



UNITED STATES DEPARTMENT OF EDUCATION

OFFICE OF HEARINGS AND APPEALS

February 17, 2010

CERTIFIED MAIL R. R.

Julie Diaz

7009 0820 0002 0033 4864

Re: Docket No. 09-08-DA

**NOTICE OF GOVERNMENT-WIDE DEBARMENT FROM FEDERAL
PROCUREMENT AND NON-PROCUREMENT TRANSACTIONS**

This notice is issued by the United States Department of Education (Department) pursuant to 34 C.F.R. § 85.870 to inform you that you are **DEBARRED EFFECTIVE THE DATE OF THIS LETTER** from participating in any covered transactions under federal procurement and non-procurement programs and activities of any federal agency. As a consequence of being debarred, you are not eligible to receive federal financial and non-financial assistance or benefits from any federal agency under procurement or non-procurement programs and activities. Also, you may not act as a principal on behalf of any person in connection with a covered transaction. A principal is defined in 34 C.F.R. § 85.995 and includes any key employee or other person who has a critical influence on or substantive control over a covered transaction. This debarment is effective for all covered transactions unless an agency head or authorized designee grants an exception for a particular transaction in accordance with 34 C.F.R. § 85.120.

On February 26, 2009, the Department issued to you a Notice of Proposed Government-Wide Debarment from Federal Procurement and Non-Procurement Transactions, and informed you of your right to submit information and argument in opposition to such an action. That Notice was mailed to you at your last known address of record via U.S.P.S., Certified Mail, Return Receipt Requested. You received the Notice on March 3, 2009..

Under the applicable regulations, one subject to a proposed debarment is given 30 days from receipt of the Notice to oppose the proposed action. Thirty days have passed from the date of notice, and this office has received no correspondence from you contesting the contents of the February 26, 2009, Notice. The matter is now considered timely.

You were the Financial Aid Officer of California Business Institute (CBI). Beginning on or about October 1998 through September 2001, you and others knowingly and willfully engaged in a complex conspiracy in which you and others embezzled, stole and obtain by fraud over two million dollars in federal education grant money. In addition, you instructed students to leave blank the portion of their Free Application for Federal Student Aid form which identified the institution the student would be attending. You

also created fictitious invoices that made it appear that United Education and Computer College (UECC) and Mesa were providing services to CBI and then you removed documents from a student's files that would have revealed CBI's true relationship with UECC and Mesa. Your actions resulted in Pell Grants and Supplemental Educational Opportunity Grants being issued to ineligible students.

In February 2007, you were charged in a fourteen count First Superseding Indictment. On August 24, 2007, you entered into a plea agreement in which you agreed to plead guilty to conspiracy to commit fraud in violation of 18 U.S.C. § 371. On November 24, 2008, you plead guilty to conspiracy to commit fraud. The court accepted your plea of guilty and found you guilty of violating 18 U.S.C. § 371.

Based upon your plea and your conviction, **I FIND** that debarment is warranted. The uncontested record and the Notice of Proposed Government-Wide Debarment from Federal Non-Procurement Transactions, dated February 26, 2009, demonstrate that debarment should be imposed inasmuch as these violations constitute serious charges and cause for debarment under 34 C.F.R. §§ 85.800 (a)(3).

Under 34.C.F.R. § 85.865, the period of debarment is to be commensurate with the seriousness of the cause(s) for debarment. The charges levied against you in the Notice of Proposed Government-Wide Debarment from Federal Non-Procurement Transactions dated February 26, 2009, and which have gone without comment, constitute a serious threat to governmental programs. Accordingly, I have determined that the period of debarment will be **four** years, effective the date of this letter. The regulations contained in 34 C.F.R. Part 85, and the Non-Procurement Debarment and Suspension Procedures mailed with the Notice of February 26, 2009, govern this debarment.

SO ORDERED,

Frank J. Frey,
Deciding Debarment
and Suspension Official