded.

21 (4) The amount of federal student loan debt for the graduate, if any, as
22 reported by the institution under subdivision (g) of section 74112 of this
Division.

23 (d) Specific Timeframes for Reporting Graduate Identification Data:

24 (1) The written notice required by Section 94892.6(b)(5) of the Code
shall inform the institution that the Director has certified that the Bureau's
25 information technology system has been updated and is capable of processing
the data required by that Section and that the institution has 120 days from
26 receipt of the notice to comply with this section.

27 (2) The first annual report submitted by an institution that contains the
graduate identification data required to be reported in subsection (c) shall
28 include information collected on all students who graduated from January 1,

1 2020 through the end of the prior calendar year. Subsequent annual reports
2 containing graduate identification data filed by an institution shall include
3 information about students who graduated in the prior calendar year only.

4 (e) An institution shall file its annual report by December 1st of each year. The
5 Bureau may extend the period for filing if the institution demonstrates evidence of
6 substantial need but in no case longer than 60 days. The institution shall not change
7 the date of its filing its annual report because of a change in the fiscal year without
8 the Bureau's approval.

9 (f) The annual report shall be electronically filed by submitting the information
10 required by section 94934 of the Code and this section via the Bureau's online annual
11 reports portal designated on the Bureau's website at: www.bppe.ca.gov, and
12 electronically uploading, as directed, the School Performance Fact Sheet, the
13 enrollment agreement, the school catalog and the graduate identification data required
14 by this section. The following conditions relate to such electronic filings:

15 (1) Institutions submitting their annual report submission shall first have a
16 responsible institution representative register the institution for a user account
17 by creating a user name, password, email address, and the institution
18 representative's first and last name, primary phone number, and address.

19 (2) As part of the annual report, the institution shall provide standard
20 reporting and contact information through the online portal, including:

21 (A) the report year;

22 (B) institution's approval code;

23 (C) institution's name;

24 (D) institution's physical address;

25 (E) the form of business organization of the institution (sole
26 proprietorship, for-profit corporation, non-profit corporation, or limited
27 liability company (LLC));

28 (F) a statement whether the institution is current on its annual fees;
and

(G) the institution's website address, or notice that it does not
maintain an internet website if it does not do so.

(3) The graduate identification data reported by the institution shall be
provided in the following application and file format: in an Excel spreadsheet
(.xls or .xlsx file format), or a text file with a semi-colon, comma, or pipe
delimiter (.csv or .txt file format).

(4) Electronic Signature: When a signature is required by the particular
instructions of any filing to be made through the online portal, including any
attestation under penalty of perjury as required by Section 94934 of the Code,
a responsible institutional representative of the institution shall affix their
electronic signature to the filing by typing their name in the appropriate field
and submitting the filing via the Bureau's online portal. Submission of a filing
in this manner shall constitute evidence of legal signature by any individual
whose name is typed on the filing.

1 (5) When considered filed with the Bureau: Solely for purposes of a
2 filing made through the online portal an annual report is considered filed when
3 all information required by this section has been submitted by the institution
4 and the institution has received an email to the email address associated with
5 their filing that their submission has been received by the Bureau. Receipt of
6 this email does not constitute confirmation that the information submitted
7 complies with the requirements of this section.

8 (6) The financial statements referenced in subsection (b), which are not
9 permitted to be filed via the Bureau's online portal, shall be filed by providing
10 or mailing hard copies directly to the Bureau's Annual Report Unit at the
11 mailing address of the principal office of the Bureau as provided in section
12 70020.

13 11. Title 5, CCR, section 75050 (Regulation 75050) states:

14 ...

15 (b) Failure of an applicant or institution issued an approval to operate to
16 abate the violation or to pay the fine within the time allowed is a ground for denial
17 or discipline of an approval to operate.

18 (c) If an informal conference or hearing is not requested, payment of the fine
19 and/or compliance with any order of abatement shall not constitute an admission of
20 the violation charged and shall be represented as satisfactory resolution of the matter
21 for purposes of public disclosure.

22 12. Title 5, CCR, section 75100 (Regulation 75100) states:

23 (a) The Bureau may suspend, revoke or place on probation with terms and
24 conditions an approval to operate.

25 ...

26 13. Title 5, CCR, section 76130 (Regulation 76130) states:

27 (a)(1) A qualifying institution shall collect the (Student Tuition Recovery Fund)
28 assessment from each student in an educational program at the time it collects the first
payment from or on behalf of the student at or after enrollment. The assessment shall be
collected for the entire period of enrollment, regardless of whether the student pays the
institutional charges in increments.

(2) The assessment to be collected from a re-enrolling student shall be limited to
any amount that is due after crediting any prior assessment amount paid by the student.
The enrollment agreement shall clearly identify any prior STRF assessment paid by the
student.

(b) A qualifying institution shall complete the STRF Assessment report and remit
it with the STRF assessments collected from students to be received by the Bureau no
later than the last day of the month following the close of the quarter as follows:

- 1 (1) April 30 for the first quarter,
- 2 (2) July 31 for the second quarter,
- 3 (3) October 31 for the third quarter, and
- 4 (4) January 31 for the fourth quarter.

5 If the due date falls on a Saturday, Sunday, or State or federal holiday, the due date
6 shall be extended to the next regular business day for the Bureau.

7 (c) The STRF Assessment report shall contain the following information:

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

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

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

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

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

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

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

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

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

28 **COST RECOVERY**

14. Section 94937, subdivision (c), of the Code states, "The bureau may seek
reimbursement pursuant to Section 125.3 of the Business and Professions Code."

1 15. Section 125.3 of the Code provides, in pertinent part, that the Board may request the
2 administrative law judge to direct a licensee found to have committed a violation or violations of
3 the licensing act to pay a sum not to exceed the reasonable costs of the investigation and
4 enforcement of the case, with failure of the licensee to comply subjecting the license to not being
5 renewed or reinstated. If a case settles, recovery of investigation and enforcement costs may be
6 included in a stipulated settlement.

7 **FIRST CAUSE FOR DISCIPLINE**

8 **(Failure to Comply with Citation No. 2223097)**

9 16. Respondent is subject to disciplinary action under Code section 94936, in conjunction
10 with Regulation 75050, subdivision (b), in that Respondent failed to comply with Citation No.
11 2223097 issued to Respondent on March 20, 2023. The circumstances are as follows:

12 17. The Bureau issued Citation No. 2223097 after Respondent failed to submit the 2021
13 Annual Report, which was due to the Bureau by December 1, 2022. The citation included a
14 \$5,000.00 administrative fine and an Order of Abatement to submit the 2021 Annual Report.
15 Compliance with the citation was due thirty days from the date of issuance of the citation.
16 Respondent did not appeal the Citation. The Bureau mailed demand letters for payment of the
17 administrative fine and compliance with the Order of Abatement on May 8, 2023, June 21, 2023,
18 and August 11, 2023. On January 12, 2024, the Bureau offered Respondent a payment plan, to
19 pay the administrative fine over twelve monthly payments. Respondent failed to sign and return
20 the payment plan to the Bureau. To date, Respondent has failed to comply with Citation No.
21 2223097.

22 **SECOND CAUSE FOR DISCIPLINE**

23 **(Failure to Comply with Citation No. 23240239)**

24 18. Respondent is subject to disciplinary action under Code section 94936, in conjunction
25 with Regulation 75050, subdivision (b), in that Respondent failed to comply with Citation No.
26 23240239 issued to Respondent on April 3, 2024. The circumstances are as follows:

27 19. The Bureau issued Citation No. 23240239 after Respondent failed to submit its 2022
28 Annual Report and its Student Tuition Recovery Fund (STRF) Assessment Reporting Form and

1 applicable fees for the fourth quarter reporting period of 2023. The Bureau issued an
2 administrative fine of \$6,000.00 and included an Order of Abatement to submit the 2022 Annual
3 Report and delinquent STRF. The Respondent did not appeal the Citation. To date, Respondent
4 has failed to comply with Citation 23240239.

5 **THIRD CAUSE FOR DISCIPLINE**

6 **(Failure to Notify Bureau of Substantive Change)**

7 20. Respondent is subject to disciplinary action under Code sections 94893 and 94894 in
8 that on or about December 12, 2023, Respondent's owner, Vollmer University, Inc., filed a
9 Certificate of Dissolution with the California Secretary of State, without notifying the Bureau at
10 any time of its change in business organization or ownership.

11 **DISCIPLINE CONSIDERATIONS**

12 21. To determine the degree of discipline, if any, to be imposed on Respondent,
13 Complainant alleges that on or about July 14, 2021, in a prior action, the Bureau issued Citation
14 No. 2122006¹ for failure to submit an STRF assessment for first quarter of 2021, and failure to
15 pay a late payment penalty fee for having paid the 2021 Annual Fee late. Citation No. 2122006
16 ordered Respondent to submit the delinquent STRF Assessment Reporting Form with the STRF
17 Assessments collected from students for the first quarter of 2021, pay all late payment penalty
18 fees, and pay a \$50 administrative penalty. That Citation is now final.

19 22. To determine the degree of discipline, if any, to be imposed on Respondent,
20 Complainant alleges that on or about November 14, 2022, in a prior action, the Bureau issued
21 Citation No. 2223033 for failure to submit STRF Assessment Reporting Forms for the third and
22 fourth quarters of 2021 and the second and third quarters of 2022, and for failure to pay a late
23 payment penalty fee for the 2022 Annual Fee. Citation No. 2223033 ordered Respondent to
24 submit the delinquent STRF Assessment Reporting Forms with the STRF Assessments collected
25 from students, to pay the remaining balance for its 90-day late payment penalty fees for the 2022
26 Annual Fee, and to pay a \$501.00 administrative penalty. That Citation is now final.

27 _____
28 ¹ This citation number was retroactively corrected from 2021006 to 2122006 in a *nunc pro tunc* order issued by the Bureau on August 29, 2024.

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PRAYER

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

- 1. Revoking or suspending Approval to Operate Institution Code No. 14961533 issued to Vollmer University, owned by Vollmer University Inc.;
- 2. Ordering Vollmer University to pay the Bureau for Private Postsecondary Education the reasonable costs of the investigation and enforcement of this case, pursuant to Business and Professions Code section 125.3; and,
- 3. Taking such other and further action as deemed necessary and proper.

DATED: 9/9/2024

"Original Signature on File"
DEBORAH COCHRANE
Chief
Bureau for Private Postsecondary
Education
Department of Consumer Affairs
State of California
Complainant

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