

UNIVERSITY GRANT COMMISSION
BAHADUR SHAH ZAFAR MARG,
NEW DELHI - 110002

Mal Practices Alert

Through the United States Educational Foundation in India (USEFI), a **Communication dated 11 February 2005** has been received from the State of Hawaii in USA conveying that a so-called Hawaii based unaccredited university is operating in India. American University of Hawaii (AUH) operating in India is not accredited by any recognized accrediting agency and not licensed or approved by the State of Hawaii. It claims to have affiliates, study centres and regional offices in some eighteen countries. It has almost no students or graduates in the United States and primarily issues degrees and diplomas to non-US citizens, including those in India. Office of consumer protection of the State of Hawaii has obtained an injunction from an appropriate court in Hawaii barring it from doing business as a university. Please see

Full text of the Court's Judgment.

This is to alert the students and parents in India about this so-called university's operation in India. However, a clarification regarding University of Hawaii and American University of Hawaii is given in the **communication** dated September 7, 2005 received from USEFI.



LINDA LINGLE
GOVERNOR

JAMES R. AIONA, JR.
LT. GOVERNOR

STATE OF HAWAII
OFFICE OF CONSUMER PROTECTION
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

LEIOPAPA A KAMEHAMEHA BUILDING
235 SOUTH BERETANIA STREET, ROOM 801
HONOLULU, HAWAII 96813-2419
Phone Number: (808) 586-2636
Fax Number: (808) 586-2640
www.hawaii.gov/dcca/ocp

MARK E. RECKTENWALD
DIRECTOR
DEPARTMENT OF COMMERCE
AND CONSUMER AFFAIRS

STEPHEN H. LEVINS
EXECUTIVE DIRECTOR
OFFICE OF CONSUMER PROTECTION

JEFFREY E. BRUNTON
LISA P. TONG
MICHAEL J.S. MORIYAMA
STAFF ATTORNEYS

February 11, 2005

Mr. Robert O. Blake
Charge D'Affaires
United States Embassy
Shantipath, Chanakyapuri
New Delhi 110021
India

Re: The American University of Hawaii

Dear Sirs and Mesdames:

By way of introduction, our office is the state agency responsible for enforcing Hawaii's laws relating to unaccredited degree granting institutions and I am the staff attorney assigned to handle these matters. I was unsure to whom this letter should be directed and if you are not the appropriate person, please feel free to pass it on. We do not know who the proper education authorities are in your host country, and again, feel free to pass this information on to them.

By way of background, the laws in the United States relating to the operation of unaccredited universities vary from state-to-state. Many states simply prohibit their operations; other license or approve them. Hawaii is known to be one of the most permissive states. **We do not license nor approve unaccredited universities and have very little oversight of their operations.**

I am writing to inform you that a so-called Hawaii based unaccredited university is operating in your host country. The name of the "university" is the American University of Hawaii (AUH). Although AUH is incorporated in Hawaii and has a small office in Maui, it appears to be run by a British citizen of Iranian descent out of California. AUH is not accredited by any recognized accrediting agency and it is not licensed or approved by the State of Hawaii. AUH's main website is located at www.auh.edu. It claims to have affiliates, study centers and regional offices in some eighteen countries. It has almost no students or graduates in the

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United States and primarily issues degrees and diplomas to non-US citizens, including those of your host country.

Our office filed suit against AUH last year for violating what little regulation our state has of these types of private businesses. A copy of the lawsuit can be found at our website at <
http://www.hawaii.gov/dcca/areas/ocp/summaries_judgments/un_schools/AUH/> .

On January 31, 2004, the Second Circuit Court of the State of Hawaii entered a Permanent Injunction and Final Judgment Against American University Hawaii, Inc. I am enclosing a copy for your records.

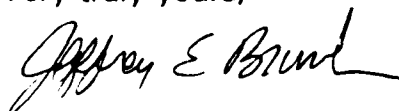
This document constitutes a final resolution of all of our claims against American University Hawaii, Inc. (the Hawaii corporation). As you will see from the terms of the judgment, AUH was given ten days to pay \$500,000 in civil penalties to the State of Hawaii and to implement a restitution program. Failing to do so, AUH is permanently enjoined from (a) providing any post-secondary instructional programs or courses leading to a degree; (b) acting as or holding itself out as a "college, academy, institute, institution, university" or anything similar thereto; (c) accepting or receiving any tuition payments or other fees from or on behalf of any students; (d) enrolling and students and (e) issuing any diplomas.

Not surprisingly, AUH failed to pay the civil penalties or implement the restitution program, hence the injunction **essentially barring it from doing business as a university is in effect!** AUH, however, appears simply to be ignoring the injunction as its website (auh.edu) remains viewable and apparently it is business-as-usual. As a result of this injunction, AUH is not authorized to enroll students, accept payments or issue degrees.

Since AUH has no assets within the jurisdiction of the State of Hawaii which could be used to satisfy the judgment or to provide restitution to victims, there is little we can do. We are alerting you, however, because of the distinct possibility that it is **continuing to solicit and enroll students and promise and/or issue degrees, possibly to the detriment of citizens of your host country.**

If you or you staff would like further information or simply to discuss the matter, please feel free to contact me at (808) 586-2640.

Very truly yours,



JEFFREY E. BRUNTON

FILED

JEFFREY E. BRUNTON #2833
Office of Consumer Protection
235 South Beretania Street, Room 801
Honolulu, Hawaii 96813-2419
Telephone: (808) 586-2636

2005 JAN 31 PM 2:49

C. BASIL, CLERK
SECOND JUDICIAL CIRCUIT
STATE OF HAWAII

Attorney for Plaintiff

IN THE CIRCUIT COURT OF THE SECOND CIRCUIT

STATE OF HAWAII

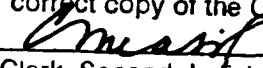
STATE OF HAWAII, by its Office of Consumer Protection,	)	CIVIL NO. 03-1-0458 (2)
	)	(Other Civil Action)
)	
Plaintiff,	)	PERMANENT INJUNCTION AND FINAL
	)	JUDGMENT AGAINST DEFENDANT
	)	AMERICAN UNIVERSITY HAWAII, INC.
vs.)	
	)	(Motion Filed November 17, 2004)
)	
AMERICAN UNIVERSITY HAWAII, INC., a Hawaii corporation dba The American University of Hawaii and AUH and HASSAN H. SAFAVI aka Henry Safavi,	)	<u>HEARING</u>
	)	Date: December 22, 2004
	)	Time: 8:30 a.m.
	)	Judge: Shackley F. Raffetto
)	
Defendants.	)	Trial Date: April 5, 2005
	)	SCF Date: October 29, 2004
)	

PERMANENT INJUNCTION AND FINAL JUDGMENT
AGAINST DEFENDANT AMERICAN UNIVERSITY HAWAII, INC.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that:

1. This court has jurisdiction over this matter and Defendant American University Hawaii, Inc. ("AUH") hereto pursuant to Hawaii Rev. Stat. Chapters 446E, 480, 487 and 603 and venue is proper herein.

I hereby certify that this is a full, true and correct copy of the Original.


Clerk, Second Judicial Circuit

2. Plaintiff's Complaint states claims against Defendant AUH upon which relief may be granted under Hawaii Rev. Stat. Chapter 446E and Hawaii Rev. Stat. § 480-2(a).

3. Defendant AUH, its officers, agents, servants, employees and those persons in active concert or participation with it who receive actual notice of this order by personal service or otherwise, are hereby restrained and enjoined from failing to comply with the requirements set forth herein.

4. Defendant AUH shall be responsible for making the substantive terms and conditions of this judgment known to its officers, directors, successors, managers, employees and those persons associated with Defendant AUH who are responsible for implementing the obligations set forth in this judgment.

5. Defendant AUH shall not effect any change in its form of doing business or organizational identity for the purpose of avoiding the terms and conditions contained in this judgment.

6. Defendant AUH shall, with respect to any and all future business activities in, from or under the color of the laws of the state of Hawaii, comply with all of the provisions of Chapters 446E and 480 of the Hawaii Revised Statutes. Defendant AUH and its officers, agents, servants, employees, attorneys and those persons in active concert or participation with it who receive actual notice of this order agree to and hereby are permanently enjoined from:

A. Representing that the operations of American University of Hawaii worldwide are not subject to the requirements of Hawaii Rev. Stat. Chapter 446E;

B. Permitting the view ability of any websites, dissemination of any catalogs and placement of advertisements which do not fully comply with Hawaii Rev. Stat. § 446E-2;

C. Using or disseminating legislative certificates and other government documents in websites or promotional materials and otherwise indicating or suggesting that the State of Hawaii licenses, approves or regulates its operations;

D. Enrolling any J.D. candidates and issuing any J.D. degrees ("non-bar" or otherwise);

E. Enrolling any M.D. candidates and issuing any M.D. degrees and

F. Making any claims, promises or indicia of future accreditation.

7. Defendant AUH be is hereby liable for restitution to consumers as set forth herein. Upon entry of this judgment, Defendant AUH shall notify all degree holders and degree applicants who enrolled or received their degrees subsequent to July 1, 1999 in writing that they are entitled to full restitution (conditioned only on the return of any diploma awarded). Said notice shall be in a form agreeable by Plaintiff and shall also notify the recipients of their rights under Hawaii Rev. Stat. §480-13. Defendant AUH shall provide a full refund to any recipient requesting one by certified check within fourteen days of receipt of the request for such and the return of the diploma, if applicable.

8. Defendant AUH be and is hereby liable to Plaintiff for civil penalties pursuant to Hawaii Rev. Stat. § 480-3.1 in the amount of Five Hundred Thousand Dollars (\$500,000.00).

9. In the event Defendant AUH fails to satisfy the amounts specified in paragraphs 7 and 8 above within ten (10) days of the entry of this judgment, Defendant AUH, its agents, employees, successors and assigns, directly or indirectly, individually or in concert with others, or through any corporate or other device be and are enjoined from any of the following: (a) providing any post-secondary instructional programs or courses leading to a degree; (b) acting as or holding itself out as a "college, academy, institute, institution, university" or anything similar thereto; (c) accepting or receiving any tuition payments or other fees from or on behalf of any students; (d) enrolling and students and (e) issuing any diplomas.

10. Defendant AUH shall promptly provide to Plaintiff upon request proof of any action(s) required to be taken by the Defendant AUH pursuant to the terms of this judgment.

11. Under no circumstances shall this document or the name of State of Hawaii, the Office of Consumer Protection, Department of Commerce and Consumer Affairs, or any of its employees or subdivisions be used by Defendant AUH in connection with any selling, advertising or promotion of any product or service. The parties understand that this document shall not be construed as an approval or sanction by the State of Hawaii of Defendant AUH's business practices. Nothing in this document shall be construed to permit or make lawful any act, practice, or course of conduct prohibited or made unlawful by Hawaii Rev. Stat. Chap. 446E, 480 or 481A or any other law.

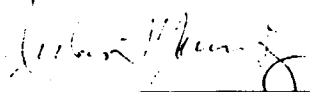
12. This court shall retain jurisdiction of this case for the purpose of enabling any of the parties to this action to apply to this court at any time for further orders and directions as may be necessary or appropriate to carry out or construe this judgment, to modify or terminate any of its provisions, to enforce compliance, and to punish violations of its provisions. If it shall be made to appear to the court that there has been a violation of any of the terms of this judgment, upon motion, this court may enter an order to show cause why Defendant AUH should not be found in contempt. Nothing in this document shall bar Plaintiff from seeking, or the court from imposing, against Defendant AUH or any other person any other relief available under any other applicable provision of law for violation of this document, in addition to or in lieu of the civil penalties provided for above.

13. The only remaining claims are Plaintiff's claims against Defendant Hassan H. Safavi.

DATED: Wailuku, Maui, Hawaii, JAN 31 2005.

/s/ SHACKLEY F. RAFFETTO (Seal)
Judge of the above-entitled Court

APPROVED AS TO FORM:



RICHARD K. MINATOYA
Attorney for Defendants

CIVIL NO. 03-1-0458 (2); State vs. American University Hawaii, Inc., et al.;
PERMANENT INJUNCTION AND FINAL JUDGMENT AGAINST DEFENDANT
AMERICAN UNIVERSITY HAWAII, INC.

September 07, 2005

A.K. Parate,
Joint Secretary
University Grants Commission
Bahadur Shah Zafar Marg
New Delhi – 110 002

Sub: Clarification regarding University of Hawaii and American University of Hawaii

Dear Mr. Parate,

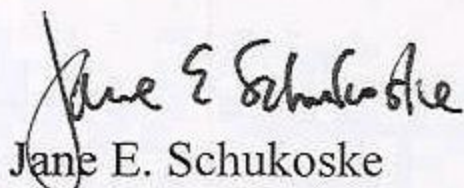
This is in response to your letter of August 4, 2005 on the above subject. While we feel it is necessary to have the malpractice alert on the UGC website regarding American University of Hawaii's operations in India, we also understand the concerns of the University of Hawaii, a fully accredited and publicly-funded university in the state of Hawaii. In order to clear the confusion that could arise due to the similarity in the names of the two institutions, namely, the fully accredited University of Hawaii and the unaccredited American University of Hawaii, we suggest the addition of the following paragraph to the existing alert on your website.

"The U.S. Educational Foundation in India (USEFI) further states that Indian students and academia should not confuse the American University of Hawaii with a similar sounding name, i.e., University of Hawaii. University of Hawaii, established by a state statute in Hawaii in 1907, with ten campuses that comprise the state's only public post-secondary educational institutions, is regionally accredited by the Western Association of Colleges and Schools. This institution is not in any way related to the unaccredited American University of Hawaii. Interested students and academia may log on to www.hawaii.edu for detailed information regarding the university, its accreditation status and degrees and programs offered."

I hope the above clarification is useful.

With best regards,

Sincerely,



Jane E. Schukoske
Executive Director