

March 24, 2021

Ms. Robin Minor
Acting Chief Operating Officer, Federal Student Aid
U.S. Department of Education
400 Maryland Avenue, SW
Washington, DC 20202

Via e-mail: Robin.Minor@ed.gov

Dear Ms. Minor:

We write, as organizations who advocate on behalf of students and veterans, regarding Perdoceo Education Corporation (formerly Career Education Corporation), which operates two institutions of higher education (IHEs) that are authorized to receive Title IV funds: American InterContinental University (AIU) and Colorado Technical University (CTU).

Both schools have been the subject of multiple investigations by state and federal law enforcement. In January 2019, Perdoceo entered into a settlement agreement with 48 bipartisan State Attorneys General and the District of Columbia for \$500 million for deceptive and misleading recruiting practices, including misleading prospective students about actual costs, the transferability of credits, accreditation, program offerings and accurate job placement rates.¹ The company also entered into a settlement agreement in August 2019 with the U.S. Federal Trade Commission (FTC).² The FTC found that the company “used sales leads from lead generators that falsely told consumers they were affiliated with the U.S. military,... induced consumers to submit their information under the guise of providing job or benefits assistance,... [and] used other unlawful tactics to generate leads.”³

AIU is currently operating under a provisional Program Participation Agreement (PPA) that is set to expire on March 31, 2021. While Colorado Technical University (CTU) is not operating under a provisional PPA, its PPA agreement is also set to expire on March 31. Given the time-sensitive nature of this matter, we write to respectfully request that you act to place both schools on provisional PPA status and initiate a full investigation into both AIU and CTU.

¹ Assurance of Voluntary Compliance in the Matter of Career Education Corporation, American InterContinental University, Inc., and Colorado Technical University, Inc., entered into on behalf of the Attorneys General of Connecticut, et al. (signed Dec. 27, 2018) available at: https://portal.ct.gov/-/media/AG/Press_Releases/2019/20190103_CEC_CTAVC.pdf?la=en

² U.S. Federal Trade Commission, Cases and Proceedings, Career Education Corporation (updated Aug. 27, 2019), available at: <https://www.ftc.gov/enforcement/cases-proceedings/152-3264/career-education-corporation>

³ *Id.*

Such an investigation should include, among other things, a full review of the evidentiary record that supported both settlement agreements. Similar information-sharing between the FTC and the U.S. Department of Veterans Affairs (VA) led VA career staff to suspend both schools from enrollment of GI bill students, although that decision was subsequently overturned by political appointees at VA.

Student complaints from those who attended these schools similarly make clear that a comprehensive investigation is overdue.

Further, the U.S. House of Representatives Committee on Education and Labor has raised questions about the schools' compliance with the requirement that 10 percent of revenues come from non-Title IV sources.⁴

Additionally, we continue to have serious concerns about ongoing substantial misrepresentations and deceptive practices by Perdoceo and both of its IHEs. Specifically, current and recent employees of the company have information and evidence that we believe would benefit the Department as part of an investigation. We would be happy to arrange for interviews with these individuals at your convenience and believe that you will share our concerns after having the opportunity to hear from these individuals.

We believe that a full investigation of this company is long overdue and that it is in the interests of the Department and of current and prospective students of these schools that such an effort be initiated. We hope that you share our concern. We are happy to provide any additional information or support that would prove helpful.

Sincerely,

Center for American Progress
Center for Responsible Lending
Yan Cao, Fellow, The Century Foundation
David Halperin, Attorney
National Consumer Law Center, on behalf of its low-income clients
Project on Predatory Student Lending, Legal Services Center of Harvard Law School
The Institute for College Access and Success
Veterans Education Success

⁴ Letter from U.S. House of Representatives Committee on Education and Labor Chairman Bobby Scott to Todd Nelson, President & CEO, Perdoceo (March 16, 2020), *available at*: <https://vetsedsuccess.org/letter-from-chairman-scott-of-the-house-ed-and-labor-committee-to-perdoceo-education-corp-re-90-10-compliance/>