

Tax-Exempt Organization Complaint (Referral) Form

1. NAME OF REFERRED ORGANIZATION: Everglades College Inc. (dba Keiser University & Everglades University)

Street Address: 1900 W. Commercial Blvd. Suite 180

City/State/Zip Code: Ft. Lauderdale, FL 33309

Date of Referral: November 5, 2014

2. ORGANIZATION'S EMPLOYER IDENTIFICATION NUMBER (EIN): 65-0216638

3. NATURE OF VIOLATION:

- Directors/officers/persons are using income/assets for personal gain
- Organization is engaged in commercial, for-profit business activities
- Income/assets are being used to support illegal or terrorist activities
- Organization is involved in a political campaign
- Organization is engaged in excessive lobbying activities
- Organization refused to disclose or provide a copy of Form 990
- Organization failed to report employment, income, or excise tax liability properly
- Organization failed to file required federal tax returns and forms
- Organization engaged in deceptive or improper fundraising practices
- Other (describe):

4. DETAILS OF VIOLATION:

Name(s) of Person(s) Involved: Arthur Keiser, Tom Foster, William Kent, Andrew Wright

Organizational Title(s): President, board members

Date(s): 2012 calendar year (most recently available public 990 form)

Dollar Amount(s) (if known): \$14,640,608 plus payments on \$300,000,000 in loans, and other amounts unknown

Description of activities: See attached

5. SUBMITTER INFORMATION:

Name: Robert Shireman

Occupation or Business: _____

Street Address: 1911 Hopkins Street

City/State/Zip Code: Berkeley, CA 94707

Telephone: 510-295-3927

I am concerned that I might face retaliation or retribution if my identity is disclosed.

6. SUBMISSION AND DOCUMENTATION: The completed form, along with any supporting documentation, may be mailed to IRS EO Classification, Mail Code 4910DAL, 1100 Commerce Street Dallas, TX 75242-1198, faxed to 214-413-5415 or emailed to eoclass@irs.gov.

Evidence of inappropriate use of Everglades College (dba Keiser University and Everglades University) as a 501(c)3 organization

1. Arthur Keiser, the president (sometimes referred to as “chancellor”), received nearly \$15 million in “rent” payments for property used by the organization. (See Schedule L)
2. Net income of the organization is used to pay the president for the original purchase of the school by the nonprofit from the president, at a total organizational cost of \$300,000,000 plus interest. In addition, the president has provided a loan for “working capital” of \$21,164,358. (See Schedule L, part II)
3. These rent and loan payments to Keiser are on top of salary and benefits to Keiser reported as \$855,842.
4. Keiser admits that key employees are compensated based on the net earnings of the organization, the very definition of ownership of a for-profit business. (See Schedule J, Part I, question 6a).
5. Keiser acknowledges use of charter airplanes paid by the organization. (See explanation for Schedule J, Part I, question 1b).
6. Keiser has an ownership interest in the charter airplane Everglades uses. He has an ownership interest in the hotel that his employees stay in, and members of his family have an ownership interest in a computer company used by Everglades. (See Schedule L, Part V).
7. In an article in the trade publication, InsideHigherEd, Keiser describes the purpose of converting to nonprofit status as an effort **to keep the company in his family**. (See <https://www.insidehighered.com/news/2014/07/17/few-profits-have-become-nonprofits-despite-regulatory-environment>)
8. The organization’s nine-member board is described in the 990 form as “independent.” However, one board member owns a business that provides the paperless filing system for the organization. (See Schedule L, Part V).
9. Another board member earns a “net share of income from the aquatic engineering program,” the very definition of a for-profit ownership interest. (See Schedule L, Part V).
10. A third board member’s family owns a business (Cutting Edge Recruiting) that provides staffing assistance to Everglades. (See Schedule L, Part V).

Note: The Everglades College 990 form is available at:

<http://www.guidestar.org/FinDocuments/2012/650/216/2012-650216638-09e8d9ed-9.pdf>