



UNITED STATES DEPARTMENT OF EDUCATION

OFFICE OF HEARINGS AND APPEALS

January 12, 2010

CERTIFIED MAIL R. R.

Larry Paul Nichols

7009 0820 0002 0033 4765

Re: Docket No. 09-49-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 September 25, 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 September 30, 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 September 25, 2009, Notice. The matter is now considered timely.

You were the owner and director of Mesa from 1996 to 2004 and you were also the owner of Max Affiliates (MAX) from 1998 to 2004. In addition, you were the director of California Business Institute (CBI) from 1998 to 2001. 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. Along with destruction of documents, you falsely made it appear that students were attending CBI, but in fact, these students were actually attending United Education and Computer College (UECC), and Mesa Institute (MI). Your actions resulted in Pell Grants and Supplemental Educational Opportunity Grants being issued to ineligible students.

You were charged in a single count Information with conspiracy in violation of 18 U.S.C. § 371. In December 2006, you entered into a plea agreement and in that agreement, you agreed to plead guilty to conspiracy to commit fraud in violation of 18 U.S.C. § 371. On January 26, 2009 you plead guilty to conspiracy to commit fraud. The court accepted your plea of guilty and the court found you guilty of the single count Information on January 26, 2009..

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 September 25, 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 September 25, 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 September 25, 2009, govern this debarment.

SO ORDERED,



Frank J. Furey,
Deciding Debarment
and Suspension Official