



UNITED STATES DEPARTMENT OF EDUCATION

OFFICE OF HEARINGS AND APPEALS

January 13, 2010

CERTIFIED MAIL R. R.

Reynaldo Garcia

7009 1410 0001 3186 9514

Re: Docket No. 09-13-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 March 20, 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 26, 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 March 20, 2009, Notice. The matter is now considered timely.

You were owner and president of R.G. Educational Services Incorporated (doing business as, South Texas Vocational Technical Institute), from August 2001 through April 2002, you did knowingly and willfully fail to refund and embezzle funds provided to you by the Department on behalf of students. In addition, you used false writings and

certifications to falsely claim that over \$300,000 in Title IV refunds had been made as required by federal regulations, but in fact these Title IV funds were still owed.

You were charged in a 17 count Indictment with misapplication of, and failure to refund, Title IV funds, in violation of 20 U.S.C. § 1097(a) and 18 U.S.C. § 2. You were also charged with making and using false writings or documents, in violation of 18 U.S.C. § 1001. On January 8, 2007, you entered into a Plea Agreement, and in that agreement, you agreed to plead guilty to Counts 1, 2, 6, 7, 15 and 17 of your Indictment. You plead guilty pursuant to your Plea Agreement, and on May 2, 2007, the court found you guilty of Counts 1, 2, 6, 7, 15 and 17 of your Indictment.

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 March 20, 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 March 20, 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 **three** 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 March 20, 2009, govern this debarment.

SO ORDERED,

Frank J. Furey,
Deciding Debarment
and Suspension Official