



Accrediting Commission of Career Schools and Colleges

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[www.accsc.org](http://www.accsc.org)

June 5, 2020

**ELECTRONIC DELIVERY**

[Redacted]

Universal Therapeutic Massage Institute, Inc.  
3410 Aztec Road, NE  
Albuquerque, New Mexico 87107

*School #M070320*  
*Warning*

Dear [Redacted]

At the May 2020 meeting, the Accrediting Commission of Career Schools and Colleges (“ACCSC” or “the Commission”) considered its previous decision to defer action on the Application for Renewal of Accreditation submitted by Universal Therapeutic Massage Institute, Inc. (“UTMI”) located in Albuquerque, New Mexico. Upon review of the January 24, 2020 deferral letter and the school’s response, the Commission voted to place UTMI on **Warning** with a subsequent review scheduled for ACCSC’s **November 2020** meeting. The history of ACCSC’s review of this matter, reasons for the Commission’s decision to place the school on Warning, and the Commission’s requirements for the school to demonstrate compliance are set forth below.

**History of ACCSC Review<sup>1</sup>**

**November 2017 – Application for a Change of Ownership**

On November 14, 2017, in accordance with the requirements for a change of control under *Section IV (E)(2)(g), Rules of Process and Procedure, Standards of Accreditation*, UTMI uploaded an Application for Change of Ownership-Part I to ACCSC’s College 360 database. In this application, the school made no disclosures regarding any proposed new owner or manager’s background and listed a [Redacted] amongst those individuals who would be acquiring the school, indicating his role as “Board member & Secretary.”

**February 2018**

At the February 2018 meeting, the Commission reviewed and subsequently approved UTMI’s Application for Change of Ownership-Part I. The Commission’s conveyed approval of the Application for Change of Ownership-Part I to the school in a letter dated February 5, 2018. Subsequently, in the Application for Change of Ownership-Part II submitted by UTMI on February 10, 2018, the school stated that the change of ownership occurred on January 1, 2018, prior to the Commission’s approval. Accordingly, in a letter dated February 28, 2018, ACCSC requested that UTMI provide information regarding the school’s decision to proceed with the transaction without prior approval. The school’s response and the Application for Change of Ownership-Part II were forwarded to the Commission for review and action at its May 2018 meeting.

**May 2018**

At the May 2018 meeting, the Commission considered the Application for Change of Ownership-Part II and UTMI’s response to the Commission’s February 28, 2018 letter. In its response, UTMI stated that the school moved forward with the transaction after receiving an update on the pre-acquisition review from the U.S. Department of Education (“the Department”). According to UTMI, it had interpreted a conversation with the Department to mean that school did not need to wait for ACCSC

<sup>1</sup> See ACCSC’s January 24, 2020 deferral letter for a detailed summary of ACCSC’s review of this matter.

approval to proceed with the transaction. Upon receipt of the January 29, 2018 Temporary Program Participation Agreement Provisional Approval from the Department, UTMI proceeded with the transaction on January 31, 2018.

Upon consideration of these assertions, the Commission found that the school failed to demonstrate compliance with the *Standards of Accreditation* in regard to the requirements for approval for substantive changes (*Section IV (C)(1), Rules of Process and Procedure, Standards of Accreditation*) and failed to demonstrate compliance with requirements regarding change of ownership (*Section IV (E)(2), Rules of Process and Procedure, Standards of Accreditation*). The Commission noted that while the school submitted the Application for a Change of Ownership-Part I prior to the transaction, the school proceeded with the transaction prior to receiving Commission approval of the change of ownership at the February 2018 meeting. Specifically, the Commission determined that:

- UTMI completed a change of ownership prior to receiving Commission approval;
- The ACCSC *Standards of Accreditation* explicitly state that consummation of a change of ownership without the Commission’s prior approval will result (emphasis added) in the withdrawal of a school’s accreditation effective as of the date of ownership change; and
- UTMI failed to provide any evidence to show that the school could not have complied with ACCSC’s requirements.

Accordingly, the Commission voted to withdraw the accreditation of UTMI and remove the school from the ACCSC list of accredited institutions effective as of January 31, 2018.

### **August 2018**

At its August 2018 meeting, ACCSC considered a special request submitted by UTMI regarding the status of school’s ownership. Specifically, at the May 2018 meeting, the Commission voted to withdraw the accreditation of UTMI for failure to obtain approval prior to a change of ownership. Upon receipt of this decision, UTMI submitted its intent to appeal the Commission’s decision. Subsequently, UTMI notified the Commission that the ownership transaction had been “unwound” and provided documentation of the steps to return the ownership to the previous owner. The Commission reviewed the information submitted by UTMI and found that the explanation, signed attestation from the transaction parties, and ancillary documentation appeared to be sufficient evidence that the school’s ownership had transferred back to the state it was in prior to the transaction which had been effectuated without Commission approval. In recognition of UTMI’s notification and attestation regarding the unwinding of the change of ownership that occurred on January 31, 2018, the Commission voted to reset and accordingly reinstate the school’s accredited status. According to the August 8, 2018 letter, ACCSC reminded the school that, “[s]hould UTMI choose to undergo a change of ownership in the future, the school may submit an Application for Change of Ownership-Part I for consideration by the Commission [and that] all parties involved in the transaction [should] take the time to become familiar with ACCSC’s change of ownership process and requirements.”

### **March 2019 – Change of Ownership Report**

In March 2019, UTMI filed a Change of Ownership Report stating that [REDACTED] would acquire 49% of the school; however, the school’s current owner, [REDACTED] would retain 51% and control of the school. In this Change of Ownership Report, the school answered “No” to the required disclosure regarding any taken, by any court or administrative body with regard to any proposed new owner, board member, or manager or with regard to any institution with which any proposed new owner, board member, or manager has previously been affiliated. The Organization Chart

submitted by UTMI, however, identified [REDACTED] as an “Administrator,” which should have prompted [REDACTED] to disclose pertinent information regarding [REDACTED] background. The Commission staff approved this report relying on the information provided and the lack of any disclosure regarding the background of any new owner or manager.

### October 2019 – Application for a Change of Control

On October 3, 2019, UTMI filed an Application for Change of Control-Part I in which [REDACTED] [REDACTED] who currently owns 49% of UTMI, would become the 100% owner of the school. As part of the change of control application, the school indicated that [REDACTED] [REDACTED] would be acquiring the school.

Additionally, the Commission noted that on the current and proposed organizational chart for the school, [REDACTED]. In addition, [REDACTED] [REDACTED] on the school’s website<sup>4</sup> and UTMI has currently designated him as a recipient of official ACCSC correspondence in the Commission’s database. The Commission found this information to be a material concern because on this change of control application, UTMI answered “Yes” to the f change of control application disclosure regarding any action taken, by any court or administrative body with regard to any proposed new owner, board member, or manager or with regard to any institution with which any proposed new owner, board member, or manager has previously been affiliated.

This is the first instance where the school made this disclosure despite having been required to do so on the previous Application for a Change of Ownership and the Change of Ownership Report. In the most recent change of control application, the proposed new owner of the school, [REDACTED] [REDACTED] now disclosed that, “[o]ne of our managers, [REDACTED] [REDACTED] According to the documentation provided by the school, on [REDACTED] [REDACTED] pled guilty in the United States District Court of the Western District of Washington to Conspiracy to Traffic in Contraband Cigarettes and Conspiracy to Launder Monetary Instruments and served 18 months in a federal prison camp from October 2010 to March 2012. The documentation provided by the school states that [REDACTED] also had 3 years of probation, from which he was released early, and that [REDACTED].

The Commission found that the 2017 Application for a Change of Ownership-Part I, the Change of Ownership Report, and the 2019 Application for a Change of Control-Part I taken together serve as the basis for questioning the background and fitness of the school’s current ownership and management. Specifically, the Commission’s records show that the 2017 change of ownership process was not executed in accordance with accreditation requirements and that [REDACTED] signed and submitted a change of ownership application that did not disclose the information regarding [REDACTED] [REDACTED] guilty plea to federal charges. The record also shows that [REDACTED] [REDACTED] failed to make this required disclosure again in the March of 2019 on the Change of Ownership Report. As such, the Commission determined that [REDACTED] failed to provide accurate and reliable information to the Commission with regard to a highly material issue as required by the 2017 change of ownership application and the 2018 Change of Ownership report. Moreover, given the disclosure that has now been made, the Commission is concerned about [REDACTED] background and fitness to manage an ACCSC accredited institution, particularly one that processes federal taxpayer dollars. Pursuant to *Section I (A)(2), Substantive Standards, Standards of*

*Accreditation*, the Commission considers involvement in criminal proceedings and any other information related to the performance of, or commitment to, ethical, fair and honest practice; and compliance with accrediting standards and applicable federal, state, and local requirements when making determinations of fitness regarding a school’s ownership and management.

### **November 2019 Commission Meeting: Deferral**

At the November 2019 meeting, the Commission voted to defer final action on UTMI’s Application for Renewal of Accreditation until the May 2020 meeting in order to provide the school with an additional opportunity to demonstrate compliance with accrediting standards in the following areas:

- That each owner and member of school management are qualified for their roles and have past records demonstrating ethical, fair, and honest practice as well as compliance with accrediting standards and federal requirements (*Section I (A)(1)(b)&(2), Substantive Standards, Standards of Accreditation*).
- Continuity of management and administrative capacity through the reasonable retention of management and administrative staff (*Section I (A)(4), Substantive Standards, Standards of Accreditation*).
- Successful student achievement by maintaining acceptable rates of graduate employment in the career field for which the school provided education and supporting these rates through the school’s verifiable records of initial employment of its graduates or other verifiable documentation (*Section VII (B)(1)(b), Substantive Standards, Standards of Accreditation*).

### **May 2020 Review and Action**

1. UTMI must demonstrate:

- That each owner and member of school management are qualified for their roles and have past records demonstrating ethical, fair, and honest practice as well as compliance with accrediting standards and federal requirements (*Section I (A)(1)(b)&(2), Substantive Standards, Standards of Accreditation*).
- The continuity of management and administrative capacity through the reasonable retention of management and administrative staff (*Section I (A)(4), Substantive Standards, Standards of Accreditation*).
- The school engages in ongoing institutional assessment and improvement planning (“IAIP”) activities (*Section I (B)(1), Substantive Standards, Standards of Accreditation*).

ACCSC’s January 24, 2020 deferral letter directed the school to submit, in addition to other information, a detailed explanation of the roles and day-to-day duties of [REDACTED] and [REDACTED]; a justification as to how [REDACTED] are qualified for their roles and have past records demonstrating ethical, fair, and honest practice as well as compliance with accrediting standards and federal requirements; and an explanation as to why [REDACTED] failed to make the disclosures as described herein on two separate occasions. In response, UTMI indicated that [REDACTED] has decided to withdraw [REDACTED] request for a 100% change of ownership but will remain in the capacity of silent investor, retaining 49% ownership with no decision making control. Further, UTMI indicated that:

*Should ACCSC decide that this concession is not acceptable, then [REDACTED] is willing to leave the school altogether. She wants to see the school succeed and will do whatever*

ACCSC commission recommends. [REDACTED] is also willing to leave his bookkeeping duties should the Commission decide that as well.

As part of the school's response, in a letter dated January 31, 2020, [REDACTED] explained, that:

[REDACTED], was never intended to be directly involved in the school at all. We did list him as a board member and secretary only to have input in the school's direction. The intention was never for him to ever be directly involved in any operations, management or decision making of the school. The omission of his court action was not deliberate but a misinterpretation which is further detailed in this letter.

The letter goes on state in regard to "lack of any disclosure regarding the background of any new owner or manager," this omission was completely unintentional. Of particular concern to the Commission was the incorrect notion posited by [REDACTED] that ACCSC is an "advising body" and that ACCSC has shown negligence in the quality of advisement that was provided to the school in noting that:

At any time, both [REDACTED] and [REDACTED] another ACCSC advisor, could have easily disclosed any missteps on our part in any of the correspondence we had before we submitted our change of control application in March of 2019. [REDACTED] could have either told us that our March 2019 application was unnecessary because it was not a substantive change before we moved forward with formal submissions OR advised us to submit corrections to our #4 response (mentioned above). [REDACTED] did neither. As our accrediting body, your advisors are to give us guidance and direction when requested. However, from the beginning of our relationship with the ACCSC, we have neither been consistently informed with accurate information nor have been properly guided on crucial matters. Had we received proper guidance and instruction from our ACCSC advisors, perhaps this entire misunderstanding could have been avoided.

The Commission found that [REDACTED] characterization of this matter regarding the role of ACCSC staff shows a fundamental lack of understanding of ACCSC and the accreditation process. The Commission reminds [REDACTED] and UTMI that as stated in the *Standards of Accreditation*, the primary purpose of the Commission is to establish and maintain high educational standards and ethical business practices among its accredited institutions, to evaluate each institution's compliance with the *Standards of Accreditation*, and to ensure appropriate accountability for such compliance. ACCSC is not an advisory body and can only make decisions based on the quality and accuracy of the information provided by a school. Ultimately, **the burden rests with the school** [emphasis added] to establish that it is meeting all requirements of the *Standards of Accreditation*. By applying for and receiving accreditation, a school accepts the obligation to demonstrate compliance with the *Standards of Accreditation*.

From the Commission's perspective based on the record, including the school's multiple applications and responses to Commission letters, the granting of extensions and requests for special consideration, UTMI failed to provide accurate disclosures regarding the school's owners and managers on multiple occasions. Accrediting standards state that a high level of reliance is placed upon information, data, and statements provided to the Commission by a school and that the integrity and honesty of a school are fundamental and critical to the process. ACCSC considers the

submission of inaccurate or misleading information to represent to be a compromise of integrity and as such an extreme offense.<sup>2</sup>

In light of the history of the Commission’s review outlined in this letter,<sup>3</sup> the Commission found that UTMI has yet to demonstrate compliance with accrediting standards regarding the qualifications of the school’s management and ownership. The Commission found that UTMI’s response to the January 24, 2020 deferral letter did not provide any credible reason as to why the school did not make the required disclosures as required. Further, the Commission found that due to the lack of pertinent and relevant disclosures regarding prior criminal acts, UTMI has not demonstrated that the school is committed to ethical, fair and honest practice or compliance with accrediting standards, and applicable federal, state, and local requirements.<sup>4</sup>

With regard to UTMI’s position that should ACCSC decide that the concession for [REDACTED] [REDACTED] to not pursue 100% ownership and remain a silent partner with 49% ownership to not be acceptable, [REDACTED] is willing to leave the school altogether. The Commission determined that ultimately, the burden to demonstrate compliance with accrediting standards is UTMI’s and UTMI’s alone. As it relates to the management of the school, throughout this review ACCSC raised questions regarding the continuity of management and administrative capacity through the reasonable retention of management and administrative staff (*Section I (A)(4), Substantive Standards, Standards of Accreditation*) and the school’s institutional assessment and improvement planning (“IAIP”) activities (*Section I (B)(1), Substantive Standards, Standards of Accreditation*). The Commission has not yet made a final decision with regard to the adequacy of the school’s management and administrative capacity. Having said that, the Commission has also found no compelling evidence that would support a scenario where [REDACTED] would have a role to play in the school’s management or administration. In order to make a final decision regarding the school’s compliance, UTMI shall have to decide its own path and in turn be able to justify to the Commission how the school complies with accreditation standards.

In light of the school’s reference to possible changes in ownership and management, the outstanding compliance questions regarding student achievement, management retention, and the Department’s action transferring UTMI to HCM2, the Commission directs the school to submit the following:

- a. A complete organization chart showing all owners and managers with titles as of July 1, 2020;
- b. A position description for each individual included on the organization chart provided in response to (a.) above;
- c. If the school elects to have [REDACTED] leave the school and give up [REDACTED] 49% ownership in the school as stated in UTMI’s response, the school must submit a [Change of Ownership Report](#) reflecting the revised ownership structure;

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<sup>2</sup> Moreover, the Standards of Accreditation state that If the Commission determines that a school has knowingly provided false or misleading information, the Commission will take any action that it believes is reasonable and appropriate including, but not limited to, denying any pending application or taking any accreditation action described in *Section VII, Rules of Process and Procedure, Standards of Accreditation*.

<sup>3</sup> See the history section above in this letter as well as prior correspondence from ACCSC regarding this matter of the change of ownership/control.

<sup>4</sup> In addition, the Commission’s records reflect that there are several outstanding compliance matters pending before ACCSC. These include a required response with regard to student achievement outcomes (see the March 3, 2020 letter from ACCSC) as well as a response regarding the February 11, 2020 notice from the U.S. Department of Education (“the Department”) that transferred UTMI from the Advance method of payment to the Heightened Cash Monitoring 2 (“HCM2”) method of payment.

- d. A justification as to how the school’s current owners and managers are qualified for their roles and have past records demonstrating ethical, fair, and honest practice as well as compliance with accrediting standards and federal requirements;
- e. A Retention Report for the positions listed in the organization chart (a.) in the following format:

Staff Member’s Name	Position		Date Assumed Duties		Date Employment Ceased		Reason for Employment Cessation (as applicable)
	FT	PT	Mo.	Yr.	Mo.	Yr.	

- f. An updated assessment of the factors impacting the average tenure of managers based on the data submitted in the above chart;
- g. The school’s updated plan to increase retention for management and administrative staff, how the strategies implemented by the school are intended to target those factors, and how the school is measuring the effectiveness of those strategies;
- h. The school’s IAIP to include measurable goal setting and benchmarking through 2021, at a minimum in the areas of:
  - i. management;
  - ii. fiscal condition and budget;
  - iii. administrative policies and practices;
  - iv. emergency preparedness;
  - v. student support services;
  - vi. faculty and staff development;
  - vii. educational program curricula, to include documentation that the school utilizes a systematic and evidence-based process to evaluate curriculum and course content, assesses the appropriateness of that coursework in relation to program objectives, assesses program viability, and make revisions to the curriculum as deemed necessary (*Section II (A)(4(a), Substantive Standards, Standards of Accreditation*);
  - viii. learning resources system, equipment, and supporting materials;
  - ix. facilities; and
  - x. student achievement outcomes.
- i. Documentation showing the implementation activities that took place from March 1, 2020 through August 31, 2020 in any of the areas set forth in (h.) above; and
- j. Any additional information that the school would like to submit in support of its compliance with *Section I (A), Substantive Standards, Standards of Accreditation*.

### **Warning Restrictions**

Pursuant to *Section VII (K)(7), Rules of Process and Procedure, Standards of Accreditation*, the Commission will not consider substantive changes, a change of location/relocation, or additions (i.e., separate facilities, new programs) to a school or its separate facilities while the school is under a Warning.

### **Notification to Students**

The Commission requires the school to inform current and prospective students in writing that the school has been placed on Warning and to provide a summary of the reasons for the Warning Order (*Section VII (K)(7) Rules of Process and Procedure, Standards of Accreditation*). As part of the school's response to this Warning letter, UTMI must submit a copy of the notice provided to students and applicants regarding the school's accreditation status.

### **RESPONSE REQUIREMENTS:**

By applying for accreditation, a school accepts the obligation to demonstrate continuous compliance with the *Standards of Accreditation*. While the Commission employs its own methods to determine a school's compliance with accrediting standards, the burden rests with the school to establish that it is meeting the standards. The Commission's deliberations and decisions are made on the basis of the written record and thus a school must supply the Commission with complete documentation of the school's compliance with accrediting standards. In addition to UTMI's response to this Warning letter, the Commission will consider the school's response to ACCSC's March 3, 2020 letter regarding student achievement, as well as a response regarding the February 11, 2020 notice from the Department that transferred UTMI from the Advance method of payment to HCM2.

UTMI must provide a response to the items expressed above that provides the information requested along with any additional information that the school believes supports a demonstration of compliance with accrediting standards.<sup>5</sup> If the school's response contains documentation that includes personal or confidential student or staff information that is not required for the Commission's review (e.g., social security numbers, dates of birth, etc.), please remove or redact that information.

UTMI must upload the school's electronic response directly to ACCSC's College 360 Database. The ACCSC College 360 database can be accessed by [clicking here](#). Please note that the password utilized by the institution to access the Annual Report Portal is the same to access the School Submission section of the College 360 database. The Instructions for Electronic Submission can be found [here](#). A detailed overview on how to upload a school submission can be found [here](#).

Keep in mind, the school's response must be prepared in accordance with ACCSC's Instructions for Electronic Submission (e.g., prepared as one Portable Document Format ("PDF") file that has been prepared using Adobe Acrobat software (version 8.0 or higher) and which has a .pdf extension as part of the file name). The school will receive an e-mail confirmation that the file has been received within 24 hours of the submission.

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<sup>5</sup> ACCSC has issued two modules of the **Blueprints for Success Series** – [Organizing an Effective Electronic Submission](#) and [Preparing a Comprehensive Response for Commission Consideration](#) – which provide a framework for submitting a well-documented, organized, electronic response for Commission consideration. ACCSC encourages the school to review these modules when formulating its response to this letter. More information is available in the [Resources section](#) at [www.accsc.org](http://www.accsc.org).



The school's response must also include a signed certification attesting to the accuracy of the information, the required \$500 processing fee, and be received in the Commission's office **on or before September 17, 2020**. If a response, the required fee, and the certificate of attesting to the accuracy of the information is not received in the Commission's office **on or before September 17, 2020** the Commission will consider further appropriate action.

For assistance with the password or for any other questions regarding the electronic submission requirements, please contact [REDACTED]. Please note that any password requests to access College 360 must be made by the school director, or designated member of the school's management team, via e-mail.

For further assistance or additional information, please contact [REDACTED] of [REDACTED]

Sincerely,

[REDACTED]  
Michale S. McComis, Ed.D.  
Executive Director