

June 21, 2021

Dr. Miguel Cardona, Secretary of Education  
Dr. Michelle Asha Cooper, Deputy Assistant Secretary  
and Acting Assistant Secretary, Postsecondary Education  
U.S. Department of Education  
400 Maryland Ave SW  
Washington, DC 20202

Re: ED-2021-OPE-0077-0001

Dear Dr. Cardona and Dr. Cooper:

Thank you for moving ahead with negotiated rulemaking to address key issues in higher education accountability. I am a self-employed lawyer, and I work part-time on higher education issues, with the support of charitable foundations concerned with the quality and affordability of education. Following is the text of the statement I presented today at the Department's public hearing.

The Biden-Harris campaign promised their administration would "require for-profit [colleges] to first prove their value to the Department of Education before gaining eligibility for federal aid."<sup>1</sup>

That is absolutely the right position, given the documented predatory behavior by many for-profit colleges.

Requiring for-profit schools to prove their value would be of enormous benefit to taxpayers, who would see far less money misused. It would benefit quality career schools by moving more resources away from bad schools.

Most importantly, it would benefit students -- single mothers, veterans, immigrants, people just seeking a chance. As we meet, more such Americans are being deceived into enrolling in high-priced, low-quality programs that will ruin their financial futures and crush their dreams.

I think people across the political spectrum should agree:

That government should be vigilant against waste, fraud, and abuse with taxpayer dollars.

That if government commits tax dollars, there should be real performance standards, so we get what we pay for.

And that government investment should not make the intended beneficiaries worse off than when they started.

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<sup>1</sup> <https://joebiden.com/beyondhs/>

The federal investment in student aid, as applied to for-profit colleges overall, has flunked these principles for decades.

Unfortunately, the Department has often allowed predatory schools to stay in the federal aid program long after the evidence of their abusive behavior is clear.

If you are to fulfill President Biden's promise, you must act.

I want to name just a few schools whose predatory behavior and lack of value has been established by law enforcement, accreditor action, principled whistleblowers, or student complaints, yet the Department has not cut off these institutions from financial aid:

- American Intercontinental University and Colorado Technical University<sup>2</sup>
- Independence University<sup>3</sup>
- Florida Career College<sup>4</sup>
- Ashford University, now disguised as University of Arizona Global Campus<sup>5</sup>
- Kaplan University, now disguised as Purdue University Global<sup>6</sup>

There are many more. There are great teachers at for-profit schools, even the ones I mentioned. But for many schools the overall picture is disturbing and disqualifying.

I doubt you would want your own family members enrolling at these schools. So why are you sending others?

Predatory schools use deceptive ads promising jobs to trick people into getting on the phone with aggressive recruiters. People who are elderly, intellectually disabled, homeless -- people who deserve opportunities, but who cannot benefit from the low-quality programs offered. Because these so-called schools are not designed to educate them, they're designed to take their money.

The Department already has authority to remove bad schools. You can require and enforce provisional program agreements and financial responsibility measures. You can strengthen investigative capacity, rebuild an interagency task force, enforce the rule against deceiving

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<sup>2</sup> <https://www.republicreport.org/2021/the-monitor-insists-perdoceo-is-doing-ok-whistleblowers-evidence-shows-otherwise/>

<sup>3</sup> <https://www.republicreport.org/2021/accountability-for-cehe-college-chain-is-long-overdue/>

<sup>4</sup> <https://www.republicreport.org/2020/ex-employees-florida-career-college-enrolled-anyone-with-a-pulse/>

<sup>5</sup> <https://www.republicreport.org/2020/do-arizona-taxpayers-want-to-buy-this-for-profit-college/>

<sup>6</sup> <https://www.republicreport.org/2017/do-indiana-taxpayers-want-to-buy-this-for-profit-college/>

students. You can reject sham conversions to nonprofit status and shady ownership changes, and drop weak accreditors. You can improve transparency, so the public knows what's going on.

And in this pandemic era, where the government has offered extraordinary relief to people in need, you can grant broad debt relief to those broke students whose schools were exposed as scams, without slicing and dicing every claim.

You also can restore strong rules for gainful employment, borrower defense, distance learning. It's unfortunate these rules must keep whipsawing as presidents change, but it's a struggle between educational opportunity and equity on the one hand, and special interests on the other, and that's a struggle worth pursuing.

Of course the industry will fight every reform with lawyers. But you can fight back, and win. Look what happened last year when a federal judge actually heard from students, testifying live, about their experiences with predatory schools.<sup>7</sup> He threw out a proposed settlement and ordered the deposition of the former Secretary of Education who oversaw a blatantly anti-student agenda.

The facts, the law, and the equities are on the side of the Biden-Harris pledge -- for-profit schools must prove their value to students, or make do without taxpayer aid.

Sincerely,

A handwritten signature in black ink, appearing to read "David Halperin", followed by a long horizontal line extending to the right.

David Halperin  
1530 P Street NW, 2<sup>nd</sup> floor  
Washington, DC 20005  
davidhalperindc@gmail.com

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<sup>7</sup> <https://www.republicreport.org/2020/after-students-testify-judge-slaps-devos-for-wholesale-rejection-of-loan-relief/>