

Universities or Visa Mills?

By Lisa M. Krieger

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With his new student visa, Prasanth Goinaka was on a path toward his dream: an MBA from an American university in the heart of Silicon Valley.

That's why his parents back in India were stunned when their 28-year-old son was killed while manning a cash register at a convenience store in Oklahoma City -- 1,500 miles from campus.

A Bay Area News Group investigation has found that Goinaka -- as well as thousands of other foreign students enrolled in schools here -- probably should not have been in the country at all. They're being lured by unaccredited universities that promise help getting a prized student visa. But it turns out that these universities' legal right to assist with visas is in question.



Once here, students like Goinaka often have to go to extraordinary lengths to pay the bill.

But how he ended up losing his life halfway across the country from San Jose's International Technological University is part of a much larger story of the U.S. government's failure to catch up to a growing problem in America's higher education system.

Little-known and less-watched, a group of schools -- including San Jose's ITU, Sunnyvale's Herguan University and until recently Pleasanton's now-shuttered Tri-Valley University -- are building lucrative businesses by assembling student bodies comprised almost entirely of student-visa holders. Yet, the newspaper's investigation found none of the schools meet the criteria necessary to assist foreign students to come here: They are neither accredited nor do their credits transfer to recognized universities.

"Universities like Tri-Valley are causing an enormous surge of international students," said Mohan Nannapaneni, secretary of the Milpitas-based Telugu Association of North America. The Indian nonprofit group raised \$5,465 to ship Goinaka's body to his distraught parents and donated legal help to 155 traumatized Tri-Valley students, some tagged with electronic tracking devices when the federal government shut down the school on visa fraud charges.

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Why are we putting immigration authority into (these) ... universities hands? Transparency said.

University officials deny any wrongdoing.

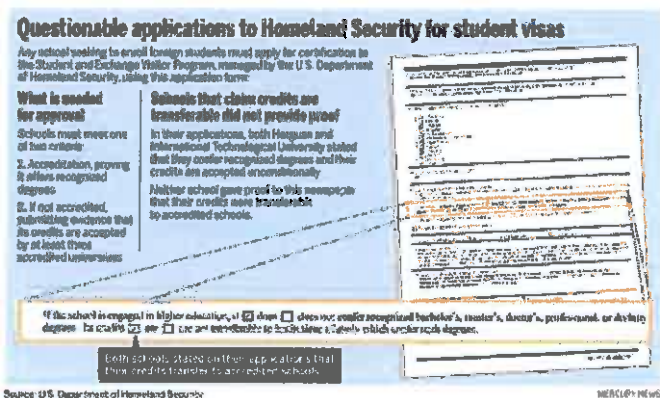
But records reviewed by the newspaper tell a different story about the schools' actions, and suggest the government and even the students themselves are to blame for the problem.

GOVERNMENT APPROVED

A decade after terrorists in the country on student visas carried out the Sept. 11 attacks, the Department of Homeland Security – the very agency established to oversee a tougher visa system – endorses universities that should be ineligible to issue the necessary certificate for students to gain F1 student visas, records show. It even places these schools on the list that international students consult before pursuing a degree in the U.S.

Tri-Valley University was on that list even as federal agents were raiding the school in January on widespread allegations of visa fraud and alien harboring that left 1,500 foreign students in legal limbo and sparked violent protests in India.

"It is having approval I thought it is good university," former Tri-Valley computer science



student Harsha Sri, 25, said in an email. He paid \$2,700 to attend less than a month's worth of classes and is now back in India.

Tri-Valley demonstrates the riches that can be

made from turning a school into a visa mill. When federal agents finally caught on, they discovered that the unaccredited school had been paid millions of dollars by foreigners to obtain student visas that authorize them to remain in the U.S. – a scheme whose growth was fueled by a profit-sharing system that gave students who referred newcomers from abroad a 20 percent cut of the tuition, according to court records.

Something else authorities found suspicious: More than 550 students enrolled in the Alameda County university were registered as living at the same address: a two-bedroom apartment on El Camino Real in Sunnyvale.

CALL FOR CRACKDOWN

So how do schools that exist to provide student visas get away with it? U.S. Sen. Dianne Feinstein and other lawmakers are exploring just that, and they're beginning to demand answers. "These sham universities" ... operate solely for the purpose of manipulating immigration law to admit foreign nationals into the country," Feinstein and three other senators wrote in a March letter to Homeland Security's U.S. Citizenship and Immigration Services that cited the Tri-Valley University allegations.

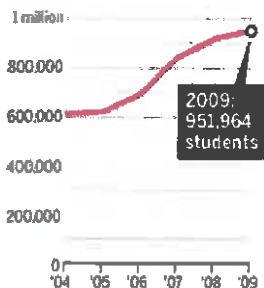
Questions have been raised about ITU and Herguan, but those schools haven't been charged criminally and haven't been accused of the same conduct.

In the case of the two Silicon Valley universities, their applications to enroll foreigners with student visas appear to misrepresent the facts. Both claimed that their credits were accepted by accredited schools. But when pressed by the newspaper, neither school could support that assertion. Still, the applications were accepted by the government, and both schools

have been given clearance to issue the certificates needed for students to get visas.

Student visas grow

The number of nonimmigrant students admitted to U.S. schools has climbed more than 55 percent since 2004.



Source: Office of Immigration Statistics
MERCURY NEWS

While the Department of Homeland Security refused to answer questions about specific schools, it provided the newspaper both ITU's and Herguan's visa program applications in response to a public records request. The documents showed:

- Herguan's application states that it is accredited by the California Bureau for Private Postsecondary Education -- an agency that has no accrediting authority. The Sunnyvale-based school also states that its coursework is accepted by other recognized schools but provided no proof on its application, nor any proof when pressed by the newspaper.

In an email response, Richard Friberg, the school's vice president, said "this is a competitive market, releasing the names of the schools will cause the receiving schools to

withdraw their letters since they do not want it known that they are supporting schools that are yet to be accredited. ... you are not going to get HGU to expose the other schools."

- ITU's application acknowledges that it is unaccredited. ITU contends that it meets federal criteria because its credits are accepted by recognized universities -- but no proof was submitted. School officials asserted to the newspaper that their courses are accepted by San Jose State, Santa Clara, Stanford and the University of California system -- a claim all the universities say is not true.

"We would not award any credit from either institution," said Terri Eden, who oversees SJSU's transfer credit policies.

BIG PRIZE: LEGAL JOBS

Still, trusting students arrive at these schools in droves, lured by fancy websites and advertising slogans such as ITU's "Global Development Through Silicon Valley Education." About 900 students are attending ITU's summer school -- and it plans to enroll up to 5,000 students when renovations are complete. The school does not require standardized test scores for admission and employs a "quality control officer" in Hyderabad, India, for prospective students.

In an interview with the newspaper, ITU said its graduates get jobs at tech companies like Brocade and Intel. Brocade has no records of any ITU graduates; Intel has one.

At Herguan, about 450 students are enrolled. Until recently, the lobby was decorated with photos of its president with former Gov. Arnold Schwarzenegger and commendations from

U.S. Rep. Mike Honda, D-San Jose, and others.

The students are attracted for another big reason: legal jobs. Government approval means that the schools are authorized to offer "Curricular Practical Training," a program that is supposed to give on-the-job experiences that are "an integral part of an established curriculum" directly related to the students' major area of study, according to federal regulation.

The federal government leaves it to colleges to determine what kind of job is legitimate, saying it doesn't want to meddle in curriculum issues. At Tri-Valley, immigration officials found "career training" for many students translated to low-level retail jobs, such as at a dollar store, a 7-Eleven and a tobacco shop, in New Jersey, Virginia, Texas and other states.

IN NEED OF JOBS

Goinaka came to San Jose's ITU in January 2010 with a bachelor's degree and a stint in the Indian navy.

Video surveillance at S-K Food Store where he worked in Oklahoma City shows a

heartbreaking scene. He was dragged from the cash register, shoved to the ground, and then shot in the head by armed robbers.

"I can't believe this. He left only two months ago for studies and now we heard that he is no more," Goinaka's father told Indian journalists in March 2010. "Oh god, why this happened to him."

Goinaka had friends in Oklahoma, where police reports show he arrived on a Friday, the same day ITU officials said he attended class in San Jose. Two days later he was dead. It's unclear how he proved to the U.S. consulate in India that he had enough money to live in the U.S., a requirement for a student visa.

On news of his death, one friend wrote to an Indian newspaper: "... due 2 financial prbs he desperately needed a job. But I NEVER expected this would happen 2 him. But he did wat he had to. R.I.P love u always."

Federal law requires that foreign students attend class full time and not take more than one online class per academic term. ITU says that it has students who live outside California, but who travel to San Jose for weekend classes.

"It can be done on a weekend format. "... They can do assignments from a distance. The model of the school is very tied to industry," said Gregory O'Brien, ITU's dean of Advanced Graduate Studies and Research. "Distance learning is a proven concept."

Mikel Duffy of ITU said: "What happened to Prasanth Goinaka was very tragic," adding, "Prasanth, as all of the other graduate students at ITU, was a legal adult and took it upon himself to make the trip to Oklahoma City."

But members of the group that helped ship his body home say Goinaka's story is an example of the broken promises many Indians are finding at colleges in the U.S.

"He was a hardworking and disciplined kid and we lost him in this country," said Prasad Thotakura, president of the Telugu Association of North America.

"He came to this country to further his education and to go back and help his parents by getting a good job. He was their only son. All their dreams have been shattered."

ACCREDITATION PROMISES

Housed in nondescript office buildings, both ITU and Herguan say they are legitimate universities and offer valuable coursework, as well as a legal route for foreign students to work off campus.

They both said that no school can be accredited until it is up and running -- and that they are now seeking accreditation and expect approval.

"We will be accredited," said ITU Vice President Yau-Gene Chan, who took over the school from his father in 2005 -- a year after it lost accreditation -- when it had only 18 students and was \$87,000 in debt. By 2009, it had enrolled 1,500 students and earned \$4 million.

Because of student demand, it moved to its current site on West San Fernando Street, with 12 classrooms; when renovation is complete, it will have 18 classrooms.

"Our research can very easily compete with MIT or Princeton or Berkeley or Stanford," he said, adding that its students have gone on to earn Ph.D.s at those schools, although he offered no evidence. Even without accreditation, "because we provide documentation of what a student is learning, we can get our credits recognized. We do such a careful job of documenting what a student learns, and they see the quality of our students."

ITU graduate Bhagat Patilola landed a job at a Stanford cardiovascular research lab, but had

already earned a medical degree in Russia before attending ITU. "Studying at ITU involved hard work and commitment," he said in an email, praising the faculty. "Two years at ITU taught me a lot."

Although ITU is a nonprofit university, its leadership is well paid. ITU's academic vice president, Gerald Cory, earned \$445,832 in 2009, the most recent year that data is available -- more than the \$436,800 salary of UC Berkeley Chancellor Robert Birgeneau.

Herguan University did not consent to an interview, but in a written response, officials said, "HGU believes it meets the standards for accreditation and plans to be accredited within the next 12 months."

Herguan did not permit on-campus interviews of its students. But one, who asked that his name not be used, said, "This university surely did some mistakes and this is the reason behind all this chaos. But they have changed all the rules. "... I think we have to give them a chance."

Meanwhile, despite facing a 33-count indictment, Tri-Valley President Susan Xiao-Ping Su is asking her former students to keep faith on the former school's website. Su -- who has a Ph.D. in mechanical engineering from UC Berkeley and lectured at Herguan in 2007, ITU in 2004 to 2007, and San Jose State from 2004 to 2007 -- urges students "to move on" but adds: "TVU has many good things and is a very genuine university. We are working very hard to have our name cleared."

JUMP IN STUDENT VISAS

Feinstein and four other senators have called for better procedures to detect fraud by schools and an immediate crackdown on illegal use of student visas by foreign nationals to attend universities that "exist solely to allow any foreign national "... to unlawfully enter the United States."

It wasn't always like this, said Nannapaneni of the Telugu Association of North America.

Decades ago when Nannapaneni left India to study at Boston University, far fewer universities were approved to accept international students, he said; now, federal data show that 10,000 schools do. In the five-year period that ended in 2009, foreigners in the country on student visas jumped 55 percent to more than 950,000. In the past, these universities were academically rigorous, he said, carefully checking applicants to make sure they were qualified.

"Then universities started going abroad and recruiting people off the streets," Nannapaneni said. "They don't check their backgrounds, to see if they are qualified. What has happened is that there was a big trend change."

Michael Wildes, a prominent New York City-based immigration lawyer, said, "There is a shift of immigration responsibility to the schools. But the schools are profit-making centers. This creates a point of vulnerability in the system."

The students at these unaccredited schools tend to be from India's young and growing middle class, and whose parents are not college educated, say Indian educators.

"They can't visualize that the schools might not have a good reputation," Nannapaneni said. "Or they might think, 'What the hell, I'll see what is there.' They hear their friends are going, and they all want to come."

"Once they get here, they realize it's not right. But they still need to pay their fees," to hang onto their student visas, "and they start working outside, because they're desperate for money."

Back in India, Tri-Valley student Sri is poorer and still jobless.

"Students are joining without knowing," Sri said, "so unfortunately they are losing their careers, money and time."

Contact Lisa M. Krieger at 408-920-5565.

- Are rarely accepted by accredited schools, making it tough to transfer.
- May not be accepted by advanced-degree programs, such as graduate schools or medical or law schools.
- Do not qualify a graduate for an H1B visa, the sought-after visa that allows foreign nationals with specialized knowledge to work in the U.S. H1B visas are only granted to applicants with a degree from an accredited school.

- A computer science student worked at an Economy Dollar store in Alexandria, Va.
- MBA students worked at a tobacco shop called High Life in Houston and a Houston security firm.
- Health care administration students worked at a 7-Eleven in Plainfield, N.J., and a Dillard's department store in Murray, Utah.