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

10
11 In the Matter of the Statement of Issues
Against:

Case No. 1001487

12 **COMPUTER TRAINING COLLEGE,**
13 **WHA-YOUNG LEE, OWNER**

STATEMENT OF ISSUES

14
15 **Approval of Renewal to Operate an**
Institution Non-Accredited Applicant

16 Respondent.
17

18 Complainant alleges:

19 **PARTIES**

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

23 2. On or about November 1, 2013, the Bureau for Private Postsecondary Education
24 received an Application for Renewal of Approval to Operate an Institution Non-Accredited from
25 Computer Training College, with Wha-Young Lee as the Owner ("Respondent"). On or about
26 October 3, 2013, Wha-Young Lee certified under penalty of perjury to the truthfulness of all
27 statements, answers, and representations in the application. The Bureau denied the application on
28 January 28, 2016.

1 **JURISDICTION**

2 3. This Statement of Issues is brought before the Director of the Department of
3 Consumer Affairs ("Director") for the Bureau for Private Postsecondary Education, under the
4 authority of the following laws. All section references are to the Business and Professions Code,
5 unless otherwise indicated.

6 **STATUTORY PROVISIONS**

7 4. Business and Professions Code section 22 states: "Board," as used in any provision of
8 this code, refers to the board in which the administration of the provision is vested, and unless
9 otherwise expressly provided, shall include "bureau," "commission," "committee," "department,"
10 "division," "examining committee," "program," and "agency."

11 5. Business and Professions Code section 480 states, in pertinent part:

12 "(a) A board may deny a license regulated by this code on the grounds that the applicant
13 has one of the following:

14

15 "(3) (A) Done any act that if done by a licentiate of the business or profession in question,
16 would be grounds for suspension or revocation of license."

17 6. Section 94885 of the Education Code¹ states:

18 "(a) The bureau shall adopt by regulation minimum operating standards for an institution
19 that shall reasonably ensure that all of the following occur:

20 "(1) The content of each educational program can achieve its stated objective.

21 "(2) The institution maintains specific written standards for student admissions for each
22 educational program and those standards are related to the particular educational program.

23 "(3) The facilities, instructional equipment, and materials are sufficient to enable students to
24 achieve the educational program's goals.

25 "(4) The institution maintains a withdrawal policy and provides refunds.

26 "(5) The directors, administrators, and faculty are properly qualified.

27 _____
28 ¹ California Private Postsecondary Education Act of 2009, Ed. Code §§ 94800, et seq.

1 “(6) The institution is financially sound and capable of fulfilling its commitments to
2 students.

3 “(7) That, upon satisfactory completion of an educational program, the institution gives
4 students a document signifying the degree or diploma awarded.

5 “(8) Adequate records and standard transcripts are maintained and are available to students.

6 “(9) The institution is maintained and operated in compliance with this chapter and all other
7 applicable ordinances and laws.

8 “(b) Except as provided in Section 94855.1, an institution offering a degree must satisfy one
9 of the following requirements:

10 “(i) Accreditation by an accrediting agency recognized by the United States Department of
11 Education, with the scope of that accreditation covering the offering of at least one degree
12 program by the institution.

13 “(ii) An accreditation plan, approved by the bureau, for the institution to become fully
14 accredited within five years of the bureau's issuance of a provisional approval to operate to the
15 institution. The provisional approval to operate to an unaccredited degree-offering institution
16 shall be in compliance with Section 94885.5.”

17 7. Section 94886 of the Education Code states: “Except as exempted in Article 4
18 (commencing with Section 94874) or in compliance with the transition provisions in Article
19 (commencing with Section 94802), a person shall not open, conduct, or do business as a private
20 postsecondary educational institution in this state without obtaining an approval to operate under
21 this chapter.”

22 8. Section 94887 of the Education Code states:

23 “An approval to operate shall be granted only after an applicant has presented sufficient
24 evidence to the bureau, and the bureau has independently verified the information provided by the
25 applicant through site visits or other methods deemed appropriate by the bureau, that the applicant
26 has the capacity to satisfy the minimum operating standards. The bureau shall deny an application
27 for an approval to operate if the application does not satisfy those standards.”

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1 9. Section 94897 of the Education Code states, in pertinent part:

2 "An institution shall not do any of the following:

3

4 "(1) Use the terms "approval," "approved," "approval to operate," or "approved to operate"
5 without stating clearly and conspicuously that approval to operate means compliance with state
6 standards as set forth in this chapter. If the bureau has granted an institution approval to operate,
7 the institution may indicate that the institution is "licensed" or "licensed to operate," but may not
8 state or imply either of the following:

9 "(1) The institution or its educational programs are endorsed or recommended by the state
10 or by the bureau.

11 "(2) The approval to operate indicates that the institution exceeds minimum state standards
12 as set forth in this chapter."

13 10. Section 94909 of the Education Code states, in pertinent part:

14 "(a) Except as provided in subdivision (d), prior to enrollment, an institution shall provide a
15 prospective student, either in writing or electronically, with a school catalog containing, at a
16 minimum, all of the following:

17 "(1) The name, address, telephone number, and, if applicable, Internet Web site address of
18 the institution.

19 "(2) Except as specified in Article 2 (commencing with Section 94802), a statement that the
20 institution is a private institution and that it is approved to operate by the bureau.

21 "(3) The following statements:

22 "(A) "Any questions a student may have regarding this catalog that have not been
23 satisfactorily answered by the institution may be directed to the Bureau for Private Postsecondary
24 Education at (address), Sacramento, CA (ZIP Code), (Internet Web site address), (telephone and
25 fax numbers)."

26 "(B) "As a prospective student, you are encouraged to review this catalog prior to signing
27 an enrollment agreement. You are also encouraged to review the School Performance Fact Sheet,
28 which must be provided to you prior to signing an enrollment agreement."

1

2 “(7) Information regarding the faculty and their qualifications.

3

4 “(10) A statement reporting whether the institution participates in federal and state financial
5 aid programs, and if so, all consumer information that is required to be disclosed to the student
6 pursuant to the applicable federal and state financial aid programs.

7 “(11) A statement specifying that, if a student obtains a loan to pay for an educational
8 program, the student will have the responsibility to repay the full amount of the loan plus interest,
9 less the amount of any refund, and that, if the student has received federal student financial aid
10 funds, the student is entitled to a refund of the moneys not paid from federal student financial aid
11 program funds.”

12 “(12) A statement specifying whether the institution has a pending petition in bankruptcy, is
13 operating as a debtor in possession, has filed a petition within the preceding five years, or has had
14 a petition in bankruptcy filed against it within the preceding five years that resulted in
15 reorganization under Chapter 11 of the United States Bankruptcy Code (11 U.S.C. Sec. 1101 et
16 seq.).”

17 11. Section 94911 of the Education Code states, in pertinent part:

18 "An enrollment agreement shall include, at a minimum, all of the following:

19

20 "(e) (2) The disclosure shall contain the institution's refund policy and a statement that, if
21 the student has received federal student financial aid funds, the student is entitled to a refund of
22 moneys not paid from federal student financial aid program funds.

23

24 "(f) A statement specifying that, if the student obtains a loan to pay for an educational
25 program, the student will have the responsibility to repay the full amount of the loan plus interest,
26 less the amount of any refund.

27 "(g) A statement specifying that, if the student is eligible for a loan guaranteed by the
28 federal or state government and the student defaults on the loan, both of the following may occur:

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2 “(3) If the institution admits students from other countries, whether visa services are
3 provided or whether the institution will vouch for student status, and any associated charges;

4

5 “(10) A description of library and other learning resources and the procedures for student
6 access to those resources;

7

8 “(13) Housing information including all of the following:

9

10 “(B) The availability of housing located reasonably near the institution's facilities and an
11 estimation of the approximate cost or range of cost of the housing...”

12 14. California Code of Regulations, title 5, section 74115 states, in pertinent part:

13 “(b) A set of financial statements shall contain, at a minimum, a balance sheet, an income
14 statement, and a cash flow statement, and the preparation of financial statements, shall comply
15 with all of the following:

16 “(1) Audited and reviewed financial statements shall be conducted and prepared in
17 accordance with the generally accepted accounting principles established by the American
18 Institute of Certified Public Accountants by an independent certified public accountant who is not
19 an employee, officer, or corporate director or member of the governing board of the institution.”

20 **FIRST CAUSE FOR DENIAL OF APPLICATION**

21 **(Enrollment Agreement)**

22 15. Respondent's application is subject to denial under section 480 subdivision (a)(3)(A),
23 Education Code section 94911, and California Code of Regulations, title 5, section 71800, in that
24 Respondent submitted a deficient enrollment agreement to the Bureau. Each violation is a sole
25 and separate cause for denial. The violations are as follows:

26 a. Respondent is unable to prove compliance with California Code of Regulations, title
27 5, section 71800, subdivision (b), in that Respondent's enrollment agreement did not contain the
28 time period covered by the enrollment agreement.

1 b. Respondent is unable to prove compliance with Education Code section 94911,
2 subdivision (e)(2), in that Respondent's enrollment agreement did not contain a disclosure stating
3 that if a student has received federal student financial aid funds, that the student is entitled to a
4 refund of money not paid from federal student financial aid program funds.

5 c. Respondent is unable to prove compliance with Education Code section 94911,
6 subdivision (f), in that Respondent's enrollment agreement did not contain a statement specifying
7 that, if the student obtains a loan to pay for an educational program, that the student will have the
8 responsibility to repay the full amount of the loan plus interest, less the amount of any refund.

9 d. Respondent is unable to prove compliance with Education Code section 94911,
10 subdivisions (g)(1) and (g)(2), in that Respondent's enrollment agreement did not contain
11 statements that if the student defaults on a federal or state loan, both of the following may occur:
12 (1) the federal or state government or a loan guarantee agency may take action against the
13 student, including applying any income tax refund to which the person is entitled to reduce the
14 balance owed on the loan; and, (2) the student may not be eligible for any other federal student
15 financial aid at another institution or other government financial assistance until the loan is
16 repaid.

17 e. Respondent is unable to prove compliance with Education Code section 94911,
18 subdivisions (i)(1) and (i)(2), in that Respondent's enrollment agreement did not contain required
19 statements that: (1) prior to signing the enrollment the student must be given a catalog or
20 brochure and a school performance fact sheet; and, (2) a line for the student to initial followed by
21 a statement that the student certifies that they have received the catalog, performance fact sheet,
22 and other information as required by statute.

23 **SECOND CAUSE FOR DENIAL OF APPLICATION**

24 **(Financial Resources and Statements)**

25 16. Respondent's application is subject to denial under section 480 subdivision (a)(3)(A),
26 and California Code of Regulations, title 5, sections 71475, subdivision (e) and 74115,
27 subdivision (b)(1), in that Respondent submitted deficient financial statements to the Bureau.
28 Each violation is a sole and separate cause for denial. The violations are as follows:

1 a. On or about September 3, 2013, and November 30, 2015, Respondent submitted
2 financial statements for 2012 to the Bureau along with its application. The financial statements
3 were not audited or reviewed by a certified public accountant as required by California Code of
4 Regulations, title 5, sections 71475, subdivision (e) and 74115, subdivision (b)(1).

5 **THIRD CAUSE FOR DENIAL OF APPLICATION**

6 **(School Catalog)**

7 17. Respondent's application is subject to denial under section 480 subdivision (a)(3)(A),
8 Education Code sections 94909 and 94897, as well as California Code of Regulations, title 5,
9 section 71810, in that Respondent submitted a deficient school catalog to the Bureau. Each
10 violation is a sole and separate cause for denial. The violations are as follows:

11 a. Respondent has failed to prove compliance with Education Code section 94909,
12 subdivision (a)(2), in that Respondent is required to include specific statements in its catalog that
13 it is a private institution and that it is approved to operate by the Bureau. Respondent's catalog
14 did not include the required disclosure.

15 b. Respondent has failed to prove compliance with Education Code section 94909,
16 subdivision (a)(3)(A), and Education Code section 94897, subdivision (l), in that Respondent is
17 required to include a specific statement in its catalog that any questions a student may have
18 regarding the catalog that are not satisfactorily answered by the institution may be directed to the
19 Bureau. Respondent's catalog did not include the required disclosure.

20 c. Respondent has failed to prove compliance with Education Code section 94909,
21 subdivision (a)(3)(B), in that Respondent is required to include a specific statement in its catalog
22 that prospective students are encouraged to review the catalog, as well as the school performance
23 fact sheet which must be provided to prospective students, prior to signing an enrollment
24 agreement. Respondent's catalog did not include the required disclosure.

25 d. Respondent has failed to prove compliance with Education Code section 94909,
26 subdivision (a)(7), in that Respondent is required to include information in its catalog regarding
27 the faculty and their qualifications. Respondent's catalog did not include the required
28 information.

1 e. Respondent has failed to prove compliance with Education Code section 94909,
2 subdivision (a)(10), in that Respondent is required to include a specific statement in its catalog
3 reporting whether the institution participates in federal and state financial aid programs, and if so,
4 all consumer information that is required to be disclosed to the student pursuant to the applicable
5 program. Respondent's catalog did not include the required disclosure.

6 f. Respondent has failed to prove compliance with Education Code section 94909,
7 subdivision (a)(11), in that Respondent is required to include a specific statement in its catalog
8 specifying that, if a student obtains a loan to pay for an educational program, that the student will
9 have the responsibility to repay the full amount of the loan plus interest, less the amount of any
10 refund, and that, if the student has received federal student aid financial funds, the student is
11 entitled to a refund of the moneys not paid from federal student financial aid program funds.
12 Respondent's catalog did not include the required disclosure.

13 g. Respondent has failed to prove compliance with Education Code section 94909,
14 subdivision (a)(12), in that Respondent is required to include specific statements in its catalog
15 regarding whether the institution has a pending petition in bankruptcy, is operating as a debtor in
16 possession, has filed a petition within the preceding five years, or has had a petition in bankruptcy
17 filed against it within the preceding five years. Respondent's catalog did not include the required
18 disclosure.

19 h. Respondent has failed to prove compliance with California Code of Regulations, title
20 5, section 71810, subdivision (b)(3), in that Respondent is required to include in its catalog
21 whether visa services are provided or whether the institution will vouch for student status if the
22 institution admits students from other countries. Respondent's catalog did not include the
23 required information.

24 i. Respondent has failed to prove compliance with California Code of Regulations, title
25 5, section 71810, subdivision (b)(10), in that Respondent is required to include in its catalog a
26 description of the library and other learning resources and the procedures for student access to
27 those resources. Respondent's catalog did not include the required information.

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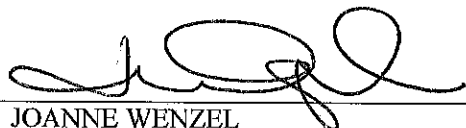
1 j. Respondent has failed to prove compliance with California Code of Regulations, title
2 5, section 71810, subdivision (b)(13)(B), in that Respondent is required to include in its catalog
3 information about the availability of housing located reasonably near the institution's facilities
4 and an estimation of the approximate cost or range of cost of housing. Respondent's catalog did
5 not include the required information.

6 **PRAYER**

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

- 10 1. Denying the Application of Computer Training College, Wha-Young Lee, for
11 Renewal of Approval to Operate an Institution Non-Accredited; and,
12 2. Taking such other and further action as deemed necessary and proper.

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16 DATED: 7/5/16


17 JOANNE WENZEL
18 Chief
19 Bureau for Private Postsecondary Education
20 Department of Consumer Affairs
21 State of California
22 *Complainant*

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