

ITU Response to WSCUS Order to Show Cause

Monday, October 28, 2019

Part 1

ITU'S OPERATIONAL FUNCTIONALITY IS STRONG AND REFLECTS IMPROVEMENTS

ITU's main purpose is to deliver top-notch industry relevant training to our students. This core function will continue, improve and expand even during this transition period.

Feedback from students' this past Sunday, included comments of mistreatment from our staff, slow response times, incomprehensible red tape.

Moving forward, the entire staff and management is committed to have a "Student Service" centered mentality. As EVP and CFO, Dr. Cory often stated in the past, ITU's goal is to become the "Best Loved University in the Silicon Valley!"

Toward that end and to ensure the *current staff* at ITU is completely adequate in covering all key student-facing departments. We have consolidated head count to have staff in the following positions:

Front Desk	– 3 people
Admissions	– 4 people
ISO	– 3 people
Registrar	– 2 people (one other identified to join the department asap)
Student Advising and Internships	– 1 person
Alumni Connection	– 1 person
Library Services	– 1 person

Operations

Finance	– 2 people (1 to join in another month)
HR (Contract)	– 1 part-time person for now (seeking to outsource)
IT	– 4 people
Media	– 1 person
Marketing	– 3 people
Facilities/Maintenance	– 1 person plus new contracted service

Academic Departments

Department Chairs:

Computer Science/Software Engineering	- 1
Electrical and Computer Engineering	- 1
Business Administration & Engineering Management	- 1
Digital Arts	– 1
Interdisciplinary Sciences	– 1

Core Faculty – 1 per department and more as requested by Chairs

Adjunct Faculty - any course offering in progress now continues. There will be no interruption to courses and faculty for the Spring offerings due to financial changes.

Special Services

Project Management – 1 person
Director of Online Service & ALO – 1 person
Compliance Director – 1 person - this is a new position for ITU

It should be noted that to ensure all functional operations of ITU work smoothly as an integrated institution of learning, complying with all legal, regulatory, immigration and accreditation mandates, executive management has added two new positions of Project Manager, as well as Compliance Director, a position cutting through all departments to access detailed data, and reporting directly to the executives and board. The Registrar position is now filled by an educational veteran with over 20 years experience as Registrar. Our Registrar has now implemented a new processing culture requiring all student requests, barring exceptions, to be processed no later than 48 hours once request is received. Our Finance department has also committed to the 48 hour turnaround. These commitments have improved the functionality of ITU's operations, despite the reduction of staff, and reflects ITU's commitment to return to a Student Service Centered culture.

Academically, the entire organization returns to using ITU's proprietary software, the EMS, which has built within it, Institutional, Program level and Course learning assessments, that ensures that ITU's educational excellence has been and continues to be built on data and facts.

Towards that end, the Computer Science/Computer Engineering curriculum will be updated by Spring 2020, to reflect the most recent changes in the Silicon Valley Industry to include course offerings in the newest standards of implementation in Artificial Intelligence, and with heavy emphasis in Cybersecurity. Engineering Management's course offerings will also be freshly updated to industry standards. Perhaps most notably, ITU's Interdisciplinary Science and Business Management degree concentrations will include a new anchor required course in the area of consilience, specifically introducing the latest scientific breakthroughs in evolutionary brain development that now allows for the first time in history for the social "soft" sciences to have natural "hard" science underpinnings, allowing for predictive modeling in the soft science disciplines.

In terms of ITU's current leadership, the Board's choice of executive officer is based on factual data. The current CEO/President has in fact, been the only President/CEO that has ever run ITU with consistent year end positive cash balances. Factually, no other person thus far has run the university well, in the areas where ITU is presently weakest.

Thus, with our newly formed Board, proven executive management team, and operational departments already showing improvements to university function -- all reflecting the vision of our Founder Shu-Park Chan -- ITU will indeed return to financial stability, educational excellence and growth.

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Part 2

DOCUMENTED EVIDENCE SHOWS WSCUS AT FAULT IN CAUSING ITU DOWNTURN

ITU's present financial challenge is in substantial part a result of WSCUS's (formerly WASC) violation of its own policies.

WSCUS CONFLICTS OF INTEREST

These violations include heavily documented Conflicts of Interest in its Commissioner and Executive Officer actions; WSCUS institution violating its own policy "not to intervene in internal procedures of institutions"; allowing for the Retaliatory Termination of Whistleblowers by WASC-insider executives who violate institutional and WSCUS accreditation regulations, state and federal laws; and taking zero corrective action when WSCUS's own violations had been transparently brought to Executive and Commissioner attention in 2016, following WASC's own grievance procedures, using evidence downloaded from WASC's own website.

EVIDENCE-BASED BOARD DECISION TO IMMEDIATELY APPOINT NEW CEO

Yau-Gene Chan, son of ITU's founder and the only CEO in ITU history to have positive year end surpluses, has been reinstated as CEO of ITU by the Board of Trustees on October 15, 2019, in an evidence-based decisive move, hoping that Yau's untarnished track record of year after year solid fiscal management and growth, as well as his success in turning ITU up from a downturn near bankruptcy in 2005, gives the institution the greatest potential for success.

WSCUS ACTIONS LEAD TO \$20 MILLION CASH LOSS TO ITU

Yau has been appointed now for less than 20 days and has been away from ITU Executive leadership and board participation, since Feb/2015, almost five years ago. At that time Yau was last leading ITU, the organization had \$20 million cash in the bank account without holding any debt. Returning to help save ITU last Tuesday, Oct 15, 2019, Yau found that the \$20 million cash that was in ITU coffers, is now down to nothing, with a WSCUS Commissioner among the small handful of WASC-insider individuals, inuring themselves with roughly a third of the \$20 Million cash reserves, into their own pockets, over the four plus years of running ITU into the ground.

WSCUS MUST BE HELD ACCOUNTABLE

WSCUS shares substantial culpability for the present financial condition of ITU. Whether the inappropriate and unethical actions of WSCUS's Commissioner, Executive and WSCUS -insider people are categorically actionable and/or criminal, are for the courts to decide. However, as dedicated educators in a community that demands honest transparency in the institute that watchdogs our own educational quality, we can firmly state that WSCUS's actions need to be held accountable, and their operational protocols revamped to ensure that it will not even tolerate – much less instigate – harmful actions to WSCUS member universities, as they have clearly done harm and damage to ITU, arising from undeniable Conflicts of Interest, amongst its own commissioner, executive officers and WSCUS -insider collaborators.

CONTEMPORANIOUS DOCUMENTATION OF WSCUS CORRUPTION FILED IN 2016

The following Formal Complaint was first submitted to WSCUC (formerly WASC) on May 18, 2016. An update to the initial complaint was sent the following month, on April 18, 2016. Both of these documents are posted below, in their original form. The two page update, with heading:

“Attachment letter dated April 18, 2016 with headings”

is posted in front, and the original complaint follows, with heading:

“RE: Abuse of WASC Accreditation Authority by: Dr. Richard Winn, Dr. Greg O’Brien, Dr. Alvin Cheung, Dr. Geoffrey Bannister and others – in order to take control of ITU’s \$20 million assets”

These two documents together, describe an accrediting body – WSCUS – that abuses its accreditation power, controlling member universities, in order to forcefully take the cash resources of those university(ies) to inure its own commissioner(s), executive officer(s), and colluding partners.

After reading these two foundational documents, submitted in 2016, stating contemporaneously for the legal record, unethical actions taken by WSCUS in Feb/2015, we are posting here a current update to this WSCUS-caused-financial-and-leadership fiasco at ITU that has run ITU irresponsibly and potentially criminally, from Feb 8, 2015 until Oct 15, 2019.

(See separate document for the full complaint, titled

ITU BOARD ACTIONS

ITU BOARD HAS FILED COMPLAINTS AGAINST WSCUS WITH CA ATTORNEY GENERAL, FEDERAL IRS, CA FRANCHISE TAX BOARD, CHEA, CA DEPT OF EDUCATION, US DEPT OF EDUCATION, AND MAJOR FRAUD UNITS OF LOCAL LAW ENFORCEMENT

It should be stated that the newly constituted ITU Board, has filed complaints with the California Attorney General, the IRS, and the San Jose City and Santa Clara County Major Fraud Division, specifically against the institutions WSCUS, Sofia University and California Northstate University, as well as a recently retired WSCUS Commissioner and CEO of Sofia, as well as several other WSCUS-chosen collaborators. Evidence points to their blatant violations of California State non-profit regulations, Attorney General guidelines and IRS laws in inuring themselves with California State Trust assets, pocketing, misusing and causing harm and damages to ITU in the amount of \$20 million cash.

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Part 3

UPDATE AND CONCLUSION

The financial resources of once prosperous ITU are exhausted. In the face of this critical fact the previous highly successful CEO and cofounder, Yau-Gen Chan, who was improperly removed in 2015, has been reinstated by a newly reconstituted Board of Trustees.

The downward spiral of enrollment and cash assets of ITU under the direction of O'Brien and his fellow conspirators that was clearly demonstrated and predicted in the whistleblowing complaint and follow-up documentation by Yau-Gen Chan in 2016 has continued unabated to final exhaustion in October 2019.

If the leadership of WSCUS had acted decisively and responsibly to curb the clearly conspiratorial conflicts of interest and other unethical/illegal acts and behaviors of O'Brien and the other WSCUS insiders involved as set forth in the above referenced whistleblowing complaint and follow-up documentation by Yau-Gen Chan in 2016, the remaining cash assets of ITU at that time amounting to approximately 10 to 12 million dollars would have been preserved.

WSCUS, thus, clearly shares substantial culpability for the urgent financial conditions that are confronting ITU today.