

December 5, 2024

Herman Bounds, Director, Accreditation Group U.S. Department of Education

Via email: ThirdPartyComments@ed.gov

RE: Written Comments - Accrediting Commission of Career Schools and Colleges

Dear Director Bounds,

We write in response to the call for third-party comments announced on November 6, 2024, in the Department of Education's Notice <u>Accrediting Agencies Currently Undergoing Review for the Purpose of Recognition by the U.S. Secretary of Education.</u> Our comments concern the Accrediting Commission of Career Schools and Colleges (ACCSC) and the agency's dilatory and ineffective implementation of policies relating to findings of noncompliance, contrary to the requirements of 34 CFR §602.20(a), Enforcement of Standards.

Further, we urge the Department to consider whether the agency's implementation of its standards, where it imposes and vacates Warning statuses instead of making determinations of noncompliance when the circumstances would warrant it, makes the standards too arbitrary and weak to meet the requirement in 34 CFR §602.16(a)(1) that an "agency's accreditation standards must set forth **clear expectations** for the institutions or programs it accredits...." (emphasis added). ACCSC's standards do not set forth clear expectations for the institutions it accredits because, as illustrated below, ACCSC has a practice of deferring action and delaying decisions, even when there is evidence of noncompliance.

In 2023, the Department renewed ACCSC as a recognized accrediting agency for a period of three years.² While the Department concluded that there was insufficient evidence to find that ACCSC was not in compliance with 34 CFR §602.20, the Senior Department Official (SDO) wrote, "I continue to have serious concerns with ACCSC's seeming hesitancy to make findings of noncompliance after extensive engagement with programs and institutions that do not show meaningful systemic improvement, the implications for the agency's ability to determine noncompliance through its narrow focus on individual programs, and the overall effectiveness and its impact on students."³

The SDO cited being troubled by the sudden closure of the Center for Excellence in Higher Education schools. The SDO found that "on multiple occasions, the record of evidence suggests

^{1 89} FR 88046

² Letter from Jordan Matsudaira, Deputy Under Secretary, Department of Education, to Michale S. McComis, Executive Director, ACCSC (May 25, 2023), p. 12. available here for the NACIQI meeting date 7/27/2021 https://surveys.ope.ed.gov/erecognition/#/public-documents

³ Id., p. 11.

that the issues at the system of schools were systemic, widespread, and occurred over many years, whether or not the agency made a determination of noncompliance at any particular point." Reportedly, during a "13-year period starting in 2008, [ACCSC] raised concerns more than 30 times that colleges affiliated with CEHE were potentially failing to meet standards for quality, honesty, and other attributes crucial to students and taxpayers alike. And yet, CEHE never fixed the vast majority of these problems." 5

Meaningfully, the SDO reminded ACCSC that accrediting agencies "do not owe fealty to the programs and institutions they accredit, and ultimately should not put the continuation of struggling programs and institutions above the interests of students seeking a quality education and upward mobility." The SDO urged ACCSC to "spend the time before your next recognition review to consider changes in standards and emphases in enforcement that may incentivize more rapid and systemic improvement in some institutions, and identify those that perhaps do not belong in the domain of higher education."

The SDO also directed Department staff to "closely review the concerns [raised] on a broader scale across institutions in determining whether the agency's policies are effective."⁷

A. ACCSC's recent Warning Order decisions suggest a practice of the agency not acting – or not recognizing – when an institution is in violation of its standards.

Under ACCSC standards, a Warning "may" be issued when the "Commission has reason to believe that a school is not or may not be in compliance with one or more accreditation standards or other requirements." Once the school's time for responding to a Warning has expired, ACCSC standards provide "a decision will be made on the school's compliance with the accreditation standard or requirement." A school "may" be placed on probation if the "Commission has made a determination that a school is out of compliance with one or more accreditation standards or requirements. The standards give the Commission too much discretion when schools are out of compliance with one or more standards. The examples below show how ACCSC's standards may be manipulated to the benefit of struggling or problematic institutions.

1. UEI College and United Education Institute

UEI College, United Education Institute, and Florida Career College (FCC) are affiliated institutions under IEC Corporation ("IEC"). ACCSC accredits certain locations of UEI College and United Education Institute, but not FCC. In May 2023, ACCSC issued a "System-Wide

⁴ Id., p. 9.

⁵ Report, How a College Accrediting Agency Failed to Protect Students From a Decade of Fraud, Center for American Progress, (Jun. 3. 2021) available

⁶ SDO Letter to ACCSC, p. 5

⁷ Id., p. 11.

⁸ ACCSC Standards of Accreditation, Standard VII- K.1. (July 1, 2024) available https://www.accsc.org/wp-content/uploads/2024/07/ACCSC-Standards-of-Accreditation-and-Bylaws-070124-1.pdf
⁹ ACCSC Standard VI- K.5.

¹⁰ ACCSC Standard VI-L.1.

Warning" to IEC due to the serious issues uncovered in the Department's investigation of FCC.
ACCSC notified IEC, "The Department's [FCC] investigation and action create immediate questions regarding the schools' compliance with accrediting standards. The issues set forth above demand the Commission's heightened scrutiny and as such the Commission has elected to take additional steps."
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In September 2023, ACCSC notified IEC that "the Commission voted to continue the above-listed schools on System-Wide Warning with a subsequent review scheduled for ACCSC's February 2024 meeting." ACCSC pointed to the Department's investigation of UEI College and United Education Institute, observing that the Department's notice of an investigation into UEI College and United Education Institute contained specific allegations regarding "falsification of attendance records leading to improper retention of federal student aid, and misrepresentation to prospective students" that included "misrepresentations regarding promises of employment and the nature of their federal financial aid loans." ACCSC determined that ongoing review is needed regarding compliance with ACCSC's standards and "IEC's specific efforts to show its commitment to ethical, fair, and honest practice." The Department's determination with respect to FCC recounted specific findings against leadership at IEC, including that senior leaders at IEC "knew about, encouraged, and even participated in ATB [ability-to-benefit] misconduct." Insconduct."

In February 2024, the Department entered into a settlement agreement¹⁷ with IEC, UEI College, and United Education Institute, imposing the following substantial conditions on their Title IV approval:

- The Chief Executive Officer of IEC and the Chief Financial Officer of IEC cannot be employed or affiliated with the schools or IEC;
- UEI and United Education Institute are prohibited from administering ATB exams and from relying on ATB exams to qualify students for enrollment with Title IV funds;
- UEI and United Education Institute shall not apply for approval for any new locations other than the 3 locations specifically identified in the agreement;

https://www.republicreport.org/wp-content/uploads/2023/05/IEC-SW-Warning-Redacted.pdf

¹⁶ Letter from Dept. of Education to IEC Re: Florida Career College-Denial of Recertification, p. 30 available https://vetsedsuccess.org/letter-from-dept-of-education-to-florida-career-college-denial-of-recertification-application-to-participate-in-federal-student-financial-assistance-programs/

¹¹ ACCSC System-Wide Warning letter delivered to the Chief Executive Officer, International Education Corporation (May 23, 2023), available

¹³ ACCSC System-Wide Continued Warning letter to IEC (Sept. 11, 2023)(previously viewed but appears to no longer be publicly available), documented in Dept. of Education Database of Accredited Postsecondary Institutions and Programs (DAPIP) Entry for UEI College-Gardena https://ope.ed.gov/dapip/#/institution-profile/228662.

¹⁴ Id.

¹⁵ Id.

¹⁷ Settlement Agreement executed Feb. 2, 2024 (requiring the separation from the CEO and CFO as well as imposing certain conditions for the three year term of a Provisional Program Participation Agreement) available https://www.ed.gov/sites/ed/files/policy/gen/leg/foia/final-settlement-agreement-IEC.pdf

- UEI College and United Education Institute shall preserve copies of all advertising materials, exemplar copies of all disclosures provided to prospective students, and materials used by admissions employees;
- UEI College and United Education Institute shall preserve all complaints submitted by students and prospective students and response by the schools;
- UEI College and United Education Institute shall implement the technology necessary to record and preserve all calls between admission employees and prospective students, and record all calls and preserve them for a period of 6 months after the calls occurred.

Three months later, on May 22, 2024, ACCSC removed its System-Wide Warning and "reaffirmed" the IEC schools' accreditation, with the schools being denoted as "in compliance with all of the agency's accreditation standards" in the Department's accreditation database.¹⁸ Thereafter, on November 15, 2024, ACCSC renewed the accreditation for three UEI College locations and one United Education Institute location for a period of 5 years, without any apparent stipulations or conditions.¹⁹

The IEC schools had been on Systemwide Warning for a year without any further action from ACCSC. The publicly available information tends to suggest that, rather than enforcing its standards to reach a determination while the schools were in violation and under investigation by the Department, ACCSC simply chose to continue the schools on Warning, waiting until the Department concluded its investigation and the schools came into compliance under the settlement agreement.

2. Hussian College

ACCSC seems to have engaged in a similar process of delaying action with respect to Hussian College, which suddenly shut down in June 2023, while not under any warning status with ACCSC. A year before the school closed, in June 2022, "ACCSC had put Hussian on system-wide warning, citing concerns about student achievement at the schools." ACCSC's Warning Order to Hussian College indicated serious widespread problems at the college:

"Given that more than 93% of the school reportable programs have reported at least one below benchmark outcomes, the Commission is concerned with the totality of student achievement among both currently reportable rates as well as those yet reportable....While the Commission understands Hussian College-Philadelphia's timeline of acquisition and recognizes the initiatives put forward so far, including the teach out discontinuation, and ceasing of enrollment, the Commission is concerned about the breadth and severity of student achievement issues across multiple

¹⁸ Dept. of Education Database of Accredited Postsecondary Institutions and Programs (DAPIP), see example entry for UEI College https://ope.ed.gov/dapip/#/institution-profile/228662

¹⁹ ACCSC Memoranda dated November 15, 2024 listing the renewal of accreditation for UEI College in Gardena, Riverside, and Sacramento, and United Education Institute in Las Vegas available https://www.accsc.org/wp-content/uploads/2024/11/ACCSC-November-15-2024-Public-Notice.pdf

²⁰ D. Halperin, Accreditor ACCSC Again Grants Maximum Renewal to Troubled For-Profit Colleges, Republic Report (Nov. 21, 2024) available

https://www.republicreport.org/2024/accreditor-accsc-again-grants-maximum-renewal-to-troubled-for-profit-college_s/

campuses and as such is interested in seeing the results of the Hussian College System of Schools' efforts and efficacy in establishing programmatic, institutional, and system-wide initiatives resulting in improved student achievement outcomes."²¹ (emphasis added)

Six months after documenting the extensive and widespread problems with student outcomes at the school, ACCSC vacated the Warning for all locations and renewed the accreditation for two locations in December 2022.²²

It seems unlikely that Hussian College resolved such extensive, systemwide failings across multiple campuses in just six (6) months. ACCSC's decision to vacate the Warning so soon after issuing it and not impose a more severe adverse action demonstrates that the agency is not enforcing its standards to hold schools accountable.

Additionally, the Department's accredited institutions database does not reflect ACCSC's decision to vacate the Warning or that ACCSC renewed the accreditation for two locations in December 2022,²³ raising questions about whether ACCSC notified the Department in accordance with its standards and 34 CFR §602.26.

3. Paier College

Another school with a recent history of continuous and ineffective ACCSC warnings is Paier College. ACCSC placed Paier College on Warning status around December 13, 2023,²⁴ which it continued in June 2024. ACCSC finally placed the school on probation on October 4, 2024.²⁵ ACCSC's October probation letter to Paier documents a history of a multitude of issues dating back to May 2023, including, but not limited to, the Connecticut Attorney General's complaint against the school. The letter also documents that, at the end of September 2024, the Connecticut Office of Higher Education (CTOHE) had denied the school's application for renewal of authorization. According to Republic Report, the decision to place Paier College on Warning status "came six months after the school, facing scrutiny from the U.S. Department of Education, voluntarily withdrew from eligibility for federal student grants and loans."²⁶

Paier College is another example where it appears ACCSC delayed action to the benefit of the institution, notwithstanding evidence of noncompliance –again raising concerns that ACCSC is not providing clear expectations to institutions. Issues came to light at least as early as May

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²¹ Letter to Hussian College from ACCSC (June 8, 2022), available at DAPIP entry for Hussian College, https://ope.ed.gov/dapip/#/institution-profile/139807

²² ACCSC Memorandum dated December 8, 2022

https://www.accsc.org/wp-content/uploads/2023/09/ACCSC-12082022-Public-Notice.pdf See also, D. Halperin, (Nov. 21, 2024) supra ("In June 2022, ACCSC had put Hussian on system-wide warning, citing concerns about student achievement at the schools. But ACCSC removed the warning and renewed Hussian's accreditation in December 2022.")

²³ Entry for Hussian College in DAPIP https://ope.ed.gov/dapip/#/institution-profile/139807/139807005

²⁴ Entry for Paier College in DAPIP https://ope.ed.gov/dapip/#/institution-profile/108409

²⁵ ACCSC Letter to Paier College (October 4, 2024) available https://ope.ed.gov/dapip/#/institution-profile/108409; See also ACCSC letter to Paier College dated November 21, 2024 available https://www.accsc.org/wp-content/uploads/2024/11/000242-SAL-11-2024_Redacted.pdf

²⁶ D. Halperin, Republic Report (Nov. 21, 2024) supra.

2023, but ACCSC allowed Paier College to remain on Warning status apparently until CTOHE denied state authorization to Paier College, thereby forcing ACCSC to place the school on probation.²⁷

4. Atlantis University

ACCSC's handling of Atlantis University is another example where it appears the agency may have delayed action and manipulated its standards to the benefit of an institution. ACCSC placed Atlantis University on Warning status in October 2023 in connection with its operation and management of a branch campus, Florida Palms University.²⁸ Apparently, beginning in August 2022, Florida Palms University was located in the same building as Atlantis University²⁹ and seems to have had no staff of its own.³⁰ According to ACCSC standards and Department regulations, a branch campus is a separate facility, geographically apart from the main school and permanent in nature, with its own faculty.³¹ ACCSC, nevertheless, approved the arrangement as "temporary" in nature, with the expectation it would last for 9-12 months.³² ACCSC's standards and Department regulations, however, do not appear to provide for such an arrangement.

After Florida Palms University closed in September 2023, following a report in the media that ACCSC had allowed Atlantis University/Florida Palms to violate its standards,³³ ACCSC placed Atlantis on Warning in October 2023, citing information obtained during a site visit to Florida Palms six (6) months prior, in April. The extent of the problems at Florida Palms University uncovered during the site visit is unclear because the main content of the letter, comprising almost five (5) pages of the nine (9) page letter, is redacted from the publicly available version of the letter. The summary information provided in the Warning letter, however, includes some serious concerns:

"The school was unable to produce documentation and, in some cases, produced multiple versions of documents, which the on-site evaluation team found did not provide a definitive showing of compliance with accrediting standards in several areas. The questions raised in the [site visit report] include the co-location of Florida Palms University with the Atlantis University, the adequacy of the management team, faculty qualifications, tuition policies, and the accuracy of the catalog and advertising in representing the school's approved programs, admissions process, transfer of credit policies, educational delivery method, and name of the school.

²⁷ ACCSC Letter to Paier College (October 4, 2024), pp. 19-20 available https://ope.ed.gov/dapip/#/institution-profile/108409

²⁸ ACCSC Letter to Atlantis University (Oct. 5, 2023) available at the DAPIP Entry for Atlantis University https://ope.ed.gov/dapip/#/institution-profile/232089
²⁹ Id.

³⁰ D. Halperin, Florida Palms University Has Closed, Republic Report (Sept. 13, 2023) https://www.republicreport.org/2023/florida-palms-university-has-closed/

³¹ ACCSC Standard VIII-A.1. and 34 CFR §600.2

³² ACCSC Letter to Atlantis University (Oct. 5, 2023), p. 2.

³³ See D. Halperin, Republic Report (Nov. 21, 2024) supra

At the August 2023 meeting, the Commission reviewed the [site visit report] and the school's response and found that in its estimation the response appears to contain several discrepancies and did not fully demonstrate compliance with certain accrediting standards over the term of Florida Palms University's operation. The nature and content of the response created an impression that the branch was not adequately managed and called into question the accuracy of the records provided...."

Just four months after placing Atlantis University on Warning, ACCSC removed the Warning and affirmed its accreditation in February 2024.³⁴

ACCSC's treatment of Atlantis University further demonstrates that the agency may manipulate its standards to benefit institutions and is failing to provide clear expectations to institutions. ACCSC waited until after the school closed to take action in response to substantial concerns uncovered in a site visit six months earlier, and then quickly removed the Warning. ACCSC even allowed Atlantis University to operate Florida Palms University as a "branch campus" in clear violation of ACCSCs written standards.

B. We urge the Department to assess whether ACCSC's policies are ineffective in holding institutions accountable when there are issues of noncompliance.

The above examples strongly suggest that ACCSC is either not enforcing its standards or that its standards are so malleable and weak that they fail to provide clear expectations, enabling schools to engage in nefarious practices and provide low quality programs to students without concerns of losing accreditation. Prior to reauthorizing ACCSC, the Department should determine:

- 1. Did ACCSC investigate the alleged noncompliances of UEI College and United Education Institute in accordance with ACCSC Standard VI-A.7.b (which requires the accreditor to follow its complaint process when there is information from the Department or other government agency indicating the school's failure to comply with its Title IV responsibilities or any possible area of noncompliance with accreditation standards)? The allegations recounted in ACCSC's letter, and the content of the Settlement Agreement, at a minimum implicate the following standards:
 - a. "The integrity and honesty of a school are fundamental and critical to the process. A compromise of integrity is considered to be an extreme offense." 35
 - b. In accreditation decisions, the Commission evaluates each school on the "integrity, record, and ability of the school to meet its stated objectives..."³⁶
 - ACCSC standards require institutions to "observe ethical practices and procedures in the recruitment of students." ACCSC Standard IV-A. Recruitment.

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³⁴ Entry for Atlantis University in DAPIP https://ope.ed.gov/dapip/#/institution-profile/232089

³⁵ ACCSC Standards of Accreditation (July 1, 2024), p. 3

³⁶ ACCSC Standard VII-C, p. 50

- d. A school's recruitment efforts must "focus on attracting students who are qualified and likely to complete and benefit from the education and training provided by the school and not simply obtaining enrollments." ACCSC Standard IV-A.1.
- e. A "school's recruitment efforts describe the school to prospective students fully and accurately and follow practices that permit prospective students to make informed and considered enrollment decisions without undue pressure." ACCSC Standard IV-A.2.
- 2. Did ACCSC actually make a determination that the IEC schools and Hussian College were in compliance with all ACCSC standards when ACCSC removed their warnings and renewed their accreditations? If so, was that determination factually correct and reasonable in light of the schools' circumstances and histories of noncompliance?
- 3. Why was UEI College-Sacramento's renewal pending for 4 years before being renewed in November 2024?³⁷ The Department should assess whether the school was out of compliance with ACCSC standards during the entire period and yet ACCSC renewed the school's accreditation in 2024.
- 4. In light of the documented and substantial issues with the schools, why did ACCSC not at least place the IEC schools and Hussian College on probation?
- 5. Did ACCSC notify the Department of Education when it vacated Hussian College's Warning and renewed the school's accreditation?
- 6. Was ACCSC's decision to allow Atlantis University to operate Florida Palms University as a branch campus permitted by ACCSC's standards and by regulations?
- 7. Were ACCSC's decisions with respect to Atlantis University (including allowing the so-called branch campus in violation of standards, waiting to send the Warning letter, and heavily redacting the Warning letter) influenced by Atlantis University's executive director, who reportedly served as the chair of ACCSC at the time?
- 8. Did ACCSC investigate all concerns about Atlantis University apparent from the site visit report for Florida Palms University?

The Department should gather this kind of information and go beyond ACCSC's written policies in evaluating whether ACCSC is meeting its obligations under 34 CFR §602.20(a) and 34 CFR §602.16(a)(1). We urge the Department to consider whether ACCSC's practices and implementation have simply made its standards ineffective for curbing abuses and holding schools accountable.

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³⁷ ACCSC Memo dated November 15, 2024, supra, and ACCSC Accredited Schools UEI College https://www.accsc.org/seeking-accreditation/search-accredited-schools/

C. We urge the Department to assess whether ACCSC is appropriately investigating and considering complaints and third-party comments it receives about schools.

Over the last year, we have contacted ACCSC with information we have received from student veterans who had attended schools with a renewal application under consideration by ACCSC, including Lincoln Technical Institute, Aviation Institute of Maintenance, Concorde Career College, Intellitec, and Remington College.³⁸

- Lincoln Technical Institute: We provided ACCSC with information from student veterans who attended various Lincoln Technical locations, including statements from two veterans who attended Lincoln Technical's Mahwah location. The student veterans alleged that the school misled them about their ability to use their GI Bill and instead saddled the veterans with loans. We also informed ACCSC that another student veteran who attended the Mahwah campus in 2022 told us they had "issues with the quality of the education, the course material, and the instructor competency," and that in the case of one course, he taught the class because he had experience doing it. We also noted for ACCSC that the Massachusetts Attorney General had issued a civil investigative demand to Lincoln Technical Institute in June 2022. In November 2024, ACCSC renewed the accreditation for multiple Lincoln Technical locations, including Mahwah. We do not know whether ACCSC investigated the issues raised by the student veterans.
- Aviation Institute of Maintenance: We contacted ACCSC about complaints we had received from three student veterans at different locations of this school alleging that they had incurred debt to attend the school when they were led to believe they would not owe any additional amounts. ACCSC renewed the accreditation for various locations of the school.⁴⁰ We do not know whether ACCSC investigated the issues raised by the student veterans.
- Concorde Career College: When it appeared that two locations of Concorde Career College were under consideration for renewal by ACCSC, we contacted it with details from complaints of student veterans who attended various campuses. The student veterans suggested the school provides a low quality education and seems like a "scam." Because the complaints were similar, but about different locations, we noted to ACCSC that the complaints may indicate a systemwide problem. We do not know whether the concerns raised by the student veterans have been investigated.

³⁸ See Our Letter to ACCSC Re: Remington College (Jan. 18 2024); Our Letters to ACCSC Re: Lincoln Technical Institute Jan. 18 2024 and Oct. 31, 2023; Our Letter to ACCSC Re: IntelliTec (Jan. 18 2024); Our Letter to ACCSC Re: Concorde Career College (Jan. 18 2024); Our Letters to ACCSC Re: Aviation Institute of Maintenance Jan. 18 2024 and Oct. 31 2023, all available https://vetsedsuccess.org/category/what-we-do/legal-advocacy/our-legal-letters/
³⁹ ACCSC Memo dated November 22, 2024 available

https://www.accsc.org/wp-content/uploads/2024/11/ACCSC-November-22-2024-Public-Notice-1.pdf

⁴⁰ See e.g. ACCSC Memos dated January 26, 2024 and August 15, 2024 available https://www.accsc.org/actions-and-announcements/public-notice/

- Intellitec: We contacted ACCSC about two complaints we had received from student veterans alleging they had been misled during the recruitment process. We do not know whether the concerns raised by the student veterans have been investigated.
- Remington College: We urged ACCSC to require Remington College to conduct an audit of its recruiting activities to confirm compliance with ACCSC standards, before renewing its accreditation, based on complaints from student veterans that they had been misled by the school. ACCSC renewed the accreditation for multiple locations of Remington College in February 2024 and November 2024.41 We do not know whether ACCSC investigated the issues raised by the student veterans.

While ACCSC acknowledged receipt of our letters, it did not otherwise respond. Third-party comments and complaint information should be used by ACCSC to assess whether an institution is in compliance with ACCSC standards. We urge the Department to determine whether ACCSC is properly considering indications of systemwide problems at schools with multiple locations and whether ACCSC acts on complaints and other information it receives from third parties.

We urge the Department to look carefully at ACCSC's policies and practices to determine whether the agency's approach to enforcement is falling short of its regulatory obligations and failing to ensure a quality education for students.

Respectfully,

Della M. Justice

Della M. Justice Vice President for Legal Affairs **Veterans Education Success** 1501 K Street NW, Suite 200 Washington DC 20005 help@vetsedsuccess.org

202-838-5050

⁴¹ See ACCSC Memos available here https://www.accsc.org/actions-and-announcements/public-notice/