



April 12, 2024

Third-Party Comment on American InterContinental University System
Higher Learning Commission
230 South LaSalle Street, Suite 7-500
Chicago, IL 60604-1411

RE: Third Party Comment on American InterContinental University System

Dear Sir or Madam,

The American InterContinental University System (AIUS) is on the Higher Learning Commission's (Commission or HLC) list of schools undergoing a "comprehensive evaluation" this year, and it appears a site visit is scheduled for May 13, 2024, as part of that evaluation for reaffirmation of accreditation. We write to bring to your attention certain information and complaints we have received from student veterans¹ who attended AIUS and to urge the Commission to require AIUS to demonstrate compliance with HLC's standards before considering AIUS for reaffirmation of accreditation.

I. Law enforcement actions and complaints from student veterans and others demonstrate serious concerns about AIUS practices and educational quality.

Since AIUS's most recent reaffirmation of accreditation in 2014,² there have been serious state and federal law enforcement actions involving AIUS. Additionally, to date, we have received 152 student veteran complaints about American InterContinental University and 46 complaints about Trident University International, which together with California Southern University form AIUS.³ We also have received more than three hundred student veteran complaints about other schools, including Colorado Technical University (CTU) and several closed schools, owned by the company that owns AIUS (Career Education Corporation n/k/a Perdoceo Education Corporation⁴). Moreover, former employees of CEC-owned schools have contacted us with allegations of misconduct.

A. Law enforcement actions

¹ In this letter, the term "student veterans" is used broadly to refer to students who are veterans, service members, and their dependents.

² Higher Learning Commission, American InterContinental University System Accreditation Information, "Most recent reaffirmation of accreditation: 2013-2014," available at <https://www.hlcommission.org/component/directory/?Itemid=&Action=ShowBasic&instid=2909> (last accessed 4/12/2024).

³ See <https://www.aius.education/> (The American InterContinental University System is composed of AIU, California Southern University, and Trident University International.).

⁴ In this letter, the company will be referred to as CEC.

In 2019, CEC, American InterContinental University, Inc., AIU Online, and other subsidiaries “settled FTC charges that they used lead generators to engage in illegal conduct to market their schools.”⁵ The Federal Trade Commission’s allegations included that lead generators “tricked consumers into providing their information and enrolling at CEC schools using a variety of deceptive methods, including pretending to be U.S. military recruiters, or affiliated with the military, and falsely promising to provide assistance with job placement and various public benefits...”⁶

In 2018, CEC, AIU, and CTU agreed to provide \$493.7 million in student debt forgiveness⁷ and pay \$5 million to settle deceptive practices allegations with 49 state attorneys general.⁸ The attorneys general “alleged that CEC pressured its employees to enroll students, made misleading statements and failed to disclose information to prospective students on total costs, transferability of credits, program offerings, and job placement rates.”⁹

B. Student veteran complaints

As mentioned, we have received almost two hundred complaints from student veterans who attended AIUS. Common complaints among AIUS student veterans include that tuition and fees were higher than AIUS promised, AIUS made misrepresentations about job opportunities after graduation, AIUS used aggressive and deceptive recruiting and marketing tactics, students ended up with unauthorized student loans, and AIUS provided a low quality education.

The following are some excerpts of student veteran complaints we have received about AIUS:

- “As soon as I got out of the military I ended up joining American InterContinental University (AIU) thinking that this online college would be perfect for me. They told me of their high employment placement rates for their programs, high salary expectation for entry level positions once I finished my degree, and that all their credits transferred to other universities, etc. I finished a Bachelors in Business Administration specializing in Project Management. However, after this I couldn't get a job in that field at all, I couldn't even get an interview for the position. I thought that perhaps the reason I couldn't find a job was because so many people have Bachelors Degrees. So I needed to get a Masters Degree to stand out in the job market. At this point, I had already learned that

⁵ *FTC Sends Nearly \$30 Million in Refunds to People Tricked into Enrolling by School Operator's Lead Generators*, FTC Release (June 9, 2021), available at <https://www.ftc.gov/news-events/news/press-releases/2021/06/ftc-sends-nearly-30-million-refunds-people-tricked-enrolling-school-operators-lead-generators> (last accessed 4/12/2024).

⁶ *Id.*

⁷ See *AG Healey Secures \$11 Million in Debt Relief for Massachusetts Students in Settlement with For-Profit Education Company, Multistate settlement will bring \$493 Million in debt relief nationwide*, Massachusetts Office of Attorney General, Press Release (1/03/2019). See also page 64 of the Assurance of Voluntary Compliance. A copy can be found here https://portal.ct.gov/-/media/ag/press_releases/2019/20190103_cec_ctavc.pdf?la=en (last accessed 4/12/2024).

⁸ *Id.* See page 65 of the Assurance of Voluntary Compliance.

⁹ *Id.*, MA OAG, Press Release (1/03/2019).

my credits, in fact, do not transfer to other colleges (I had looked at possibly transferring during my bachelor degree to learn that all the school I took wouldn't count). So, I decided that I would go back and get a Masters in Healthcare Management from AIU, since there are plenty of healthcare facilities around the country. What I did not know was that the degree I received was not the common degree desired for the field I was interested in, even though I was told it was a common degree, with another high placement rate. I struggled for years trying to get a job that was a high enough pay to support my family, and of course, accumulating student loans to attend the school because my GI Bill did not cover my full tuition."

- "I dropped the program at [AIU] back in 2013/14 I think it was. At the time I complained that the instruction and classes were just rubber stamps, and I was not receiving the level of education I was paying for. I spoke with the Dean at the time and she and I were not able to reach a [consensus] on how I would reconcile the issues I had with the school. I have already paid over half the debt from this is, and continue to work through it, but in reality, I should be completely refunded for the amounts I paid for the Masters programming. I had bachelor level classmates sitting in my classes working with me in Masters level classes. It was unforgivable."
- "I took online classes with a institution name is American intercontinental University. I completed the first 5 weeks of the program with a grade point of 3.7. I had a few issues with my Internet reliability and had to take a temporary leave from the school. I was approved by the school to take a 5 week break. I took 4 weeks off and was getting my schooling prepared to resume the following week. The entity I was dealing with was telling me [I] had to retake the entire first section that I had just passed. Basically [re]start the entire program."
- "I was heavily recruited with AIU.... Constant and persistent phone calls. Once enrolled, I requested entry level courses to learn the online class structure. As soon as my transcripts arrived from community college of the Air Force, I was automatically removed from my entry level course and put in a higher class already weeks into the semester. I was expected to know certain aspects of college work that I have been away from for almost 20 years and easily became overwhelmed, ultimately having to dropout."
- "Well I used my gi bill to cover cost on my last 2 degrees and then get student aid relief thinking that I only had \$10,000 in student loans to find out that on top of gi bill AIU had put in for other student loans so now I am up to around \$25,000 without even knowing about the additional loans."
- "I was told by AIU that everything would be covered by my GI Bill but before you know it I had to take out [a] student loan of about \$12,000 which I still owe \$9,000 of."
- "I truly [believe] AIU's reputation as a diploma mill hindered my job search after finishing my bachelor's degree. I do not think the instructors read the work before grading because on more than on[e] occasion I knew I wasn't making sense as I wrote the assignment."
- "I had not learned anything from AIU. My life has suffered because of AIU. I now have a degree [BS] and work in retail because I have no skills and no money to return to college as I wish."

Additionally, the U.S. Department of Veterans Affairs' GI Bill Comparison Tool shows seven student complaints about AIUS in the most recent 24 months. The type of complaints student veterans submitted include the following: financial concern, quality of education, recruiting/marketing practices, change in degree plan/requirements, student loans, transfer of credits, and other.¹⁰

These substantive and serious complaints from student veterans should prompt a thorough review of AIUS by the site visit team and the Commission.

C. Former employee allegations

In 2018 and 2020, we were contacted by former employees of CEC-owned schools. They reported concerns about recruiting and marketing practices that they say were approved or even suggested by management and executives, such as ignoring call limits, manipulating students, denying students the right to withdraw, tricking students into maintaining enrollment by posting online, not correcting misunderstandings, and purposely targeting veterans. One employee also alleged that they would re-use student signatures on financial documents without providing explanations to students about the financial implications and that many students complained about unauthorized loans. Additionally, that employee alleged that students were enrolled in programs without consideration of their ability to benefit from the education and that students were enrolled in programs that would not qualify them to work in the field in which they expressed an interest. As an extreme example, the employee reported that a homeless veteran without access to the internet was enrolled using his GI Bill – without his understanding. Another employee complained that educational standards and rigor were being set aside in favor of passing students. A news article profiled many whistleblower complaints about the school.¹¹

II. **The Commission should undertake a thorough review of AIUS's practices to ensure compliance with HLC Standards.**

We urge the site visit team and the Commission to go beyond checking that AIUS has the required written policies. Based on the complaints and law enforcement actions, AIUS's practices and implementation of policies should be thoroughly examined to ensure compliance with HLC standards.¹² Specifically, the complaints and allegations raise substantial questions about AIUS's compliance with standards governing recruitment practices, financial aid practices, and educational quality, including the following:

¹⁰ U.S. Department of Veterans Affairs, GI Bill Comparison Tool entry for American InterContinental University System (last accessed 4/12/24).

¹¹ Chris Quintana, *Online college accused of recruiting unprepared students, pocketing money – despite sanctions*, USA Today (Feb. 6, 2022), available at <https://www.usatoday.com/story/news/education/2022/02/06/online-college-students-perdoceo-whistleblower/6647798001/?gnt-cfr=1>.

¹² HLC Policy, Criteria for Accreditation (“The Criteria for Accreditation are the standards of quality by which HLC determines whether an institution merits accreditation or reaffirmation of accreditation.”), found at <https://www.hlcommission.org/Policies/criteria-and-core-components.html> (last accessed 4/12/2024).

Criterion 2.A: The institution establishes and follows policies and processes to ensure fair and ethical behavior on the part of its governing board, administration, faculty and staff.

Criterion 2.A.2.: The institution operates with integrity in its financial, academic, human resources and auxiliary functions.

Criterion 2.B: The institution presents itself clearly and completely to its students and to the public.

Criterion 2.B.1: The institution ensures the accuracy of any representations it makes regarding academic offerings, requirements, faculty and staff, costs to students, governance structure and accreditation relationships.

Criterion 3.A: The rigor of the institution's academic offerings is appropriate to higher education.

Criterion 3.A.1: Courses and programs are current and require levels of student performance appropriate to the credential awarded.

Criterion 3.A.2: The institution articulates and differentiates learning goals for its undergraduate, graduate, post-baccalaureate, post-graduate and certificate programs.

Criterion 3.C: The institution has the faculty and staff needed for effective, high-quality programs and student services.

Criterion 3.C.7: Staff members providing student support services, such as tutoring, financial aid advising, academic advising and cocurricular activities, are appropriately qualified, trained and supported in their professional development.

Criterion 3.D: The institution provides support for student learning and resources for effective teaching.

Criterion 3.D.2: The institution provides for learning support and preparatory instruction to address the academic needs of its students. It has a process for directing entering students to courses and programs for which the students are adequately prepared.

Criterion 3.D.3: The institution provides academic advising suited to its offerings and the needs of its students.

Criterion 4.A: The institution ensures the quality of its educational offerings.

Criterion 4.A.5: The institution maintains specialized accreditation for its programs as appropriate to its educational purposes.

Criterion 4.A.6: The institution evaluates the success of its graduates. The institution ensures that the credentials it represents as preparation for advanced study or employment accomplish these purposes. For all programs, the institution looks to indicators it deems appropriate to its mission.

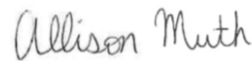
Conclusion

As stated above, the student veteran allegations, taken together with the information from the former employees and the law enforcement actions, demonstrate serious concerns about AIUS's compliance with HLC standards. Indeed, the law enforcement actions alone are substantial indicators that AIUS has failed to remain in compliance with HLC's standards. Nevertheless, based on the historical information available on HLC's website¹³ and the Department of Education's database of accredited institutions,¹⁴ it does not appear that HLC has ever placed AIUS on a sanction, including Notice or Probation, or issued it a Show-Cause Order, which HLC has the authority to do when an accredited institution "may be found to be at risk of being out of compliance or out of compliance with HLC requirements."¹⁵ Therefore, we urge the site visit team and the Commission to thoroughly examine AIUS's practices and meaningfully apply the HLC standards to determine whether AIUS is in compliance and if any sanctions should be imposed before reaffirming its accreditation.

Sincerely,



Della M. Justice
Vice President for Legal Affairs



Allison Muth
Senior Attorney

Cc: shallett@hlcommission.org
legalaffairs@hlcommission.org
info@hlcommission.org

¹³ Higher Learning Commission, Statement of Accreditation Status, American InterContinental University System, available at <https://www.hlcommission.org/component/directory/?Itemid=&Action=ShowBasic&instid=2909> (last accessed 4/12/2024).

¹⁴ U.S. Department of Education, Database of Accredited Postsecondary Institutions and Programs, entry for American InterContinental University System, available at <https://ope.ed.gov/dapip/#/institution-profile/211097> (last accessed 4/12/2024).

¹⁵ Higher Learning Commission, Overview of the Accreditation Relationship, Sanctions, Show-Cause Orders, and Adverse Actions, available at <https://www.hlcommission.org/Accreditation/accreditation-overview.html> (last accessed 4/12/2024).