

STATE BOARD OF COMMUNITY COLLEGES

**Initial Recommendation to the State Board of Community Colleges
Regarding Investigation of Thomas Healthcare Institute, Inc. of
Raleigh and Thomas Healthcare Institute, Inc. of Greensboro**

Pursuant to 23 SBCCC 3A.0112, the State Board of Proprietary Schools (SBPS), by and through its Executive Director of the SBPS shall initiate and conduct an investigation of a proprietary school subject to Article VIII of Chapter 115D for either of the following: 1) if the SBCC, acting by and through the North Carolina Community College System President or the SBPS receives a written complaint alleging that a proprietary school subject to Article VIII of Chapter 115D has failed to comply with either the requirements of the law or the rules adopted by the SBCC; or 2) if the SBCC, acting by and through the SBPS has evidence that a proprietary school subject to Article VIII of Chapter 115D has failed to comply with either the requirements of the law or the rules adopted by the State Board of Community Colleges. If the SBCC, acting by and through the SBPS has evidence that a proprietary school failed to comply with either the requirements of the law or the rules adopted by the SBCC, the SBPS shall document all of the evidence of non-compliance in a document to be titled, "Documentation of Noncompliance."

The Executive Director of the SBPS or the Executive Director of the SBPS' designee shall conduct an investigation into the written complaint or into the documented noncompliance. Pursuant to G.S. 115D-93(c)(3), the proprietary school under investigation shall permit the Executive Director of the SBPS or the Executive Director of the SBPS' designee to obtain any information necessary to conduct the investigation. When conducting an investigation of a written complaint against a proprietary school, the Executive Director of the SBPS or the Executive Director of the SBPS' designee shall constitute a properly authorized official of the State Board of Community Colleges. The investigation shall conclude within **45 days** from the date the SBCC or the SBPS receives a written complaint or within **45 days** from the date of the Documentation of Noncompliance.

Upon the conclusion of the investigation, the Executive Director of the SBPS shall submit a written investigation report to the SBCC that includes the following: 1) Copy of the written complaint or Documentation of Noncompliance; 2) Specification of the laws or rules the proprietary school allegedly violated and a detailed description of how the proprietary school allegedly violated each of the specified laws or rules; 3) Description of investigation process; and 4) Recommendation of revocation of the proprietary school's license to operate one or more programs with a supporting rationale for revocation rather than for suspension; or 5) Recommendation of suspension of the proprietary school's license to operate one or more programs with a supporting rationale for suspension rather than for revocation; or 6) Recommendation to allow the proprietary school to retain its license to operate one or more programs with a supporting rationale for why revocation or suspension is not warranted.

The SBCC will evaluate the written investigation report and after due consideration, vote to 1) initiate suspension of the proprietary school's license to operate one or more programs; 2) initiate revocation of the proprietary school's license to operate one or more programs; or 3) take no further action.

**INVESTIGATIVE REPORT:
THOMAS HEALTHCARE INSTITUTE, INC. OF RALEIGH**

The North Carolina State Board of Proprietary Schools submits this Investigation Report to the North Carolina State Board of Community Colleges, pursuant to 23 SBCCC 3A.0112 and Article III, Chapter 150B of the North Carolina General Statutes.

**SBCC
01/18/2013**

SUMMARY

Report Overview:

- 1. Copy of Documentation of NoncompliancePage 3
- 2. The laws or rules allegedly violated and a detailed description of how the proprietary school allegedly violated each of the specified laws Page 16
- 3. Description of Investigative Process Page 25
- 4. Recommendation of revocation with a supporting rationale for revocation rather than for suspensionPage 26

Investigation Overview:

- 1. Investigation – 36 days
- 2. Witnesses Interviewed – 28
- 3. 5+ hour interview with school administrator

Recommendation Overview:

- 1. Alleged violations in Documentation of Noncompliance -10 total
- 2. Unsubstantiated violations – 4 total
- 3. Substantiated violations that do not rise to level of revocation – 2 total
- 4. Substantiated violations that rise to the level of revocation – 4 total
- 5. Initial Recommendation to State Board of Community Colleges – License Revocation

PART 1: COPY OF DOCUMENTATION OF NONCOMPLIANCE

On November 14, 2012, the Office of Proprietary Schools presented the following Documentation of Noncompliance to the school administrator of Thomas Healthcare Institute, Inc. of Raleigh.

**DOCUMENTATION OF NONCOMPLIANCE OF THOMAS HEALTHCARE
INSTITUTE OF RALEIGH**

The North Carolina State Board of Proprietary Schools submits this Documentation of Noncompliance to the North Carolina State Board of Community Colleges, pursuant to 23 SBCCC 3A.0112 and Article III, Chapter 150B of the North Carolina General Statutes.

Proprietary School: Thomas Healthcare Institute of Raleigh, 5805 Departure Drive, Raleigh, NC

School Administrator: Ms. Levette Blount

Pursuant to rules adopted by the North Carolina State Board of Community Colleges, a copy of this document as compiled has been presented to the following:

1. Chair of the North Carolina State Board of Proprietary Schools
2. NCCCS Executive Vice President
3. NCCCS General Counsel
4. NCCCS Director of Marketing and Public Affairs

Pursuant to rules adopted by the North Carolina State Board of Community Colleges, a copy of this document as compiled will be presented to the Chief Administrator of the proprietary school at issue within five (5) business days of documenting the noncompliance with the individuals above.

Submitted this 14th day of November, 2012



Scott Corl, Executive Director
Office of Proprietary Schools

DOCUMENTATION OF NONCOMPLIANCE
OF THOMAS HEALTHCARE INSTITUTE OF RALEIGH

The North Carolina State Board of Proprietary Schools submits this Documentation of Noncompliance to the North Carolina State Board of Community Colleges, pursuant to 23 SBCCC 3A.0112 and Article III, Chapter 150B of the North Carolina General Statutes.

I. Receipt of Complaint/Evidence of Noncompliance and Investigation

The State Board of Proprietary Schools (“SBPS”), by and through its Executive Director of the Office of Proprietary Schools (“OPS”) shall initiate and conduct an investigation of a proprietary school subject to Article VIII, Chapter 115D of the North Carolina General Statutes for either of the following:

... 2) If the State Board of Community Colleges (“SBCC”), acting by and through the State Board of Proprietary Schools (“SBPS”), has evidence that a proprietary school subject to Article VIII, Chapter 115D of the North Carolina General Statutes has failed to comply with either the requirements of law or the rules adopted by the SBCC.

If the SBCC, acting by and through the SBPS, has evidence that a proprietary school failed to comply with either the requirements of the law or the rules adopted by the SBCC, the SBPS shall document all of the evidence of noncompliance in a document to be titled, “Documentation of Noncompliance.”

EVIDENCE OF NONCOMPLIANCE

Proprietary School: Thomas Healthcare Institute –Raleigh (herein “THC”)

School Administrator: Ms. Levette Blount (herein “Blount”)

1. SBPS has obtained evidence that THC may have violated §115D-93(c)(9) and §115D-90(c)(3), by and through §115D-93(c)(1), by failing to provide and maintain adequate and qualified administrative, supervisory or teaching staff.

§ 115D -93. Suspension, revocation or refusal of license; notice and hearing; judicial review; grounds.

§115D-93(c)(9) – That the licensee has failed to provide and maintain adequate and qualified administrative, supervisory or teaching staff.

§115D-93(c)(1) – That the applicant or holder of a license has violated any of the provisions of this Article or any of the rules promulgated thereunder.

§ 115D -90. License required; application for license; school bulletins; requirements for issuance of license; license restricted to courses indicated; supplementary applications.

§115D-90(c) After due investigation and consideration on the part of the State Board, acting by and through the State Board of Proprietary Schools, as provided herein, a license shall

be granted to the applicant when it is shown to the satisfaction of the State Board that said applicant, school, programs of study or courses are found to have met the following criteria:

§115D-90(c)(3) Education and experience qualifications of director, administrators and instructors are adequate.

Documentation of possible violation:

1. Issue presented at meeting with Kathy Turner and Vickie Fore at DHHS on 10/31/12.
2. The program coordinator of a Nurse Aide I program is required by law to be a registered nurse.
3. DHHS alleges THC is operating without a licensed nurse as a program coordinator. DHHS alleges that Blount and/or her brother Joseph Blount, is acting as the program coordinator rather than Josette Faison (herein “Faison”), the named program coordinator.
4. Evidence presented by DHHS:
 - a. Last email communication between Faison and DHHS occurred March 31, 2011.
 - b. DHHS emailed Faison March 31, 2011 regarding the need to update information about THC – No response received from Faison.
 - c. DHHS emailed letter to Blount on July 11, 2011, documenting violation of federal law by taking nurse aide students into a long-term care facility for clinical when the facility was ineligible to participate in nurse aide training. – Response from Blount, no response from Faison.
 - d. DHHS suspended the Nurse Aide I program at THC on or about August 31, 2011, when it received evidence that THC was operating without a licensed nurse as a program coordinator after resignation of director Doris McMillan.
 - i. DHHS emailed SBCC (Dianette Jackson) on September 1, 2011, regarding allegations that Joseph Blount was acting as program coordinator without proper credentials. This appears to stem from a resignation email from former program coordinator Doris McMillan to DHHS dated in or about September 1, 2011.
 - ii. DHHS emailed SBCC September 1, 2011, documenting that Faison was employed full-time for the Charlotte-Mecklenburg school system.
 - iii. Last phone conversation between DHHS and Faison occurred September, 2011 regarding resignation of program coordinator Doris McMillan (herein “McMillan”).
 - e. Email from DHHS to Levette Blount dated September 14, 2011 approves Faison as new Nurse Aide I program director—replacing McMillan. THC permitted to resume Nurse Aide I program.
 - f. Email from Doris McMillan to DHHS dated September 19, 2011 alleges Joseph Blount acting as program coordinator of Nurse Aide I at THC.

- g. Email from DHHS to Faison dated September 30, 2011 regarding need to provide THC course schedule –No response from Faison.
 - h. Email from DHHS to Faison dated January 12, 2012 about failure to submit reapproval information sent in October and November, 2011. – No response from Faison.
 - i. Emails from DHHS to Faison dated February 29, 2012 and March 6, 2012 requesting responses about attending a mandatory training session for program coordinators – No response from Faison.
 - j. Email from DHHS to Faison dated March 8, 2012 requesting immediate response about training session – No response from Faison.
 - k. July 10, 2012 unannounced visit from DHHS to THC. Per DHHS, the Nurse Aide I instructor present did not know who Faison was.
5. Telephone conversation with former instructor Susan Miller on 11/1/12 – Miller denied knowledge of Faison. Unaware of who program director was supposed to be. Only dealt with Levette Blount and Joseph Blount at THC.
 6. Telephone conversation with former instructor Adriane Beals on 11/1/12 – Beals denied knowledge of Faison. Only dealt with Levette Blount and Joseph Blount at THC.
 7. Telephone conversation with clinical site director (Joyce Isley of Springmoor Retirement) on 11/8/2012-When asked, Isley stated the following:
 - a. Instructors over last 3 or 4 months have stated they will not return to THC.
 - b. Susan Miller told me she was not paid and was going to file court action.
 - c. Isley stated she only deals with Levette Blount at THC. Blount calls to arrange all clinical time for students.
 - d. When asked the specific question: *What interaction have you had with an individual named Josette Faison at THC?* – Response: “Who is that?”

Evidence Collected:

1. Emails between THC and DHHS presented to Executive Director of OPS on October 31, 2012
 2. Summary note of concern from DHHS to OPS dated October 31, 2012
 3. OPS notes from telephone conversations with persons identified herein
- 2. SBPS has obtained evidence that THC may have violated §115D-93(c)(2), by knowingly presenting to the State Board of Community Colleges false or misleading information relating to approval or license.**

§ 115D -93. Suspension, revocation or refusal of license; notice and hearing; judicial review; grounds.

§115D-93(c)(2) – The applicant for or holder of such a license has knowingly presented to the State Board of Community Colleges false or misleading information relating to approval or license.

Documentation of possible violation:

1. Issue presented at meeting with Kathy Turner and Vickie Fore at DHHS on 10/31/12.
2. Allegations contained in Violation 1 reiterated.

3. SBPS has obtained evidence that THC may have violated §115D-90(c)(9), by and through §115D-93(c)(1), because the school may not be financially sound and capable of fulfilling its commitments for training.

§ 115D -93. Suspension, revocation or refusal of license; notice and hearing; judicial review; grounds.

§115D-93(c)(1) – That the applicant or holder of a license has violated any of the provisions of this Article or any of the rules promulgated thereunder.

§ 115D -90. License required; application for license; school bulletins; requirements for issuance of license; license restricted to courses indicated; supplementary applications.

§115D-90(c) After due investigation and consideration on the part of the State Board, acting by and through the State Board of Proprietary Schools, as provided herein, a license shall be granted to the applicant when it is shown to the satisfaction of the State Board that said applicant, school, programs of study or courses are found to have met the following criteria:

§115D-90(c)(9)- The school is financially sound and capable of fulfilling its commitments for training.

Documentation of possible violation:

1. Issue presented via voicemail from Susan Miller to Executive Director of OPS on 10/31/12.
2. Telephone interview with Susan Miller (herein “Miller”) on 11/1/2012:
 - a. Miller identified herself as instructor of CNA I at THC during October, 2012.
 - b. Miller alleged she completed contract on 10/26/12, and Levette Blount promised payment on 10/30/12 per contract. Miller alleged when she got to THC on 10/30/12, Blount stated she did not have the money to pay her but they would pay her something on 11/15/12.
 - c. Miller stated that on one occasion, a female approached her and identified herself as the former instructor and that this female alleged THC was refusing to pay her.
3. Telephone interview with Levette Blount on 11/1/2012:
 - a. Blount confirmed Miller was instructor at THC October, 2012.

- b. Blount stated Miller completed contract but they make instructors wait 2 weeks to get paid. Blount stated this was in the employment contract.
 - c. Blount stated Miller would be paid something on 11/15/2012. Blount further stated that Miller would get about \$500 on 11/15/2012 (owed approx. \$2,000 per Miller).
 - d. Executive Director of OPS requested name and contact information for prior Nurse Aide I instructor. Blount provided name and contact info for Adriane Beals.
 - e. When asked directly, Blount stated that Beals completed contract at end of September, 2012. Blount also stated Beals was paid in-full.
 4. Telephone interview with Adriane Beals on 11/1/2012:
 - a. Beals confirmed she was instructor at THC September, 2012.
 - b. Beals confirmed she completed contract but strongly denied being paid and stated that she filed a complaint with DOJ. Beals stated she was promised payment 9/30/12 per contract but then told to wait until 10/15/2012. Beals stated she was never paid.
 - c. Beals confirmed that she spoke with Susan Miller “to warn her to get money upfront because THC would not pay her and that it was a scam.”
 5. Telephone interview with Levette Blount on 11/5/2012:
 - a. Blount stated again they do not pay instructors immediately. Blount states contract includes two weeks.
 - b. Blount stated they would give Susan Miller something on 11/15. I advised Blount that Miller threatened to go to small claims court. Blount said they would “deal with it at that time if she did.”
 - c. Blount asked specifically about Adriane Beals. Blount stated she was not paid. When asked specifically if Blount told OPS on 11/1/12 that Beals was paid Blount stated, “Maybe I did say that.” Blount agreed that Beals should have been paid in-full on 10/15 per contract, but admitted that THC had not paid Beals. Blount then stated “We’re probably waiting on a warrant for that.”
 - d. Blount stated that two students were enrolled in the Nurse Aide I program that was to begin 11/5/2012. Blount stated they were at the school earlier this date for orientation. Blount was specifically asked if she informed the students the class was cancelled per actions of DHHS and OPS on 11/1/2012. Blount said she did not. Blount was asked if there was any reason she did not tell them and she stated, “No.” Blount then stated she needed to “probably call them back.” Blount then stated there were only two students so she would have had to cancel the class anyway. When asked why Blount failed to inform them for that reason, she stated again that she would call them.
 6. On 11/8/12, a search of the public terminals at the Wake Co. Courthouse revealed:

- a. Small claims action 11 CVM 8795:
 - i. Nancy Vysocka, RN v. THC
 - ii. Filed 5/25/2011 - \$819 for unpaid contract for Nurse Aide I at THC from 3/21-3/29
 - iii. Judgment entered for \$600 on 6/30/2011 –Defendant present at court
 - iv. Writ of Execution for \$760.29 issued 7/28/2011 – Paid in-full
- b. Small claims action 10 CVM 22164:
 - i. Deshawn Bunch v. THC
 - ii. Filed 12/15/2010 - \$605 for unpaid teaching medical billing & coding at THC
 - iii. Dismissed 1/24/2011 –Neither party appeared
7. Email sent from OPS to Blount on 11/8/2012 requested knowledge of any other problems paying instructors.
 - a. Response email from Blount on 11/9/2012 – “Our old CNA I program made very little money. If we ever get this program back then we will have to charge more money for the students. So, have had problems with Ms. Miller, Ms. Beals, Ms Elizabeth Troutman, and Lorraine Wilson.”
8. Letter from OPS to Blount dated May 18, 2012 requiring THC to submit quarterly bond reports until further notice. The submitted reports do not indicate a financial inability to pay instructors.

Evidence Collected:

1. Notes taken by Executive Director of OPS documenting telephone conversations
2. Notes taken by OPS documenting court filings
3. Letter from OPS to THC dated 11/8/2012; Response from Blount on 11/9/2012
4. Letter from OPS to Blount dated 5/18/2012
5. Quarterly Bond Reports submitted by THC

4. SBPS has obtained evidence that THC may have violated §115D-93(c)(9), by failing to provide and maintain adequate standards of instruction.

§ 115D -93. Suspension, revocation or refusal of license; notice and hearing; judicial review; grounds.

§115D-93(c)(9) – That the licensee has failed to provide and maintain adequate standards of instruction or an adequate and qualified administrative, supervisory or teaching staff.

Documentation of possible violation:

1. Issue presented at meeting with Kathy Turner and Vickie Fore at DHHS on 10/31/12.
2. Based on evidence presented by DHHS:

- a. THC met or exceeded state average for Skills Evaluation 4 separate times between 3rd quarter 2006 and 2nd quarter 2012 (4/24 quarters =16%).
- b. THC below state average for Skills Evaluation 20 separate times between 3rd quarter 2006 and 2nd quarter 2012 (20/24 quarters = 84%).
- c. THC met or exceeded state average for Written Evaluation 6 separate times between 3rd quarter 2006 and 2nd quarter 2012 (6/24 quarters =25%).
- d. THC below state average for Written Evaluation 18 separate times between 3rd quarter 2006 and 2nd quarter 2012 (18/24 quarters = 75%).
- e. THC significantly lower scores compared to three community colleges and two other proprietary schools.

Evidence Collected:

1. THC Chart from DHHS
2. Gericare Chart from DHHS
3. Care One Health Training Institute Chart from DHHS
4. Wake Tech CC Chart from DHHS
5. Johnston County CC Chart from DHHS
6. Durham Tech CC Chart from DHHS

5. SBPS has obtained evidence that THC may have violated §115D-90(c)(6), by and through §115D-93(c)1, by failing to provide or maintain premises, equipment or conditions which are adequate, safe and sanitary.

§ 115D -93. Suspension, revocation or refusal of license; notice and hearing; judicial review; grounds.

§115D-93(c)(1) – That the applicant or holder of a license has violated any of the provisions of this Article or any of the rules promulgated thereunder.

§ 115D -90. License required; application for license; school bulletins; requirements for issuance of license; license restricted to courses indicated; supplementary applications.

§115D-90(c) After due investigation and consideration on the part of the State Board, acting by and through the State Board of Proprietary Schools, as provided herein, a license shall be granted to the applicant when it is shown to the satisfaction of the State Board that said applicant, school, programs of study or courses are found to have met the following criteria:

§115D-90(c)(6) – That the applicant or licensee has failed to provide or maintain premises, equipment or conditions which are adequate, safe and sanitary, in accordance with such standards of the State of North Carolina or any of its political subdivisions, as are applicable to such premises and equipment.

Documentation of possible violation:

1. Issue presented via voicemail to Executive Director of OPS on 10/31/12.
2. Telephone interview with Susan Miller on 11/1/2012; Per Susan Miller:
 - a. Lab, school dirty:
 - i. unclean sheets
 - ii. office trash, food left 3-4 days without emptying trash
 - iii. no regular cleaning service
 - iv. no toilet paper in bathroom-told to use paper towels
 - b. Missing lab items:
 - i. condom catheters, enema bags, sterile urine cups, dressings
 - ii. mannequin did not work
 - iii. no working stethoscopes or blood pressure cuffs-students had to purchase
 - c. TB test prior to starting Nurse Aide I program not enforced
 - d. Materials:
 - i. no printed materials for students
 - ii. students not presented Appendix A
 - iii. broken copier machine
 - iv. students had different editions of textbooks
 - v. test materials had answers and old food on them
 - e. Blount's cell phone was constant problem. Would ring loudly approximately 10 times a day. School policy = no cell phone use. Blount would have loud conversations in front of students.
3. Telephone interview with Adriane Beal on 11/1/2012; Per Adriane Beal:
 - a. Lab, school dirty:
 - i. unclean sheets
 - ii. office trash, food left 3-4 days without emptying trash
 - iii. no regular cleaning service
 - iv. no toilet paper in bathroom-told to use paper towels
 - b. Materials:
 - i. no printed materials for students
 - ii. students not presented Appendix A
 - iii. broken copier machine
 - iv. students had different editions of textbooks
 - v. test materials had answers and old food on them
4. Telephone interview with Tracy Gamble on 11/5/2012; Per Gamble:
 - a. Gamble identified herself as a student in Susan Miller's Nurse Aide I course
 - b. school not clean; odor throughout building
 - c. cobwebs on desks, windows
 - d. "Very nasty floor"
 - e. "I had to empty trash once because it was so bad"

- f. no soap in bathroom
 - g. rummaged to find working equipment
 - h. Blount constant disruption on cell. “At one point I heard her discussing how THC owed someone \$900 and that whoever was on the other end would no longer take a check from THC.” --“Didn’t know why she would discuss that in front of me”
5. Email forward from DHHS on 11/5/12 –written statement from Susan Miller

Evidence Collected:

- 1. Notes taken by Executive Director of OPS documenting telephone conversations
- 2. Email from DHHS to Executive Director dated 11/5/2012 –Susan Miller Statement

6. SBPS has obtained evidence that THC may have violated §115D-90(c)(2), by and through §115D-93(c)1, because the school has failed to provide adequate space, equipment, instructional material and instructor personnel to provide training of good quality.

§ 115D -93. Suspension, revocation or refusal of license; notice and hearing; judicial review; grounds.

§115D-93(c)(1) – That the applicant or holder of a license has violated any of the provisions of this Article or any of the rules promulgated thereunder.

§ 115D -90. License required; application for license; school bulletins; requirements for issuance of license; license restricted to courses indicated; supplementary applications.

§115D-90(c) After due investigation and consideration on the part of the State Board, acting by and through the State Board of Proprietary Schools, as provided herein, a license shall be granted to the applicant when it is shown to the satisfaction of the State Board that said applicant, school, programs of study or courses are found to have met the following criteria:

§115D-90(c)(2) -There is in the institution adequate space, equipment, instructional material and instructor personnel to provide training of good quality.

Documentation of possible violation:

- 1. Allegations contained in Violation 5 reiterated.

7. SBPS has obtained evidence that THC may have violated §115D-93(c)(8), because the school has failed to provide and maintain adequate premises, equipment, materials or supplies.

§ 115D -93. Suspension, revocation or refusal of license; notice and hearing; judicial review; grounds.

§115D-93(c)(8) – That the licensee has failed to provide and maintain adequate premises, equipment, materials or supplies, or has exceeded the maximum enrollment for which the school or class was licensed.

Documentation of possible violation:

1. Allegations contained in Violation 5 and 6 reiterated.

8. SBPS has obtained evidence that THC may have violated §115D-90(d) by offering a program that was not licensed or otherwise approved by the State Board of Community Colleges.

§115D-90(d): Any license issued shall be restricted to the programs of instruction or courses or subjects specifically indicated in the application for a license. The holder of a license shall present a supplementary application as may be directed by the State Board of Proprietary Schools for approval of additional programs of instruction, courses, or subjects, in which it is desired to offer instruction during the effective period of the license.

Documentation of possible violation:

1. Issue presented at meeting with Kathy Turner and Vickie Fore at DHHS on 10/31/12.
2. At request of Executive Director of OPS, Kathy Turner printed a two-page document from THC website (<http://www.thcinstitute.com/>) showing welcome page and the unlicensed program “Nurse Aide I Refresher.”
3. This program was contained in the license renewal application for THC. Ms. Levette Blount (herein “Blount”) was contacted by OPS and advised that this program was not previously licensed by the SBCC and that it could not be approved and licensed.
4. The license letter dated June 22, 2012 to THC did not authorize THC to offer a Nurse Aide I Refresher program.
5. On 11/7/2012, the OPS downloaded the Raleigh catalog for THC. The program Nurse Aide I Refresher appears on page 48 of this catalog.

Evidence Collected:

1. License renewal request
2. License letter dated June 22, 2012
3. 2-Page document described above that was downloaded at DHHS on 10/31/2012
4. Catalog for THC Raleigh downloaded on 11/7/2012

9. SBPS has obtained evidence that THC may have violated 23 NCAC 03A .0105 by advertising a program that was not licensed or otherwise approved by the State Board of Community Colleges.

23 NCAC 03A.0105(a): A licensed school shall not advertise through any media that it offers courses that the school has not been licensed to offer.

Documentation of possible violation:

1. Issue presented at meeting with Kathy Turner and Vickie Fore at DHHS on 10/31/12.
2. Allegations contained in Number 8 reiterated.

10. SBPS has obtained evidence that THC may have violated §23 NCAC 03A.0101(C)(6)(C), because the school may have used a new location without prior notice and approval from SBPS.

§23 NCAC 03A.0101(C)(6)(C) - School relocations require site visits and approvals prior to use. A certified check or money order in the amount of four hundred dollars (\$400.00) made payable to the North Carolina State Treasurer shall accompany each site relocation approval request.

Documentation of possible violation:

1. Issue presented via telephone call from Blount to Executive Director of OPS on 9/19/12.
 - a. Blount stated they wanted to move to 2817-101 Spring Forest Road, Raleigh.
 - b. Blount stated the reason was to be in a better location closer to main road.
 - c. Blount informed Code required \$400 fee and prior site visit before use. Blount specifically advised she would need OPS prior approval and also prior approval from DHHS due to Nurse Aide I program.
 - d. I emailed the form on this date.
2. Per email from OPS to Blount dated 10/2/2012, Blount asked for status of move – No reply.
3. Per email from OPS to Blount dated 10/18/2012, Blount asked for status of move.
4. Per email from Blount to OPS dated 10/25/2012, Blount stated “They are checking our credit.”
5. Per email from Blount to DHHS dated 10/31/2012, Blount requested DHHS to go see new site location.
6. Telephone call with Blount on 11/5/2012:
 - a. Blount stated they were in process of moving when asked if still at old location.
 - b. When reminded of conversation about needing prior approval and site visit, Blount stated she was not clear OPS had to approve it first. Blount stated she thought she just had to get DHHS approval beforehand.
 - c. Blount stated they were moving out of old building but would not have classes in new building until approved.
 - d. Blount stated that DHHS went to new location “last Thursday or Friday.”
7. Telephone call with Vickie Fore at DHSS on 11/8/2012 - DHHS has not visited THC proposed new site location. Only went to current location on 11/1/2012 to get student records and pull Nurse Aide I program.

8. On 11/13/12, OPS made unannounced visit to THC-Raleigh. THC had note on door stating they moved to new location on Spring Forest Road (documented on iphone). On this same date, OPS made unannounced visit to new THC location at 2817-101 Spring Forest Road, Raleigh. Blount present at new site. Class notes on dry erase board in classroom. Blount admitted Medical Billing and Coding class had met at this location. Blount stated Joseph Blount would drop off move request to OPS today.

Evidence Collected:

1. Email from OPS to Blount dated 10/2/2012
2. Email from OPS to Blount dated 10/18/2012
3. Email from Blount to OPS dated 10/25/2012
4. Email from Blount to DHHS dated 10/31/2012
5. Notes taken by Executive Director of OPS documenting telephone conversations

PART 2: THE LAWS OR RULES THE PROPRIETARY SCHOOL ALLEGEDLY VIOLATED AND A DETAILED DESCRIPTION OF HOW THE PROPRIETARY SCHOOL ALLEGEDLY VIOLATED EACH OF THE SPECIFIED LAWS

I. UNSUBSTANTIATED VIOLATIONS:

The following alleged violations as contained in the foregoing Documentation of Noncompliance were not substantiated by evidence collected during the investigation.

5. SBPS has obtained evidence that THC may have violated §115D-90(c)(6), by and through §115D-93(c)1, by failing to provide or maintain premises, equipment or conditions which are adequate, safe and sanitary.

6. SBPS has obtained evidence that THC may have violated §115D-90(c)(2), by and through §115D-93(c)1, because the school has failed to provide adequate space, equipment, instructional material and instructor personnel to provide training of good quality.

7. SBPS has obtained evidence that THC may have violated §115D-93(c)(8), because the school has failed to provide and maintain adequate premises, equipment, materials or supplies.

The allegations above arose from complaints received by four (4) former Raleigh campus instructors and at least one former Raleigh campus student. Each complained the school was frequently dirty, and many alleged they cleaned up the school themselves. Some also complained of poorly maintained lab equipment and/or a lack of proper instructional material.

The evidence obtained through the investigation did not substantiate these alleged violations. Ten (10) former instructors clearly indicated they never experienced problems with the cleanliness or equipment of the school. The school also presented evidence that it had an individual responsible for cleaning. In addition, the Executive Director of the Office of Proprietary Schools made an unannounced visit to the Raleigh campus on or about August 24, 2012, and found no evidence of a cleanliness issue on that date.

8. SBPS has obtained evidence that THC may have violated §115D-90(d) by offering a program that was not licensed or otherwise approved by the State Board of Community Colleges.

The evidence obtained through the investigation did not substantiate this alleged violation. The school admitted that it failed to remove the course from their online catalog, but the investigation did not reveal evidence that this course was actually taught at the school prior to the initiation of the investigation.

II. SUBSTANTIATED VIOLATIONS THAT DO NOT RISE TO THE LEVEL OF RECOMMENDING PROPRIETARY LICENSE REVOCATION :

The following alleged violations as contained in the foregoing Documentation of Noncompliance were substantiated by evidence collected during the investigation. However, due to the nature of the violations, they do not rise to the level of recommending revocation of the school's proprietary license to operate one or more programs.

9. SBPS has obtained evidence that THC may have violated 23 NCAC 03A .0105 by advertising a program that was not licensed or otherwise approved by the State Board of Community Colleges.

This issue was first presented to the Office of Proprietary Schools on October 31, 2012, during a meeting with North Carolina Department of Health and Human Services representatives Kathy Turner and Vickie Fore. At the request of the Executive Director of the Office of Proprietary Schools, Kathy Turner downloaded and printed a two-page document from the Thomas Healthcare Institute, Inc. website (<http://www.theinstitute.com/>) showing the welcome page and advertising the unlicensed program "Nurse Aide I Refresher" at the Raleigh campus.

This program was contained in the license renewal application the school submitted in Spring, 2012. After review, the school administrator was contacted and advised that the "Refresher" program was not previously licensed by the State Board of Community Colleges and it could not be approved and licensed as part of the school's renewal application. The license letter issued to the school as dated June 22, 2012, did not authorize Thomas Healthcare Institute, Inc. of Raleigh to offer a "Nurse Aide I Refresher" program. On 11/7/2012, the Office of Proprietary Schools downloaded the Raleigh campus catalog. The program "Nurse Aide I Refresher" still appeared on page 48 of this catalog.

On December 11, 2012, the Office of Proprietary Schools conducted a lengthy (approximately 5 hours) interview with Ms. Blount regarding the foregoing Documentation of Noncompliance. Blount admitted that the "Refresher" program was not removed from the school's online catalog. Blount denied conducting the course at the Raleigh campus and no evidence suggests that this occurred prior to the initiation of the investigation. Blount further advised the Office of Proprietary Schools that she removed the "Refresher" program from the Raleigh catalog. The school's website has subsequently become inactive.

10. SBPS has obtained evidence that THC may have violated §23 NCAC 03A. 0101(C)(6)(C), because the school may have used a new location without prior notice and approval from SBPS.

On or about September 19, 2012, Ms. Blount contacted the Executive Director of the Office of Proprietary Schools via telephone to inquire about the process for moving the Raleigh campus. Blount was specifically advised the Administrative Code required prior approval before conducting classes at the proposed location. Blount was also advised to contact DHHS because it would also need to approve the move because the Raleigh campus offered a Nurse Aide I program. The proper request form was emailed to Blount on this date. This form states that prior approval is required before conducting classes at a new location.

On October 2, and October 18, 2012, Blount was contacted via email to request an update about the proposed move. On October 25, 2012, Blount responded via email that "They are checking

our credit.” On November 2, 2012, DHHS advised the Office of Proprietary Schools via email that the school was moving. On November 5, 2012, the Office of Proprietary Schools spoke with Blount via telephone regarding the school’s move. Blount confirmed the Raleigh campus was in the process of moving to a new location, but stated that no classes would be held at the new location without prior approval. Blount also stated that DHHS went to the new location “last Thursday or Friday.” On November 8, 2012, DHHS representative Vickie Fore denied visiting the school’s new location.

On November 13, 2012, the Executive Director made an unannounced visit to the Raleigh campus and discovered a note on the building’s door indicating the school had moved to a new location on Spring Forest Road, Raleigh (captured on Iphone). On this same date, the Executive Director made an unannounced visit to the school’s new location. Blount was present at the new location. Class notes were clearly displayed on a dry-erase board in a classroom, and when questioned, Blount admitted that course instruction had occurred in the new building. Ms. Blount stated that Joseph Blount would submit the required approval form and fee (\$400) to the College System Office on this date. However, the school failed to submit the required approval form and fee until November 28, 2012.

On December 11, 2012, the Office of Proprietary Schools conducted a lengthy (approximately 5 hours) interview with Ms. Blount regarding the foregoing Documentation of Noncompliance. Blount admitted that the school used the new location for instruction without prior notice and approval.

III. SUBSTANTIATED VIOLATIONS THAT RISE TO THE LEVEL OF RECOMMENDING PROPRIETARY LICENSE REVOCATION :

The following alleged violations as contained in the foregoing Documentation of Noncompliance were substantiated by evidence collected during the investigation. Due to the nature of the violations, recommending revocation of the school’s proprietary license to operate one or more programs is appropriate.

1. SBPS has obtained evidence that THC may have violated §115D-93(c)(9) and §115D-90(c)(3), by and through §115D-93(c)(1), by failing to provide and maintain adequate and qualified administrative, supervisory or teaching staff.

This issue was first presented to the Office of Proprietary Schools on October 31, 2012, during a meeting with North Carolina Department of Health and Human Services representatives Kathy Turner and Vickie Fore. DHHS alleged that Thomas Healthcare Institute, Inc. of Raleigh was in violation of federal law by operating without a proper program coordinator for its Nurse Aide I training program. In essence, DHHS alleged Levette Blount and/or her brother Joseph Blount (neither a licensed nurse) was acting as the program coordinator.

DHHS presented considerable evidence to support this initial allegation, including but not limited to:

1. Lack of communication with the named program coordinator – The approved coordinator for the school is an individual named Josette Faison. DHHS documented the following issues regarding communication problems with Ms. Faison:
 - a. The last email communication received from Ms. Faison was March 31, 2011. On that date, DHHS emailed Faison regarding the need to update information about the Raleigh campus. DHHS received no response from Faison.
 - b. DHHS emailed Faison September 30, 2011 regarding the need to provide the school's updated course schedule. DHHS received no response from Faison.
 - c. DHHS emailed Faison January 12, 2012 about the failure of the school to submit reapproval information that was sent in October and November, 2011. DHHS received no response from Faison.
 - d. DHHS emailed Faison February 29, 2012 and March 6, 2012 requesting a response about attending a mandatory training session for program coordinators. DHHS received no response from Faison.
 - e. DHHS emailed Faison March 8, 2012, requesting an immediate response about the mandatory training session. DHHS received no response from Faison.
2. Violation of federal law due to lack of oversight - In or about July, 2011, DHHS documented a violation of federal law. Specifically, the school took Nurse Aide I students into a long-term care facility for clinical experience when the facility was ineligible to participate in Nurse Aide training. DHHS notified the school in writing on or about July 11, 2011, and received a response from Levette Blount. DHHS received no contact or response from Faison.
3. Suspension of Nurse Aide I program – In or about August 31, 2011, DHHS suspended the Nurse Aide I program at the Raleigh campus after the abrupt resignation of program coordinator Doris McMillan. The agency notified SBCC (Dianette Jackson) via email on September 1, 2011, that it was suspending the program over allegations Joseph Blount was attempting to coordinate the program after McMillan left.
4. Last communication with Josette Faison occurred in or about September, 2011 – The last communication received from Faison was a telephone call in or about September, 2011, regarding her replacing McMillan as program coordinator. Faison is the sister of Levette Blount, the school's administrator. Faison was approved as the new program coordinator at the Raleigh campus on or about September 14, 2011. DHHS was aware Faison lived in the Charlotte area, but it was not aware that she was otherwise employed. DHHS later became aware that Faison was employed full-time for the Charlotte-Mecklenburg school system.

Based on the evidence presented by DHHS, the Office of Proprietary Schools attempted to assess whether former Nurse Aide I instructors had knowledge of Josette Faison. On November 1, 2012, Ms. Susan Miller, the school's most recent Nurse Aide instructor, was contacted regarding payment issues that are described herein under Violation 3. Miller denied any knowledge of Faison. Miller identified Levette Blount as the individual who provided all orientation to the school's Nurse Aide program and arranged all clinical time for students. On this same date, Ms. Adrian Beals, the previous Nurse Aide instructor was contacted regarding payment issues that are described herein under Violation 3. Like Miller, Beals denied any knowledge of Faison and stated that Blount provided all orientation for the program and arranged all clinical time for

students. Based on the lack of knowledge of both Miller and Beals, the Office of Proprietary Schools contacted Ms. Joyce Isley, administrator at the clinical site utilized by the Raleigh campus. Isley also denied knowledge of Faison and confirmed that Blount arranged all clinical time for Nurse Aide students.

Based on the evidence from DHHS, and the lack of knowledge of Faison by Miller, Beals and Isley, the Office of Proprietary Schools requested a list of former Nurse Aide I instructors from 2011-2012. A total of seven (7) additional Nurse Aide I instructors were contacted and interviewed to verify any knowledge or interaction they had with the Nurse Aide I program coordinator at the school. All seven identified Ms. Blount as the individual who provided all orientation regarding the Nurse Aide I program at the school, and all confirmed that Ms. Blount arranged all clinical time for the students. Only the former Nurse Aide program coordinator had knowledge of Faison. This individual stated that she met Faison on one occasion, but added that Faison failed to return her subsequent calls and emails.

On December 11, 2012, the Office of Proprietary Schools conducted a lengthy (approximately 5 hours) interview with Ms. Blount regarding the foregoing Documentation of Noncompliance. Blount was asked about how she communicated with Faison and how often Faison visited the Raleigh campus. Blount's responses directly conflicted with responses given by Faison during a subsequent telephone interview on December 12, 2012. Faison specifically stated that she did not visit the Raleigh campus on any regular basis. It was also learned during this interview that the school failed to refund two (2) Nurse Aide students as requested by the Office of Proprietary Schools. Instead, the school began teaching an unapproved Nurse Aide "test prep" course on the evening of December 10, 2012. One of the students was contacted in the presence of Ms. Blount. This student clearly believed she was still enrolled in the full Nurse Aide program. The school was advised to cancel the prep class and to provide immediate refunds to the students.

On December 18, 2012, the Office of Proprietary Schools received the findings of DHHS' independent investigation into the school's Nurse Aide I training program. DHHS based its findings on information provided by the school, information obtained during a November 1, 2012 site visit, a review of student records, and information provided by the school's clinical site and former NAT instructors. Thomas Healthcare Institute, Inc. of Raleigh has been served with these findings via certified letter. The DHHS investigation documented nine (9) compliance issues. The second finding states, "There is no indication that Thomas Healthcare's NAT program has been under the supervision of a State-approved program coordinator." Ultimately, DHHS withdrew approval for the school's Nurse Aide I program effective November 1, 2012.

Conclusion and Recommendation

Thomas Healthcare Institute, Inc. of Raleigh violated §115D-93(c)(9) and §115D-90(c)(3), by and through §115D-93(c)(1), by failing to provide and maintain adequate and qualified administrative, supervisory or teaching staff. The evidence overwhelmingly establishes that the school operated without a proper Nurse Aide I program coordinator. This failure is documented by: 1) the findings of an independent DHHS investigation report dated December 18, 2012; 2) A lack of knowledge regarding the Nurse Aide I program coordinator from former Nurse Aide I instructors; 3) A lack of knowledge regarding the Nurse Aide I program coordinator from the

administrator of the school's clinical site; and 4) conflicting statements by Blount and Faison regarding Faison's oversight of the Nurse Aide I program at the Raleigh campus.

Due to the nature of this violation, the State Board of Proprietary Schools recommends that the State Board of Community Colleges revoke the proprietary school license of Thomas Healthcare Institute, Inc. of Raleigh, to operate a Nurse Aide I Training Program. In addition: because this led to documented violations of federal law as presented in the DHHS' findings report, because the school acted in bad faith by failing to provide refunds to Nurse Aide students as directed, and because the school attempted to conceal the fact that it was teaching an unapproved Nurse Aide "test prep" course, the State Board of Proprietary Schools recommends that the State Board of Community Colleges revoke the proprietary school license of Thomas Healthcare Institute, Inc. of Raleigh.

2. SBPS has obtained evidence that THC may have violated §115D-93(c)(2), by knowingly presenting to the State Board of Community Colleges false or misleading information relating to approval or license.

This issue was first presented to the Office of Proprietary Schools on October 31, 2012, during a meeting with North Carolina Department of Health and Human Services representatives Kathy Turner and Vickie Fore. DHHS alleged that Thomas Healthcare Institute, Inc. of Raleigh was operating without a proper program coordinator for its Nurse Aide I training program as required by federal law. In essence, DHHS alleged that school administrator Levette Blount and/or her brother Joseph Blount (neither a licensed nurse) was acting as the program coordinator. In its application for proprietary license renewal, and on prior occasions, Thomas Healthcare Institute, Inc. of Raleigh named Josette Faison as the Nurse Aide I program coordinator for the school.

As presented in Violation 1 herein, the evidence shows that the school operated without a proper Nurse Aide I program coordinator as mandated by federal law. The lack of a program coordinator led to other law violations as documented in an independent DHHS investigation. In addition, the school acted in bad faith by failing to provide refunds to two (2) Nurse Aide I students as previously directed and also by concealing the fact that it was teaching a Nurse Aide "test prep" course.

Conclusion and Recommendation

Thomas Healthcare Institute of Raleigh violated §115D-93(c)(2), by knowingly presenting to the State Board of Community Colleges false or misleading information relating to approval or license. The evidence overwhelmingly establishes that the school operated without a proper Nurse Aide I program coordinator. This failure is documented by: 1) the findings of an independent DHHS report dated December 18, 2012; 2) A lack of knowledge regarding the Nurse Aide I program coordinator from former Nurse Aide I instructors; 3) A lack of knowledge regarding the Nurse Aide I program coordinator from the administrator of the school's clinical site; and 4) conflicting statements by Blount and Faison regarding Faison's oversight of the Nurse Aide I program at the Raleigh campus. In addition, the school acted in bad faith by failing to provide refunds to two (2) Nurse Aide I students as previously advised and also by concealing the fact that the school was teaching an unapproved Nurse Aide "test prep" course.

Due to the nature of this violation, the State Board of Proprietary Schools recommends that the State Board of Community Colleges revoke the proprietary school license of Thomas Healthcare Institute, Inc. of Raleigh, to operate a Nurse Aide I Training Program. In addition: because this violation involved a direct misrepresentation to the State Board of Community Colleges, because the school failed to provide refunds to Nurse Aide students as directed, and because the school concealed the fact that it was teaching an unlicensed Nurse Aide “test prep” course, the State Board of Proprietary Schools recommends that the State Board of Community Colleges revoke the proprietary school license of Thomas Healthcare Institute, Inc. of Raleigh.

3. SBPS has obtained evidence that THC may have violated §115D-90(c)(9), by and through §115D-93(c)(1), because the school may not be financially sound and capable of fulfilling its commitments for training.

This issue was first presented to the Office of Proprietary Schools on November 1, 2012, via telephone interview with an individual named Susan Miller. Miller alleged she taught Nurse Aide at Thomas Healthcare Institute, Inc. of Raleigh during October 2012, and that the school was refusing to pay her. Miller also alleged that during the course of her teaching, the previous Nurse Aide instructor came to the school to complain about lack of payment. Blount was contacted about Miller’s claims. Blount stated that Miller completed her contract but that she had to wait 2 weeks to get paid. Blount stated that Adrian Beals, the prior Nurse Aide instructor, was paid in full. However, Beals denied receiving payment from the school and confirmed that she warned Miller about lack of payment. When confronted with the allegations made by Beals, Blount inexplicably admitted that Beals completed her contract but she was not paid.

Based on the evidence presented by Miller and Beals, and the conflicting statement by Blount regarding Beals’ pay, the Office of Proprietary Schools attempted to assess whether other former Raleigh campus instructors had issues with payment. On November 8, 2012, Blount was asked via email about problems paying other instructors. In her reply, Blount identified two additional instructors. On this same date, a search of the public terminals at the Wake County Courthouse revealed two small-claims actions by former instructors against the school. These names were different from the two additional instructors provided by Blount.

In order to determine the extent of the payment problems, the school was asked for a list of prior instructors at the Raleigh campus between 2011 and 2012. A total of ten (10) instructors were contacted and interviewed. All former Raleigh campus instructors alleged payment issues, and all identified payment issues as the main reason for leaving the school.

On or about November 13, 2012, the Raleigh campus of Thomas Healthcare Institute, Inc. moved without prior notice and approval to a new location. Because of the problems related to instructor payment, the Office of Proprietary Schools contacted and interviewed the previous landlord of the campus. This landlord alleged the school moved without notice and owed approximately \$13,000 in back-rent as of November, 2012.

On December 7, 2012, the Office of Proprietary Schools contacted the school’s accountant regarding a current financial balance sheet and accountant’s compilation that the school was previously asked to provide. On this date, the accountant stated that he could not provide the requested information and directed our office to the school’s bookkeeper. On December 10,

2012, the school's bookkeeper informed the Office of Proprietary Schools that it would no longer compile work for the school due to an outstanding debt in excess of \$400. The bookkeeper also advised that the school had been well aware of the debt issue.

On December 11, 2012, the Office of Proprietary Schools conducted a lengthy (approximately 5 hours) interview with Blount regarding the foregoing Documentation of Noncompliance. Blount did not deny the allegations regarding instructor payment and admitted to owing at least three instructors payment in full (approximately \$6,000). Blount further admitted that the school lost good instructors over payment problems. With regard to allegations from the former landlord, Blount admitted to owing back-rent in an amount between \$5,000 and \$6,000. The school gave conflicting responses when asked about why they failed to provide documentation of financial soundness such as a current financial balance sheet and an accountant's compilation, but did not deny owing an outstanding debt to their bookkeeper. In addition, the school currently owes hundreds of dollars in student refunds. In sum, Blount admitted to outstanding debts in excess of \$10,000, with no apparent ability to pay them in the immediate future.

Conclusion and Recommendation

Thomas Healthcare Institute, Inc. of Raleigh is in violation of §115D-90(c)(9), by and through §115D-93(c)(1), because the school is not financially sound and capable of fulfilling its commitments for training. The evidence overwhelmingly establishes that the Raleigh campus: 1) Owes at least three former instructors payment in-full for services (approximately \$6,000); 2) At least three former instructors have now filed small claims actions against the school for nonpayment; 3) At least ten (10) former instructors have alleged payment issues and identified payment issues as the main reason for leaving the school; 4) Owes in excess of \$5,000 to its prior landlord; and 5) Owes several hundred dollars in refunds to students. In addition, the school failed to supply documentation of financial stability such as a current financial balance sheet and accountant's compilation, in part, because it has an outstanding debt in excess of \$400 with its bookkeeper. In sum, Thomas Healthcare Institute, Inc. has outstanding debts in excess of \$10,000, with no apparent ability to pay them in the immediate future.

Due to the nature of this violation, the State Board of Proprietary Schools recommends that the State Board of Community Colleges revoke the proprietary school license of Thomas Healthcare Institute, Inc. of Raleigh.

4. SBPS has obtained evidence that THC may have violated §115D-93(c)(9), by failing to provide and maintain adequate standards of instruction.

This issue was first presented to the Office of Proprietary Schools on October 31, 2012, during a meeting with North Carolina Department of Health and Human Services representatives Kathy Turner and Vickie Fore. DHHS presented the Office of Proprietary Schools with data collected from Nurse Aide I exam results between Fall 2006 and Spring 2012. This data was recorded and distributed directly to DHHS by Pearson Vue, the test administrator. The results were presented in 24 quarterly intervals from the 3rd quarter of 2006 through the 2nd quarter of 2012.

The Nurse Aide I exam has two main components: a skills evaluation and a written evaluation. Based on the evidence collected by DHHS, Thomas Healthcare Institute, Inc. of Raleigh:

- a. Met or exceeded state average for Skills Evaluation 4 separate times between 3rd quarter 2006 and 2nd quarter 2012 (4/24 quarters =16%).
- b. Was below state average for Skills Evaluation 20 separate times between 3rd quarter 2006 and 2nd quarter 2012 (20/24 quarters = 84%).
- c. Met or exceeded state average for Written Evaluation 6 separate times between 3rd quarter 2006 and 2nd quarter 2012 (6/24 quarters =25%).
- d. Was below state average for Written Evaluation 18 separate times between 3rd quarter 2006 and 2nd quarter 2012 (18/24 quarters = 75%).
- e. Had significantly lower scores compared to three area community colleges and two proprietary schools.

DHHS indicated that the test results were sent to the schools on a quarterly basis, and that the school had not challenged their results on any prior occasion. DHHS also stated that they have attempted to address the concerns above with the school on prior occasions with little to no improvement.

On December 11, 2012, the Office of Proprietary Schools conducted a lengthy (approximately 5 hours) interview with Ms. Blount regarding the foregoing Documentation of Noncompliance. Blount acknowledged receiving the test scores above on a quarterly basis. Blount stated the school does not maintain records regarding student pass rates for the Nurse Aide I exam and that it could not produce any documentation to challenge the DHHS figures. At one point, Blount hypothesized that the low scores were a result of (low and failing) students using the school's registration number. Blount stated that such students could have gotten the number from any of her students because she freely gave out the number to them. When asked if the school was permitted to give out the registration number, Blount stated she was. However, this was a clear violation of DHHS policy as confirmed via email by DHHS on December 14, 2012.

Conclusion and Recommendation

Thomas Healthcare Institute of Raleigh violated §115D-93(c)(9), by failing to provide and maintain adequate standards of instruction. The evidence overwhelmingly establishes that the school has consistently scored well below the state average on both parts of the Nurse Aide I exam. This failure is documented through specific data collected by the test administrative body (Pearson Vue) over a nearly six (6) year span. The evidence further establishes that these results were routinely presented to Thomas Healthcare Institute, Inc. of Raleigh on a quarterly basis. Despite knowledge of such poor performance, there are no indications that the school has addressed this issue in any meaningful way. In addition, there is no indication that the school's performance would change in the near future.

Due to the nature of this violation, the State Board of Proprietary Schools recommends that the State Board of Community Colleges revoke the proprietary school license of Thomas Healthcare Institute, Inc. of Raleigh, to operate a Nurse Aide I Training Program.

PART 3: DESCRIPTION OF INVESTIGATIVE PROCESS

I. INITIATION OF INVESTIGATION:

The decision to investigate Thomas Healthcare Institute, Inc. of Raleigh arose from two main sources. The first was a meeting at the North Carolina Department of Health and Human Services on October 31, 2012. During this meeting, the Office of Proprietary Schools was presented with evidence of possible statutory and Administrative Code violations by the school. These concerns centered primarily on the school's Nurse Aide I program. The second concern grew out of a voicemail complaint from Ms. Susan Miller to the Office of Proprietary Schools on October 31, 2012. Miller alleged she was a former Nurse Aide instructor at the Raleigh campus and complained that the school was refusing to pay her in accordance with a written contract of employment.

Between November 1, 2012 and approximately November 6, 2012, the Office of Proprietary Schools contacted and interviewed potential witnesses who corroborated the concerns presented by DHHS and Ms. Miller. Satisfied there was credible evidence that the school "failed to comply with either the requirements of law or the rules adopted by the SBCC," the Office of Proprietary Schools compiled all of the evidence of noncompliance in the foregoing Documentation of Noncompliance.

Scott Corl, Executive Director of Proprietary Schools, provided the school's administrator with a copy of the Notice of Investigation and Documentation of Noncompliance during an unannounced visit on Wednesday, November 14, 2012. Joseph Blount, the brother of school administrator Levette Blount, signed and accepted the Notice of Investigation and Documentation of Noncompliance on her behalf because she was having out-patient surgery on this date. An electronic copy was also sent to Ms. Blount via email. On Monday, November 19, 2012, Ms. Blount confirmed receipt of the Notice of Investigation and Documentation of Noncompliance to Mr. Corl.

II. INVESTIGATION TIMELINE:

The Office of Proprietary Schools conducted a 36-day investigation into the Raleigh Campus of Thomas Healthcare Institute, Inc. The investigation was initiated on November 14, 2012, and concluded on December 20, 2012. A total of twenty-eight (28) witnesses were interviewed, including: 1) the two main administrators of the school; 2) two representatives from the North Carolina Department of Health and Human Services; 3) eleven former instructors; 4) four current instructors; 5) the school's Nurse Aide I clinical site administrator; 6) the school's named Nurse Aide I program coordinator; 7) the school's former and present landlords; 8) the school's accountant and bookkeeper; and 9) three former students. In addition, the Office of Proprietary Schools conducted a lengthy (5 hour) in-person interview with the school's administrators.

PART 4: RECOMMENDATION OF REVOCATION OF THE PROPRIETARY SCHOOL'S LICENSE TO OPERATE ONE OR MORE PROGRAMS WITH A SUPPORTING RATIONALE FOR REVOCATION RATHER THAN FOR SUSPENSION

Thomas Healthcare Institute, Inc. has been a licensed proprietary school for over twenty years. Over that time, it developed a good reputation in the community and turned out hundreds of healthcare professionals. The school continued its success after the passing of its founder. However, for whatever reason, the school has encountered serious issues with regard to its current business operations. Unfortunately, these problems have become so severe, that the State Board of Community Colleges can only carry out its statutory obligation to protect proprietary school students by initiating revocation of the school's proprietary license.

The State Board of Community Colleges should initiate revocation rather than suspension for the following specific reasons:

1. **Nature and severity of violations:**

Thomas Healthcare Institute, Inc. of Raleigh violated §115D-93(c)(9), by failing to provide and maintain adequate standards of instruction with regard to its Nurse Aide I training program. The documented low scores over a six year period, with little to no improvement is unacceptable.

The violation of §115D-93(c)(9) and §115D-90(c)(3), by and through §115D-93(c)(1), by failing to provide and maintain adequate and qualified administrative, supervisory or teaching staff is of great concern. This is a direct violation of federal law and has led to at least one other violation of federal law as documented by an independent DHHS investigation.

By failing to provide and maintain adequate and qualified administrative, supervisory or teaching staff as described herein, Thomas Healthcare Institute, Inc. of Raleigh violated §115D-93(c)(2), by knowingly presenting to the State Board of Community Colleges false or misleading information relating to approval or license. As described herein, there is overwhelming evidence that Josette Faison was the school's Nurse Aide I program coordinator in name only. In all reality, the school's administrator, Ms. Blount and/or her brother Joseph (neither a licensed nurse) ran the Nurse Aide I program at the school. Naming Faison the school's Nurse Aide I program coordinator was a direct misrepresentation of the facts, and was done to maintain licensure of the school and Nurse Aide program.

Thomas Healthcare Institute, Inc. of Raleigh is also in violation of §115D-90(c)(9), by and through §115D-93(c)(1), because the school is not financially sound and capable of fulfilling its commitments for education and training. The evidence shows that the school has outstanding debts in excess of \$10,000 with no apparent ability to pay them in the near future. Specifically, the Raleigh campus: 1) Owes at least three former instructors payment in-full for services (approximately \$6,000); 2) At least three former instructors have now filed small claims actions against the school for nonpayment of teaching services; 3) At least ten (10) former instructors have alleged payment issues and identified payment issues as the main reason for leaving the school; 4) Owes in excess of \$5,000 to its prior landlord; and 5) Owes several hundred dollars in refunds to students. The school also failed to supply documentation of financial stability such as

a current financial balance sheet and accountant's compilation, in part, because it has an outstanding debt in excess of \$400 with its bookkeeper. Finally, the school fully admits that it has lost good instructors over the inability to pay them according to employment contracts they have entered into.

2. **Actions of school since receiving Notice of Investigation:**

As required by the rules adopted by the State Board of Community Colleges, the Notice of Investigation requested a written response from the school within ten (10) business days of receiving the Notice and Documentation of Noncompliance. Despite repeated reminders, the school never provided a written response to our investigation. Due to this, the Office of Proprietary Schools conducted a lengthy (5+ hour) interview with the school administrator about the allegations contained in the Documentation of Noncompliance. Although a written response was again stressed at this meeting, the school has failed to provide any written response to date.

The financial soundness of the school was an overriding concern throughout the investigation. The Office of Proprietary Schools requested financial documentation from the outset. Numerous attempts to obtain a current financial balance statement and accountant's compilation were made. The importance of this was stressed to the school administrator. It was specifically emphasized that said documents would be used to help determine the financial soundness of the school. Again, the school has failed to provide any requested financial documents.

The school's response to the Nurse Aide issue is also problematic. When DHHS shut down the school's Nurse Aide program pending its own independent investigation, the Office of Proprietary Schools requested the names and contact information of any currently enrolled students. The school provided the names of two (2) students. As described herein, the school inexplicably failed to provide refunds to these students, and worse, it enrolled additional students into an unlicensed Nurse Aide I "prep" course.

3. **Independent findings of DHHS**

On December 18, 2012, the Office of Proprietary Schools received the findings of DHHS' independent investigation into the school's Nurse Aide I training program. DHHS based its findings on information provided by the school, information obtained during a November 1, 2012 site visit, a review of student records, and information provided by the school's clinical site and former NAT instructors. Thomas Healthcare Institute, Inc. of Raleigh has been served with these findings via certified letter. The DHHS investigation documented nine (9) compliance issues. DHHS withdrew approval for the Nurse Aide I program effective November 1, 2012. The fact that a second independent state agency found compliance issues with this school is significant and should not be lost on the Board.

4. **Statutory Authority**

In accordance with North Carolina General Statute §115D-93(c), the State Board of Community Colleges, acting by and through the State Board of Proprietary Schools, shall have the power to refuse to issue or renew any such license and to suspend or revoke any such license theretofore issued. The proprietary school statutes provide specific guidelines for licensed institutions in order to protect students who enroll in such vocational programs. Initiating revocation of the

proprietary license of Thomas Healthcare Institute, Inc. of Raleigh is a proper and necessary action for the State Board of Community Colleges to fulfill its obligations under the statute.

INVESTIGATIVE REPORT:
THOMAS HEALTHCARE INSTITUTE, INC. OF GREENSBORO

The North Carolina State Board of Proprietary Schools submits this Investigation Report to the North Carolina State Board of Community Colleges, pursuant to 23 SBCCC 3A.0112 and Article III, Chapter 150B of the North Carolina General Statutes.

SBCC
01/18/2013

SUMMARY

Report Overview:

- 1. Copy of Documentation of NoncompliancePage 3
- 2. The laws or rules allegedly violated and a detailed description of how the proprietary school allegedly violated each of the specified laws Page 8
- 3. Description of Investigative Process Page 12
- 4. Recommendation of revocation with a supporting rationale for revocation rather than for suspensionPage 13

Investigation Overview:

- 1. Investigation – 17 days
- 2. Witnesses Interviewed – 3
- 3. 5+ hour interview with school administrator

Recommendation Overview:

- 1. Alleged violations in Documentation of Noncompliance -4 total
- 2. Substantiated violations that rise to the level of revocation – 4 total
- 3. Initial Recommendation to State Board of Community Colleges – License Revocation

PART 1: COPY OF DOCUMENTATION OF NONCOMPLIANCE

On December 11, 2012, the Office of Proprietary Schools presented the following Documentation of Noncompliance to Ms. Levette Blount, the school administrator of Thomas Healthcare Institute, Inc. of Greensboro.

**DOCUMENTATION OF NONCOMPLIANCE OF THOMAS HEALTHCARE
INSTITUTE OF GREENSBORO**

The North Carolina State Board of Proprietary Schools submits this Documentation of Noncompliance to the North Carolina State Board of Community Colleges, pursuant to 23 SBCCC 3A.0112 and Article III, Chapter 150B of the North Carolina General Statutes.

Proprietary School: Thomas Healthcare Institute of Greensboro, 1200 North Elm Street, Greensboro, NC

School Administrator: Ms. Levette Blount

Pursuant to rules adopted by the North Carolina State Board of Community Colleges, a copy of this document as compiled has been presented to the following:

1. Chair of the North Carolina State Board of Proprietary Schools
2. NCCCS Executive Vice President
3. NCCCS General Counsel
4. NCCCS Director of Marketing and Public Affairs

Submitted this 11th day of December, 2012

Scott Corl, Executive Director
Office of Proprietary Schools

DOCUMENTATION OF NONCOMPLIANCE
OF THOMAS HEALTHCARE INSTITUTE OF GREENSBORO

The North Carolina State Board of Proprietary Schools submits this Documentation of Noncompliance to the North Carolina State Board of Community Colleges, pursuant to 23 SBCCC 3A.0112 and Article III, Chapter 150B of the North Carolina General Statutes.

I. Receipt of Complaint/Evidence of Noncompliance and Investigation

The State Board of Proprietary Schools (“SBPS”), by and through its Executive Director of the Office of Proprietary Schools (“OPS”) shall initiate and conduct an investigation of a proprietary school subject to Article VIII, Chapter 115D of the North Carolina General Statutes for either of the following:

... 2) If the State Board of Community Colleges (“SBCC”), acting by and through the State Board of Proprietary Schools (“SBPS”), has evidence that a proprietary school subject to Article VIII, Chapter 115D of the North Carolina General Statutes has failed to comply with either the requirements of law or the rules adopted by the SBCC.

If the SBCC, acting by and through the SBPS, has evidence that a proprietary school failed to comply with either the requirements of the law or the rules adopted by the SBCC, the SBPS shall document all of the evidence of noncompliance in a document to be titled, “Documentation of Noncompliance.”

EVIDENCE OF NONCOMPLIANCE

Proprietary School: Thomas Healthcare Institute –Greensboro (herein “THC”)

School Administrator: Ms. Levette Blount (herein “Blount”)

1. SBPS has obtained evidence that THC may have violated §115D-90(c)(9), by and through §115D-93(c)(1), because the school may not be financially sound and capable of fulfilling its commitments for training.

§ 115D-93. Suspension, revocation or refusal of license; notice and hearing; judicial review; grounds.

§115D-93(c)(1) – That the applicant or holder of a license has violated any of the provisions of this Article or any of the rules promulgated thereunder.

§ 115D-90. License required; application for license; school bulletins; requirements for issuance of license; license restricted to courses indicated; supplementary applications.

§115D-90(c) After due investigation and consideration on the part of the State Board, acting by and through the State Board of Proprietary Schools, as provided herein, a license shall be granted to the applicant when it is shown to the satisfaction of the State Board that said applicant, school, programs of study or courses are found to have met the following criteria:

§115D-90(c)(9)- The school is financially sound and capable of fulfilling its commitments for training.

Documentation of possible violation:

1. Issue presented during the investigation arising from the November 14, 2012 Notice of Investigation and Documentation of Noncompliance of Thomas Healthcare Institute of Raleigh.
2. On 11/28/12 and 11/29/12, Blount provided names for THC-Raleigh instructors during 2011-2012.
 - a. All former instructors (10) were contacted by the Office of Proprietary Schools.
 - b. All 10 former instructors described payment issues with THC.
 - c. At least two former instructors filed small claims actions against THC Raleigh for nonpayment.
 - d. At least two other instructors were threatening to file actions against THC Raleigh for nonpayment.
 - e. All former instructors stated that they left the school due to payment issues, including the former program coordinator for the Nurse Aide I program.
3. Telephone interview with John Piaski on 12/7/2012:
 - a. Upon repeated requests for a current balance statement and accountant's compilation for THC Raleigh, Blount provided Piaski as the accountant who would compile said documents.
 - b. On 11/16, Piaski stated he would have documents in or around the first week of December.
 - c. On 12/7, Piaski stated that he could not provide any documentation, but that he was not permitted to state why other than the information was requested from THC book-keepers at the Roper Group.
4. Telephone interview with April Hamilton at Roper Group on 12/10/2012:
 - a. Hamilton confirmed that she refused to compile and release information to Piaski because THC Raleigh owed an outstanding balance that she had been trying to get THC to pay.
 - b. Hamilton confirmed in writing that THC was aware of this balance and that she would not do further work for THC with an outstanding balance.
5. Telephone interview with Tamara Stephenson on 12/10/2012:
 - a. Based on concerns about payment for instructors at THC Raleigh, the Office of Proprietary Schools requested a list of instructors for THC Greensboro during 2011-2012. THC provided Stephenson as the only instructor at THC during that time.

- b. Stephenson admitted to issues related to obtaining clinical items for students (i.e. gloves and needles) and that she had to obtain them at times from the hospital where THC Greensboro is located.
- c. Stephenson stated that she had experienced issues with late and incomplete payments from THC. She further alleged she was owed several hundred dollars for completed teaching services.

Evidence Collected:

- 1. Notes taken by Executive Director of OPS documenting telephone conversations
- 2. Emails from Blount on 11/28 and 11/29/2012, regarding former instructors at THC Raleigh
- 3. Email document request to THC on 11/30, and responding email from Watts on 12/7.

2. SBPS has obtained evidence that THC may have violated §115D-90(c)(6), by and through §115D-93(c)1, by failing to provide or maintain premises, equipment or conditions which are adequate, safe and sanitary.

§ 115D -93. Suspension, revocation or refusal of license; notice and hearing; judicial review; grounds.

§115D-93(c)(1) – That the applicant or holder of a license has violated any of the provisions of this Article or any of the rules promulgated thereunder.

§ 115D -90. License required; application for license; school bulletins; requirements for issuance of license; license restricted to courses indicated; supplementary applications.

§115D-90(c) After due investigation and consideration on the part of the State Board, acting by and through the State Board of Proprietary Schools, as provided herein, a license shall be granted to the applicant when it is shown to the satisfaction of the State Board that said applicant, school, programs of study or courses are found to have met the following criteria:

§115D-90(c)(6) – That the applicant or licensee has failed to provide or maintain premises, equipment or conditions which are adequate, safe and sanitary, in accordance with such standards of the State of North Carolina or any of its political subdivisions, as are applicable to such premises and equipment.

Documentation of possible violation:

- 1. Issue presented via interview with Tamara Stephenson on 12/10/12.
- 2. Allegations contained in Violation 1 reiterated.

3. SBPS has obtained evidence that THC may have violated §115D-90(c)(2), by and through §115D-93(c)1, because the school has failed to provide adequate space, equipment, instructional material and instructor personnel to provide training of good quality.

§ 115D -93. Suspension, revocation or refusal of license; notice and hearing; judicial review; grounds.

§115D-93(c)(1) – That the applicant or holder of a license has violated any of the provisions of this Article or any of the rules promulgated thereunder.

§ 115D -90. License required; application for license; school bulletins; requirements for issuance of license; license restricted to courses indicated; supplementary applications.

§115D-90(c) After due investigation and consideration on the part of the State Board, acting by and through the State Board of Proprietary Schools, as provided herein, a license shall be granted to the applicant when it is shown to the satisfaction of the State Board that said applicant, school, programs of study or courses are found to have met the following criteria:

§115D-90(c)(2) -There is in the institution adequate space, equipment, instructional material and instructor personnel to provide training of good quality.

Documentation of possible violation:

1. Issue presented via interview with Tamara Stephenson on 12/10/12.
2. Allegations contained in Violation 1 reiterated.

4. SBPS has obtained evidence that THC may have violated §115D-93(c)(8), because the school has failed to provide and maintain adequate premises, equipment, materials or supplies.

§ 115D -93. Suspension, revocation or refusal of license; notice and hearing; judicial review; grounds.

§115D-93(c)(8) – That the licensee has failed to provide and maintain adequate premises, equipment, materials or supplies, or has exceeded the maximum enrollment for which the school or class was licensed.

Documentation of possible violation:

1. Issue presented via interview with Tamara Stephenson on 12/10/12.
2. Allegations contained in Violation 1 reiterated.

PART 2: THE LAWS OR RULES THE PROPRIETARY SCHOOL ALLEGEDLY VIOLATED AND A DETAILED DESCRIPTION OF HOW THE PROPRIETARY SCHOOL ALLEGEDLY VIOLATED EACH OF THE SPECIFIED LAWS

I. SUBSTANTIATED VIOLATIONS THAT RISE TO THE LEVEL OF RECOMMENDING PROPRIETARY LICENSE REVOCATION :

The following alleged violations as contained in the foregoing Documentation of Noncompliance were substantiated by evidence collected during the investigation. Due to the nature of the violations, recommending revocation of the school's proprietary license to operate one or more programs is appropriate.

1. SBPS has obtained evidence that THC may have violated §115D-90(c)(9), by and through §115D-93(c)(1), because the school may not be financially sound and capable of fulfilling its commitments for training.

This issue was first presented to the Office of Proprietary Schools on November 1, 2012, during a telephone interview with an individual named Susan Miller. Miller alleged she taught Nurse Aide at the Raleigh campus of Thomas Healthcare Institute during October 2012, and that the school was refusing to pay her as agreed in an employment contract. Miller also alleged that during the course of her teaching, the previous Nurse Aide instructor came to the school to complain about lack of payment and warned her to "get her money upfront." On this same date, Ms. Levette Blount, the school administrator, was contacted about Miller's allegations. Blount confirmed Miller completed her contract, but stated that she had to wait 2 weeks to get paid. Blount stated that the former Nurse Aide instructor, Adriane Beals, was paid in full. However, Beals denied receiving payment from the school and confirmed that she spoke to Miller about lack of payment. Blount was contacted about the statements of Beal on or about November 5, 2012 by telephone. At this time, Blount admitted that Beals had not been paid.

On November 8, 2012, Blount was asked via email about problems paying other instructors. In her reply, Blount identified two additional instructors. On this same date, a search of the public terminals at the Wake County Courthouse revealed two small-claims actions by former Raleigh campus instructors against the school. These names were different from the two additional instructors provided by Blount.

In order to determine the extent of the payment problems, the school was asked to provide a list of prior instructors at the Raleigh campus between 2011 and 2012. At least ten (10) former Raleigh campus instructors were contacted and interviewed by telephone, including the instructors who had filed small-claims actions. All of these instructors alleged payment issues, and all identified payment issues as the main reason for leaving the school.

On or about November 13, 2012, the Raleigh campus of Thomas Healthcare Institute moved without prior notice and approval to a new location. Because of the problems related to instructor payment, the Office of Proprietary Schools contacted and interviewed the previous landlord of the campus. This landlord alleged the school moved without notice and owed approximately \$13,000 in back-rent as of November, 2012.

On December 7, 2012, the Office of Proprietary Schools contacted the school's accountant regarding a current financial balance sheet and accountant's compilation that the school was previously asked to provide. On this date, the accountant stated that he could not provide the requested information and directed our office to the school's bookkeeper. On December 10, 2012, the school's bookkeeper informed the Office of Proprietary Schools that it would no longer compile work for the school due to an outstanding debt in excess of \$400. The bookkeeper also advised that the school had been well aware of the debt issue.

Because of the financial issues discovered during the investigation into the Raleigh campus, the Office of Proprietary Schools requested the names and contact information for all Greensboro campus instructors during 2011-2012. The Greensboro campus, which is located inside of a hospital, teaches fewer classes and therefore only one instructor is utilized. On December 10, 2012, the Office of Proprietary Schools contacted and interviewed the lone instructor for all classes taught at the Greensboro campus since approximately summer, 2011. This instructor confirmed that she had experienced significant issues with payment throughout her time at the Greensboro campus. She further alleged that the school owed her more than \$700 at the time of the interview, and described the payment issues as worsening over time. She expressed great concern that she was due to be paid just before the Christmas holiday.

On December 11, 2012, the Office of Proprietary Schools conducted a lengthy (approximately 5 hours) interview with Ms. Blount regarding the Documentation of Noncompliance of the Raleigh campus. Ms. Blount was specifically asked about the financial independence of the Greensboro campus. Significantly, Blount stated that the Greensboro and Raleigh campuses were not separated financially. Blount, also the school administrator for the Greensboro campus, was presented with the foregoing Documentation of Noncompliance for the Greensboro campus at the conclusion of this meeting.

On December 26, 2012, the lone Greensboro instructor emailed the Executive Director of the Office of Proprietary Schools and stated that the school failed to pay her as provided in her employment contract, that she was unable to buy Christmas gifts for her family, and that her phone was now shut off. On this date, this same instructor copied the Executive Director on an email to Ms. Blount announcing her resignation from the Greensboro campus effective immediately. This leaves the school without a known instructor for the Greensboro location, as classes are set to begin on or about January 5, 2013.

Conclusion and Recommendation

Thomas Healthcare Institute, Inc. of Greensboro is in violation of §115D-90(c)(9), by and through §115D-93(c)(1), because the school is not financially sound and capable of fulfilling its commitments for training. The evidence overwhelmingly establishes that the Greensboro and Raleigh campuses are not separated financially. The Greensboro campus has now lost its lone instructor since the summer of 2011, over nonpayment and it is anticipated that students will need to be refunded for classes that were to begin in or about January, 2013. These issues are compounded by the financial problems of the Raleigh campus: 1) The Raleigh campus owes at least three former instructors payment in-full (approximately \$6,000); 2) At least three former Raleigh instructors have now filed small claims actions against the school for nonpayment; 3) At least ten (10) former Raleigh campus instructors have alleged payment issues with the school and have identified the payment issues as the main reason for leaving employment with the school;

4) The Raleigh campus owes in excess of \$5,000 to its prior landlord; and 5) The Raleigh campus owes several hundred dollars in refunds to students. In addition, the school has failed to supply documentation of financial stability for either campus, in part, because it has an outstanding debt with its bookkeeper. Overall, Thomas Healthcare Institute, Inc. has outstanding debts in excess of \$10,000, with no apparent ability to pay them in the immediate future.

Due to the nature of this violation, the State Board of Proprietary Schools recommends that the State Board of Community Colleges revoke the proprietary school license of Thomas Healthcare Institute, Inc. of Greensboro.

2. SBPS has obtained evidence that THC may have violated §115D-90(c)(6), by and through §115D-93(c)1, by failing to provide or maintain premises, equipment or conditions which are adequate, safe and sanitary.

See explanation below.

3. SBPS has obtained evidence that THC may have violated §115D-90(c)(2), by and through §115D-93(c)1, because the school has failed to provide adequate space, equipment, instructional material and instructor personnel to provide training of good quality.

See explanation below.

4. SBPS has obtained evidence that THC may have violated §115D-93(c)(8), because the school has failed to provide and maintain adequate premises, equipment, materials or supplies.

Violations 2-4 above involve the lack of proper lab equipment at the Greensboro campus of Thomas Healthcare Institute, Inc. This issue was first presented to the Office of Proprietary Schools during a telephone interview with the school's lone instructor on December 10, 2012. This instructor alleged that she experienced problems with the school maintaining proper lab equipment for the students, specifically items such as safety gloves and needles. When the school failed to provide this equipment as requested, this instructor had to ask hospital personnel (the Greensboro location is located inside of a hospital) for such equipment.

Conclusion and Recommendation

Thomas Healthcare Institute, Inc. of Greensboro is in violation of §115D-90(c)(6), by and through §115D-93(c)1, by failing to provide or maintain premises, equipment or conditions which are adequate, safe and sanitary; §115D-90(c)(2), by and through §115D-93(c)1, because the school failed to provide adequate space, equipment, instructional material and instructor personnel to provide training of good quality; and §115D-93(c)(8), because the school has failed to provide and maintain adequate premises, equipment, materials or supplies. These violations all stem from the lack of proper lab equipment at the Greensboro campus. The lone instructor of this campus experienced problems with the school maintaining proper lab equipment for the students, specifically safety gloves and needles. When the school failed to provide this equipment as needed, this instructor had to ask hospital personnel (the Greensboro location is located inside of a hospital) for such equipment. Ironically, health safety should have been a

primary concern for this school as it provided healthcare programs and was contained inside of a hospital. Ms. Blount, administrator of Thomas Healthcare Institute, Inc. of Greensboro, was provided with the Documentation of Noncompliance on December 11, 2012. The school has failed to respond in writing as directed, and thus failed to provide any challenge to these allegations.

Due to the nature of this violation, the State Board of Proprietary Schools recommends that the State Board of Community Colleges revoke the proprietary school license of Thomas Healthcare Institute, Inc. of Greensboro.

PART 3: DESCRIPTION OF INVESTIGATIVE PROCESS

I. INITIATION OF INVESTIGATION:

The decision to investigate the Greensboro campus of Thomas Healthcare Institute, Inc. arose directly from the investigation into the school's Raleigh campus. As stated herein, the financial stability of the school was a primary concern. The evidence obtained during the investigation into the Raleigh campus established that: 1) It owes at least three former instructors payment in-full (approximately \$6,000); 2) At least three former instructors have now filed small claims actions against the school for nonpayment; 3) At least ten (10) former instructors have alleged payment issues with the school and identified payment issues as the main reason for leaving employment with the school; 4) It owes in excess of \$5,000 to its prior landlord; and 5) The Raleigh campus owes several hundred dollars in refunds to students. Thomas Healthcare Institute, Inc. also failed to supply documentation of financial stability, in part, because it has an outstanding debt with its bookkeeper. Overall, Thomas Healthcare Institute, Inc. has outstanding debts in excess of \$10,000, with no apparent ability to pay them in the immediate future.

On December 10, 2012, the Office of Proprietary Schools interviewed the lone instructor at the Greensboro campus of Thomas Healthcare Institute in order to establish whether the financial problems of the school were limited to the Raleigh campus. Based on allegations presented by the instructor, and confirmation by Ms. Blount that the Greensboro and Raleigh campuses were not separated financially, the Office of Proprietary Schools became satisfied that there was credible evidence that Thomas Healthcare Institute, Inc. of Greensboro "failed to comply with either the requirements of law or the rules adopted by the SBCC."

Scott Corl, Executive Director of Proprietary Schools, provided a copy of the Notice of Investigation and foregoing Documentation of Noncompliance during an in-person interview with Ms. Blount on December 11, 2012. Ms. Blount signed and accepted the Notice of Investigation and Documentation of Noncompliance on this date.

II. INVESTIGATION TIMELINE:

The Office of Proprietary Schools conducted a 17-day investigation into the Greensboro campus of Thomas Healthcare Institute, Inc. The investigation was initiated on December 11, 2012, and concluded on December 28, 2012. A total of three (3) witnesses were interviewed, including: 1) the two main administrators of the school; and 2) the sole instructor at the Greensboro campus since on or about summer, 2011. The Office of Proprietary Schools also attempted to contact one other instructor of the Greensboro campus, but that was unsuccessful.

**PART 4: RECOMMENDATION OF REVOCATION OF THE PROPRIETARY
SCHOOL'S LICENSE TO OPERATE ONE OR MORE PROGRAMS WITH A
SUPPORTING RATIONALE FOR REVOCATION RATHER THAN FOR SUSPENSION**

Thomas Healthcare Institute, Inc. has been a licensed proprietary school for over twenty years. Over that time, it developed a good reputation in the community and turned out hundreds of healthcare professionals. The school continued its success after the passing of its founder. However, for whatever reason, the school has encountered serious issues with regard to its current business operations. Unfortunately, these problems have become so severe, that the State Board of Community Colleges can only carry out its statutory obligation to protect proprietary school students by initiating revocation of the school's proprietary license.

The State Board of Community Colleges should initiate revocation rather than suspension for the following specific reasons:

1. **Nature and severity of violations:**

Thomas Healthcare Institute, Inc. of Greensboro is in violation of §115D-90(c)(9), by and through §115D-93(c)(1), because the school is not financially sound and capable of fulfilling its commitments for training. The Greensboro and Raleigh campuses of the school are not financially separated. Thus, the economic problems of the Raleigh campus are shared by the Greensboro location. As documented herein, the Raleigh campus of the school has outstanding debts in excess of \$10,000, with no apparent ability to pay them in the near future. Specifically, the Raleigh campus: 1) Owes at least three former instructors payment in-full (approximately \$6,000); 2) At least three former instructors have filed small claims actions against the school for nonpayment; 3) At least ten (10) former instructors have alleged payment issues with the school and identified payment issues as the main reason for leaving the school; 4) Owes in excess of \$5,000 to its prior landlord; and 5) Owes several hundred dollars in refunds to THC students. These problems have created financial stress on the Greensboro location. The sole instructor of the Greensboro campus experienced significant payment issues with the school. These problems grew worse over time, leading this instructor to resign from the Greensboro campus on December 26, 2012.

Thomas Healthcare Institute, Inc. of Greensboro is in violation of §115D-90(c)(6), by and through §115D-93(c)1, by failing to provide or maintain premises, equipment or conditions which are adequate, safe and sanitary; §115D-90(c)(2), by and through §115D-93(c)1, because the school failed to provide adequate space, equipment, instructional material and instructor personnel to provide training of good quality; and §115D-93(c)(8), because the school has failed to provide and maintain adequate premises, equipment, materials or supplies. These violations all stem from the lack of proper lab equipment at the Greensboro campus. The lone instructor of this campus experienced problems with the school maintaining proper lab equipment for the students, specifically safety gloves and needles. When the school failed to provide this equipment as needed, this instructor had to ask hospital personnel (the Greensboro location is located inside of a hospital) for such equipment. Ironically, health safety should have been a primary concern for this school as it provided healthcare programs and was contained inside of a hospital.

2. **Actions of school since receiving the Notice of Investigation and Documentation of Noncompliance:**

The Office of Proprietary Schools presented a Notice of Investigation and the Documentation of Noncompliance contained herein to Ms. Blount on December 11, 2012. Ms. Blount was specifically reminded that the Notice of Investigation requested a written response within ten (10) business days of receiving the Notice and Documentation of Noncompliance. Thomas Healthcare Institute, Inc. of Greensboro has failed to present any such response to challenge these allegations.

The financial soundness of the school was an overriding concern throughout the investigation. The Office of Proprietary Schools stressed this to the school and requested financial documentation from the outset. This information was essential as the Greensboro and Raleigh campuses were not separated financially. Despite repeated requests, Thomas Healthcare Institute, Inc. of Greensboro has failed to provide the Office of Proprietary Schools with a current financial balance sheet or accountant's compilation for the Greensboro campus.

3. **Statutory Authority**

In accordance with North Carolina General Statute §115D-93(c), the State Board of Community Colleges, acting by and through the State Board of Proprietary Schools, shall have the power to refuse to issue or renew any such license and to suspend or revoke any such license theretofore issued. The proprietary school statutes provide specific guidelines for licensed institutions in order to protect students who enroll in such vocational programs. Initiating revocation of the proprietary license of Thomas Healthcare Institute, Inc. of Greensboro is a proper and necessary action for the State Board of Community Colleges to fulfill its obligations under the statute.