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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
12 Against:
13 **INTERNATIONAL UNIVERSITY OF**
NORTH AMERICA
14 **3333 Bowers Avenue, #130**
Santa Clara, California 95054
15
16 **NARENDER RAMARAPU, Chief Executive**
Officer
17 Respondent.

Case Number 998736
STATEMENT OF ISSUES

18
19 Complainant Joanne Wenzel alleges:

20 **PARTIES**

- 21 1. Complainant brings this statement of issues solely in her official capacity as the Chief
22 of the Bureau for Private Postsecondary Education (Bureau), Department of Consumer Affairs.
23 2. On or about September 30, 2011, the Bureau received an Application for Approval to
24 Operate for an Institution Non Accredited, School Code Application Number 23983 (Application
25 #23983) for International University of North America (International University); respondent
26 Narender Ramarapu, Chief Executive Officer. On or about February 16, 2012, respondent
27 certified under penalty of perjury to the truthfulness of all statements, answers, and
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1 representations in Application #23983. The Bureau denied Application #23983 on January 9,
2 2013.

3 **JURISDICTION**

4 3. This statement of issues is brought before the Director of Consumer Affairs (Director)
5 for the Bureau under the authority of the following laws.

6 4. Education Code section 94886 states:

7 "Except as exempted in Article 4 (commencing with Section 94874) or in compliance with
8 the transition provisions in Article 2 (commencing with Section 94802), a person shall not open,
9 conduct, or do business as a private postsecondary educational institution in this state without
10 obtaining an approval to operate under this chapter."

11 5. Education Code section 94887 states:

12 "An approval to operate shall be granted only after an applicant has presented sufficient
13 evidence to the bureau, and the bureau has independently verified the information provided by the
14 applicant through site visits or other methods deemed appropriate by the bureau, that the applicant
15 has the capacity to satisfy the minimum operating standards. The bureau shall deny an
16 application for an approval to operate if the application does not satisfy those standards."

17 6. Education Code section 94932 states:

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

26 **STATUTORY AND REGULATORY PROVISIONS**

27 7. Business and Professions Code section 480 states, in pertinent part:

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1 “(a) A board may deny a license regulated by this code on the grounds that the applicant
2 has one of the following:

3 ...

4 “(2) Done any act involving dishonesty, fraud, or deceit with the intent to substantially
5 benefit himself or herself or another, or substantially injure another.

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

8 “(B) The board may deny a license pursuant to this subdivision only if the crime or act is
9 substantially related to the qualifications, functions, or duties of the business or profession for
10 which application is made.

11 ...

12 “(c) A board may deny a license regulated by this code on the ground that the applicant
13 knowingly made a false statement of fact required to be revealed in the application for the
14 license.”

15 8. Education Code section 94937, subdivision (a), states, in pertinent part:

16 “As a consequence of an investigation, and upon a finding that an institution has committed
17 a violation, the bureau may place an institution on probation or may suspend or revoke an
18 institution’s approval to operate for:

19 “(1) Obtaining an approval to operate by fraud.”

20 9. California Code of Regulations, title 5, section 71250, states:

21 “The Form Application 94886 shall include a statement that the institution has contracted
22 with sufficient duly qualified faculty members who meet the qualifications of section 71720.”

23 10. California Code of Regulations, title 5, section 71400.5, states, in pertinent part:

24 “(a) The inclusion of false or misleading information, or the intentional or negligent
25 omission of pertinent information on any application may result in the denial of the application or
26 a delay in processing, and may be grounds for action pursuant to Article 18 of the Act.

27 “(b) In addition to denying an application pursuant to section 94887 of the [Education]
28 Code, the Bureau may deny any application based on any act that constitutes grounds for the

1 denial of a license under Section 480 of the Business and Professions Code, incorporated herein
2 by reference.”

3 11. California Code of Regulations, title 5, section 75060, states, in pertinent part:

4 “In determining whether any of the grounds for denial set forth in Section 480 of the
5 Business and Professions Code exist, a crime or act shall be considered substantially related to the
6 qualifications, functions, or duties of any owner, corporate director or member of the governing
7 board, officer, or administrator under any of the following circumstances:

8 “(a) The crime or act involves any violation of the Act or this chapter, Title IV of the
9 federal Higher Education Act of 1965 (20 U.S.C. § 1070, et seq.), the closure of an institution,
10 fraud or misrepresentation, breach of fiduciary duty, any type of forgery or theft, or any type of
11 dishonesty causing any financial loss.

12 “(b) The crime, to a substantial degree, evidences present or potential unfitness to perform
13 the functions and duties authorized or required by the Act or this chapter in a manner consistent
14 with the public health, safety, or welfare, including a crime prohibited by Title 8 (commencing
15 with Section 187) or Title 9 (commencing with Section 261) of the Penal Code.”

16 **FACTUAL BACKGROUND**

17 12. On September 30, 2011, the Bureau received Application #23983 from respondent.
18 On February 16, 2012, respondent signed under penalty of perjury that Application #23983 and
19 its attachments were true and correct.

20 13. On July 10, 2012, the Bureau requested additional information from respondent to
21 support Application #23983, including the faculty members list of teaching assignments for all
22 courses. On July 24, 2012, respondent sent the Bureau a list of faculty and consulting professors.
23 Respondent claimed that International University “has a relationship with the following faculty
24 and all have tentatively agreed to come on board as faculty upon [the Bureau's] approval of the

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1 application to operate." The list included the following:

2 Name	Dr. Gregory Crow
3 Discipline	Health Services & Team Building
4 Graduate Program	Ed.D., University of San Francisco
5 Years Teaching	15 years
6 Current Institution	Adjunct Faculty University of San Francisco
7 Teaching Areas	Healthcare Policy & Legal Aspects, healthcare planning and marketing, 8 Managing Healthcare Organization

9 14. On October 12, 2012, the Bureau again requested additional information from
10 respondent, including Dr. Crow's curriculum vitae. On October 16, 2012, respondent sent a disc
11 and hardcopies to the Bureau which included, among other items, Dr. Crow's curriculum vitae.

12 15. On October 30, 2012, the Bureau contacted respondent's proposed faculty members,
13 including Dr. Crow, to confirm and verify their association with International University. Dr.
14 Crow responded that he did not know of International University – he had not provided his
15 curriculum vitae to respondent, had not contacted respondent for employment, and had not
16 applied to teach at International University. Dr. Crow also provided emails from respondent
17 dated July 16 and October 30, 2012, in which respondent had solicited Dr. Crow to work for
18 International University.

19 16. On October 31, 2012, respondent wrote to the Bureau stating that he was unable to
20 contact Dr. Crow, and that he would replace Dr. Crow with Dr. Montasser Kadrie on its list of
21 faculty.

22 17. On January 9, 2013, the Bureau denied Application #23983.

23 CAUSES FOR DENIAL OF APPLICATION

24 **FIRST CAUSE FOR DENIAL OF APPLICATION**

25 **Bus. & Prof. Code, § 480, subd. (a)(2); Cal. Code Regs., tit. 5, § 71400.5, subd. (b)**
26 **Dishonesty, Fraud, or Deceit with Intent to Benefit Himself**

27 18. The allegations of paragraphs 12-17 are realleged and incorporated by reference as if
28 fully set forth.

19 19. Respondent's Application #23983 is subject to denial under Business and Professions
20 Code section 480, subdivision (a)(2), and California Code of Regulations, title 5, section 71400.5,
21 subdivision (b), for an act involving dishonesty, fraud, or deceit with the intent to substantially
22 benefit himself. As set forth in paragraphs 12-17 above, respondent included Dr. Crow in

1 International University's list of faculty without Dr. Crow's consent in order to have the Bureau
2 approve Application #23983.

3 **SECOND CAUSE FOR DENIAL OF APPLICATION**
4 **Bus. & Prof. Code, § 480, subd. (c); Cal. Code Regs., tit. 5, § 71400.5, subd. (b)**
5 **Knowingly Making a False Statement of Fact on Application**

6 20. The allegations of paragraphs 12-17 are realleged and incorporated by reference as if
7 fully set forth.

8 21. Respondent's Application #23983 is subject to denial under Business and Professions
9 Code section 480, subdivision (c), and California Code of Regulations, title 5, section 71400.5,
10 subdivision (b), for knowingly making a false statement of fact required on an application. As set
11 forth in paragraphs 12-17 above, respondent included Dr. Crow in International University's list
12 of faculty without Dr. Crow's consent to satisfy the Bureau's faculty requirements for
13 Application #23983.

14 **THIRD CAUSE FOR DENIAL OF APPLICATION**
15 **Ed. Code, § 94937, subd. (a)(1); Bus. & Prof. Code, § 480, subd. (a)(2);**
16 **Cal. Code Regs., tit. 5, § 71400.5, subd. (b)**
17 **Obtaining Approval to Operate by Fraud**

18 22. The allegations of paragraphs 12-17 are realleged and incorporated by reference as if
19 fully set forth.

20 23. Respondent's Application #23983 is subject to denial under Education Code section
21 94937, subdivision (a)(1), Business and Professions Code section 480, subdivision (a)(2), and
22 California Code of Regulations, title 5, section 71400.5, subdivision (b), for attempting to obtain
23 approval to operate by fraud. As set forth in paragraphs 12-17 above, respondent included Dr.
24 Crow in International University's list of faculty without Dr. Crow's consent in order to have the
25 Bureau approve Application #23983.

26 **FOURTH CAUSE FOR DENIAL OF APPLICATION**
27 **Cal. Code Regs., tit. 5, § 71400.5, subd. (a)**
28 **Including False or Misleading Information on an Application**

29 24. The allegations of paragraphs 12-17 are realleged and incorporated by reference as if
30 fully set forth.

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1 25. Respondent's Application #23983 is subject to denial under California Code of
2 Regulations, title 5, section 71400.5, subdivision (b), for including false or misleading
3 information on an application. As set forth in paragraphs 12-17 above, respondent included Dr.
4 Crow in International University's list of faculty without Dr. Crow's consent.

5 **PRAYER**

6 WHEREFORE, complainant requests that a hearing be held on the matters alleged in this
7 statement of issues, and that following the hearing, the Director of Consumer Affairs issues a
8 decision:

- 9 1. Denying respondent International University of North America's Application for
10 Approval to Operate for an Institution Non Accredited, School Code Application Number 23983;
11 2. Taking such other and further action as deemed necessary and proper.

12 DATED: *August 14, 2013*

13 
14 JOANNE WENZEL
15 Chief
16 Bureau for Private Postsecondary Education
17 Department of Consumer Affairs
18 State of California
19 Complainant

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