



April 28, 2020

Mr. David Kanani  
President  
Los Angeles ORT Technical Institute  
6435 Wilshire Blvd  
Los Angeles, CA 90048

Sent Overnight Via UPS  
#1Z37X7Y30296863059  
OPE ID: 02570300

Re: Denial of Recertification Application to Participate in the Federal Student Financial Assistance Programs

Dear Mr. Kanani:

On January 17, 2020, the U.S. Department of Education (Department) advised you that Los Angeles ORT Technical Institute's (LA ORT's) application for recertification to participate as an eligible institution in the student financial assistance programs authorized pursuant to Title IV of the Higher Education Act of 1965, as amended, 20 U.S.C. §§ 1070 et seq. (Title IV, HEA Programs) was denied, and that, as a result, LA ORT's participation would end January 31, 2020.

In a letter dated January 31, 2020, LA ORT, through its attorney, formally requested that the Department reconsider the denial decision. In the January 31, 2020 letter, LA ORT acknowledged that the Department's allegation that the institution falsified the high school transcripts for 16 students reasonably supported the conclusion that LA ORT breached its fiduciary obligations to the Department such that the institution's Title IV participation should end. The letter indicated that LA ORT was conducting an internal investigation of the transcript fraud allegations and would provide supplementary evidence for the Department's consideration when available and by March 31, 2020, as previously agreed by the Department and LA ORT.

On March 31, 2020, LA ORT provided its final response to the denial letter. In the March 31, 2020 letter, LA ORT's attorney reported the results of the institution's internal investigation. In particular, LA ORT reported that it was able to verify the Department's allegations with respect to six of the students by obtaining the students' actual high school transcripts. LA ORT also reported that it interviewed four students, seven current employees, and one former employee, and determined that one employee in particular was not credible with regard to his statements. LA ORT stated that it terminated this employee, along with two others who had direct or oversight responsibilities with regard to the 16 students. LA ORT concluded by, among other things, requesting the Department's assistance in closing out its participation in the Title IV programs.

It is clear from the March 31, 2020 letter that LA ORT is no longer requesting that the Department rescind its denial decision, as the institution's internal investigation has confirmed that the denial was warranted. As LA ORT is aware, the institution's participation previously

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Administrative Actions and Appeals Service Group  
830 First St., N.E. Washington, D.C. 20002-8019  
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ended on January 31, 2020. The San Francisco/Seattle School Participation Team will provide LA ORT with instructions regarding the proper procedures for closing out its Title IV, HEA participation. The Department will establish liabilities with regard to the violations noted in the denial letter through the program review resolution process.

If you have any questions about this letter, you may contact Kathleen Hochhalter at (303) 844-4520.

Sincerely,

A handwritten signature in blue ink that reads "Susan D. Crim".

Susan D. Crim  
Director  
Administrative Actions and Appeals Service Group

cc: Judy Hendrickson, Interim Executive Director, ACCET, via [jhendrickson@accet.org](mailto:jhendrickson@accet.org)  
Michael Marion, Chief, Bureau for Private Postsecondary Education Executive Director,  
Via [Michael.Marion@dca.ca.gov](mailto:Michael.Marion@dca.ca.gov)  
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Department of Veteran Affairs, via [INCOMING.VBAVACO@va.gov](mailto:INCOMING.VBAVACO@va.gov)  
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