

David Halperin, Attorney & Counselor
1530 P Street NW
Washington, DC 20005
davidhalperindc@gmail.com
(202) 905-3434

August 09, 2021

Secretary Miguel Cardona
Herman Bounds, Director, Accreditation Group
U.S. Department of Education
400 Maryland Avenue SW
Washington DC 20202

Dear Secretary Cardona and Mr. Bounds:

In response to the Department's July 12, 2021, Federal Register notice entitled, "Accrediting Agencies Currently Undergoing Review for the Purposes of Recognition by the U.S. Secretary of Education," I write regarding the Application for Renewal of Recognition to the Department of the Southern Association of Colleges and Schools, Commission on Colleges ("SACSCOC" or "SACS"). In particular I write regarding SACS's handling of three schools it accredits: (1) Keiser University and (2) Everglades University, both operated by a non-profit called Everglades College Inc., and (3) St. Andrews University, which is a branch of non-profit Webber International University ("the three schools").¹

The publicly available evidence indicates that the Department should not approve the renewal of recognition of SACS until and unless the agency can satisfactorily address its repeated failures to comply with the Department's Criteria for the Recognition of Accrediting Agencies in its oversight of the three schools.

SACS either knew or should have known about numerous failures of the three schools to meet SACS own accrediting standards, and in some cases to comply with federal and state law, and SACS should have taken action to address those failures. In failing to enforce its standards, and in other respects discussed below, SACS appears to have violated the Department's criteria.

In considering SACS's application for renewal of recognition, the Department should be asking SACS about efforts it has made, or has not made, to ensure that the three schools are appropriate for accreditation, whether those efforts led to any discipline of any or all of the three schools, and whether SACS is taking or plans to take further steps to address the schools' behavior.

SACS, and the Department, have been on notice of issues involving the three schools in numerous ways for more than a decade, starting with the Senate HELP Committee investigation of the for-profit college industry that resulted in a comprehensive 2012 report; the Senate report

¹ H. Keith Wade, the President & CEO of Webber International University, serves on the SACS Executive Council and as the chair of the SACS Board of Trustees' Florida Delegation.

concluded as to Keiser University: “Given the high cost of tuition at Keiser and that the majority of students leave the company’s schools with no degree or diploma, the company’s high rate of student loan default is particularly troubling. It is unclear whether taxpayers or students are obtaining value from their investments in the company. Moreover, Keiser’s decision to convert to non-profit status should be more closely scrutinized.”²

Since the Senate report, information indicating violation of SACS standards at the three schools has been presented in articles in the *New York Times*³ and *Miami Herald*,⁴ reports by the Century Foundation⁵, a hearing earlier this year before the House Education and Labor Committee,⁶ and other sources. Most recently U.S. Representative Kathy Manning (D-NC), wrote a letter to Secretary Cardona in June, copied to SACS, that stated in part: “In the last few years, St. Andrews’s nonprofit legacy has been threatened as for-profit college operator Arthur Keiser and his associates exert control over St. Andrews through what one expert characterized as a ‘hostile takeover.’”⁷

I have been raising concerns about the three schools for many years as well. I am appending to this letter two investigative articles I published in the past thirteen months, which contain detailed information based on extensive investigations I have conducted, including the review of numerous documents and interviews with more than 50 people associated with these institutions.⁸ I hope you and your staffs will read both articles and follow the hyperlinks to extensive additional material. Rather than repeating in this letter all the information I have gathered, in this letter I indicate which portions of the articles I believe are most relevant to your consideration as to whether SACS is in compliance with the Department’s Criteria for the Recognition of Accrediting Agencies.

As Department staff have far more expertise than I do in interpreting the accreditation criteria, I hope you will look carefully at the evidence and consider the full range of Department criteria and SACS standards that might be implicated.

² Senate Committee on Health Education Labor and Pensions, For Profit Higher Education: The Failure to Safeguard the Federal Investment and Ensure Student Success, July 30, 2012, <https://www.govinfo.gov/content/pkg/CPRT-112SPRT74931/pdf/CPRT-112SPRT74931.pdf>;

https://www.help.senate.gov/imo/media/for_profit_report/PartII/Keiser.pdf

³ Patricia Cohen, “Some Owners of Private Colleges Turn a Tidy Profit by Going Nonprofit,” *New York Times*, March 2, 2015, <https://www.nytimes.com/2015/03/03/business/some-private-colleges-turn-a-tidy-profit-by-going-nonprofit.html>

⁴ Michael Vasquez, “Keiser: Not-for-profit but still lucrative,” *Miami Herald*, April 23, 2015, <http://media.miamiherald.com/static/media/projects/2015/higher-ed-hustle/keiser.html>

⁵ Robert Shireman, “The Covert For-Profit,” The Century Foundation, September 22, 2015, <https://tcf.org/content/report/covert-for-profit/>

⁶ House Committee on Education and Labor, For-Profit College Conversions: Examining Ways to Improve Accountability and Prevent Fraud, April 20, 2021, <https://edlabor.house.gov/hearings/for-profit-college-conversions-examining-ways-to-improve-accountability-and-prevent-fraud>

⁷ <https://www.republicreport.org/wp-content/uploads/2021/06/Rep.-Manning-ED-Letter-St.-Andrews.pdf>

⁸ I am a Washington, DC-based lawyer; with support from charitable foundations concerned with the quality and affordability of higher education, I spend part of my time advocating for students on accountability issues and writing investigative and opinion articles on these matters at RepublicReport.org.

I am ready to discuss both of my articles with Department staff, to provide documentation to Department staff, and to encourage sources for the articles to speak with Department staff. Feel free to reach out to me at any time if you would like my assistance in evaluating this accreditor.

The two articles I append regarding Keiser-affiliated institutions are:

- “Inside Arthur Keiser’s College Empire: Troubling Evidence,” *Republic Report*, August 6, 2020, <https://www.republicreport.org/2020/inside-arthur-keisers-college-empire-troubling-evidence/> (Article 1)
- “Is Arthur Keiser in Charge at St. Andrews University?,” *Republic Report*, February 19, 2021, <https://www.republicreport.org/2021/is-arthur-keiser-in-charge-at-st-andrews-university/> (Article 2)

As you know, the Department staff’s evaluations of accreditors are reviewed twice a year by the National Advisory Committee on Institutional Quality and Integrity (NACIQI), an eighteen-member panel of outside experts that offers recommendations before the Department makes final decisions. I am mindful that, at the most recent NACIQI meeting, in July, the NACIQI chair cautioned his fellow members that asking the Department to judge an accreditor based on the actions of particular accredited institutions constitutes "picking on one school" and "getting into the weeds."

That NACIQI chair is Arthur Keiser, the same Arthur Keiser whose schools are the subject of this letter. Keiser made that comment in the wake of a decision at the meeting by NACIQI members to reject the recommendation from the Department staff to renew the Accrediting Commission of Career Schools and Colleges (ACCSC) for a period of five years. The NACIQI members instead voted to renew ACCSC for just three years.⁹ Among the concerns that NACIQI members raised at the meeting was the performance and integrity of some ACCSC schools. The ACCSC schools include Southeastern College, a for-profit college chain owned by Arthur and Belinda Keiser. Arthur Keiser, who is the chair of NACIQI, did not participate in the discussion of ACCSC.

Southern Association of Colleges and Schools, Commission on Colleges accredits many fine schools, public and private, large and small, and of course the Department should not evaluate it solely on the conduct of a handful of schools. But the Department should hold an accreditor accountable for institutions’ misconduct, abuse, and violations that occur on its watch.

The Department’s Criteria

The Department’s Criteria for the Recognition of Accrediting Agencies include:

⁹ Alexis Gravely, “For-Profit Accreditor Scrapes by Advisory Committee,” *Inside Higher Ed*, July 28, 2021, <https://www.insidehighered.com/news/2021/07/28/committee-recommends-three-year-renewal-profit-accreditor>

- 34 CFR Sec. 602.19¹⁰ (“Monitoring and reevaluation of accredited institutions and programs”) which provides, in relevant part, that an accrediting agency

“must demonstrate it has, *and effectively applies*, a set of monitoring and evaluation approaches that enables the agency to identify problems with an institution's or program's continued compliance with agency standards and that takes into account institutional or program strengths and stability” (emphasis added);

and

- 34 CFR Sec. 602.20 (“Enforcement of Standards”), which provides, in relevant part,

“If the agency's review of an institution or program under any standard indicates that the institution or program is not in compliance with that standard, the agency must . . . [i]mmediately initiate adverse action against the institution or program; or [r]equire the institution or program to take appropriate action to bring itself into compliance with the agency's standards [within specified time periods].”

This Department criterion further provides:

“If the institution or program does not bring itself into compliance within the specified period, the agency must take immediate adverse action unless the agency, for good cause, extends the period for achieving compliance.”

- 34 CFR Sec. 602.22 (“Substantive change”), which provides, in relevant part, that an agency must “maintain adequate substantive change policies that ensure that any substantive change to the educational mission, program, or programs of an institution . . . does not adversely affect the capacity of the institution to continue to meet the agency's standards.” Under this criterion, accreditors must require schools to obtain their approval for such changes, which the regulation defines to include “[a]ny change in the legal status, form of control, or ownership of the institution.”

The substantive change criterion requires that the accreditor maintain “adequate” policies that “ensure” that substantive changes, including changes in legal status, control, or ownership, do not adversely affect an institution’s capacity to meet agency standards. As discussed below, including in my two articles, changes in the legal status, form of control, or ownership of the three schools has been associated with conflicts of interest

¹⁰ I note that the web address for the Department’s Criteria for the Recognition of Accrediting Agencies (<http://www.ed.gov/admins/finaid/accred/index.html>) that was provided in the Department’s July 12, 2021, Federal Register notice (<https://www.federalregister.gov/documents/2021/07/12/2021-14741/accrediting-agencies-currently-undergoing-review-for-the-purposes-of-recognition-by-the-us-secretary>), at least at this writing simply redirects to the homepage ed.gov.

and other misconduct, suggesting that SACS's policies have not been adequate, and therefore that SACS has violated the substantive change criterion.

Further, 34 CFR Sec. 602.16 ("Accreditation and preaccreditation standards") provides that an accrediting agency must demonstrate that its standards for accreditation "are sufficiently rigorous to ensure that the agency is a reliable authority regarding the quality of the education or training provided by the institutions or programs it accredits." The available public evidence regarding the three schools, as described below, including in my articles, casts doubt on whether SACS's standards are sufficiently rigorous and whether SACS is functioning as a reliable authority.

Non-enforcement of SACS Accrediting Standards--

The Department's requirement that accreditors, including SACS, monitor and enforce compliance with their own standards requires in turn a review of those standards. In the case of SACS, they are found online here: <https://sacscoc.org/accrediting-standards/>, with the most recent (2018) articulation of the standards here: <https://sacscoc.org/app/uploads/2019/08/2018PrinciplesOfAcreditation.pdf>

Those SACS standards include the following, and, under each standard I have cited, I reference the portions of my articles that I believe raise questions about whether SACS has complied with its own standards, and therefore with the Department's criteria.

SACS Section I:

The institution operates with integrity in all matters.

See my two *Republic Report* articles in their entirety, describing a lack of integrity in matters including:

1. the highly questionable 2011 transaction in which for-profit Keiser University was acquired by non-profit Everglades College, a deal providing Arthur Keiser with a stream of loan repayments based on a high valuation of Keiser University;
2. the ongoing mixing of resources and personnel between the three schools and a for-profit institution owned by Arthur and Belinda Keiser, Southeastern College;
3. the extensive business dealings between the non-profit Keiser schools and businesses owned by members of the non-profit board, including Arthur Keiser;
4. the Internal Revenue Service review of Keiser University / Everglades College compliance with non-profit standards;
5. Keiser University's 2012 settlement of an investigation by the Florida attorney general under the state's Deceptive and Unfair Trade Practices Act;
6. Keiser University's 2015 settlement with the U.S. Justice Department of False Claims Act charges that the school defrauded taxpayers in the receipt of Department of Education funds by paying recruiters sales commissions for enrolling students, which is barred by federal regulations;

7. the pending lawsuit filed in 2020 by Evelyn Keiser, Arthur Keiser's mother and school co-founder, against Arthur Keiser for fraud and theft over her entitlement to proceeds from companies related to the Keiser schools;
8. possible misrepresentation by Keiser staff to a SACS visiting team regarding conditions at the Keiser University campus in Shanghai, China;
9. deceptive and predatory recruiting practices at Keiser University, as alleged by current and former staff members;
10. sexual misconduct by Keiser University campus leaders; and
11. the covert effective takeover of St. Andrews University by Arthur Keiser and his associates, seemingly aimed, at least in part, at benefiting the Keisers' Southeastern College.

SACS Section 4:

1. The institution has a governing board of at least five members that:

... (c) ensures that both the presiding officer of the board and a majority of other voting members of the board are free of any contractual, employment, personal, or familial financial interest in the institution.

See my Article 1, the introductory section and the sections entitled "Buying out a parent and becoming non-profit," "Conflicts of interest at the non-profit," "St. Andrews University," and "A web of corporations and construction projects," and the introductory section of Article 2, with respect to contractual, employment, personal, or familial financial interests of Arthur Belinda, and Robert Keiser, and of Greg Wallick, the chair of the board of Everglades College, the non-profit that operates both Keiser University and Everglades University.

(d) is not controlled by a minority of board members or by organizations or institutions separate from it....

See my Article 2 in its entirety regarding St. Andrews University.

2. The governing board...

d. defines and addresses potential conflict of interest for its members. (Conflict of interest)...

See the same sections of my article cited above under SACS section 4(1)(c).

f. protects the institution from undue influence by external persons or bodies. (External influence)

See my Article 2 in its entirety regarding St. Andrews University.

SACS Section 5:

4. The institution employs and regularly evaluates administrative and academic officers with appropriate experience and qualifications to lead the institution. (Qualified administrative/academic officers)

See my Article 2, introductory section, noting the hiring in February 2021 of Arthur Keiser's son Robert Keiser as executive vice chancellor in charge of Keiser University's graduate school, after receiving his doctorate from Capella University in late 2020. Robert Keiser, who previously was executive director of the Keisers' for-profit Southeastern College, may be an outstanding administrator and scholar, I don't know. But hiring him to a top academic position just weeks after he earned his doctorate from Capella makes Keiser University look less like a legacy regionally-accredited large non-profit university with an independent governing board, and more like a family-owned business.

SACS Section 10:

5. The institution publishes admissions policies consistent with its mission. Recruitment materials and presentations accurately represent the practices, policies, and accreditation status of the institution.

See my Article 1 section entitled "Employee grievances and aggressive recruiting." In addition, as I alluded to in the introductory section of Article 2, I have additional information from current employees on this subject that I can provide to the Department.

The evidence indicates that the three schools have acted with impunity for years (St. Andrews only since Arthur Keiser obtained influence there), flouting a wide range of rules and standards that are supposed to govern them. The question the Department should be asking in this context is: Do SACS's failures to prevent abuses at the three schools suggest that it is failing to perform the gatekeeping function for which it is responsible as an accrediting body that is delegated responsibility by the Department for ensuring quality and integrity in Title IV programs?

I also note that I and others have objected to the Department's regular failure to make public in a timely manner information in its possession related to institutions and accreditors, including the information provided to members of NACIQI, which is information that by law must be provided to the public. More complete and timely release of such information would be of great value to advocates, researchers, students, and others, including with respect to public comments regarding Department decisions on accrediting bodies.¹¹ There may be more information in the possession of various Department offices that is relevant to the concerns I have raised, and I encourage you to look for it.

¹¹ See David Halperin, "The Department of Education Is Still Concealing the Public's Business," *Republic Report*, July 16, 2021, <https://www.republicreport.org/2021/the-department-of-education-is-still-concealing-the-publics-business/>

Thank you for taking the time to consider my comments and my offer to discuss these matters further and provide additional information. The two articles I have cited follow my signature.

Sincerely,

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

David Halperin

Inside Arthur Keiser's College Empire: Troubling Evidence

POSTED AT 7:07 AM BY DAVID HALPERIN



A close look into Arthur Keiser's college operations, based on accounts by former school officials and employees, raises new questions about predatory recruiting, conflicts of interest, executive misconduct, and the validity of the non-profit status of his schools.

Southeastern College is a Florida-based for-profit career school offering programs in health care, information technology, and business. It has campuses in West Palm Beach and Miami Lakes. Southeastern, according to

its [catalog](#), is owned by BAR Education Inc., and Floridians Arthur and Belinda Keiser are the “primary shareholders.” The [school](#) was founded in 1988 as Cruise Career Training Institute, teaching people who wanted jobs on cruise ships. It was acquired by the Keisers in 1994. They expanded its offerings, and changed the name to Keiser Career Institute, then Keiser Career College, and then, in 2012, it became Southeastern.

Arthur Keiser is the chairman of the board of Southeastern College. But Arthur Keiser is also the “Chancellor and CEO” of a much larger career education school that still bears his family name, Keiser University. That school, with 20 Florida campuses and many more students taking courses entirely online, formerly was also a for-profit college, but changed to non-profit in 2011.

There is much more overlap between for-profit Southeastern College and non-profit Keiser University.

Joseph Berardinelli, who is senior vice chancellor of finance, treasurer and CFO of non-profit [Keiser University](#), is also, according to the school catalog, vice chairman of finance at for-profit Southeastern. Frederick Pfeffer, associate vice chancellor of student financial services at Keiser, is also director of student financial services at Southeastern.

Jan Del Signore is associate vice chancellor of military affairs at Keiser and associate vice chairman of military affairs at Southeastern. Louise Morley is the ombudsman at both the non-profit and the for-profit school.

There is also [Peter Crocitto](#), Keiser University’s executive vice chancellor and chief operating officer, described by former staff as Arthur Keiser’s right-hand man for 25 years. Unlike the others, Crocitto isn’t listed in the current Southeastern College catalog. But if you look at the website of the Florida Commission on Independent Education, the government body that oversees non-profit and for-profit colleges in the state, you will [find](#) that Peter Crocitto,

who has served on the commission for decades and is now its chairman, has his affiliation listed as: Southeastern College.

Arthur Keiser's son, Robert, is the executive director of Southeastern College.

A related for-profit school, [also owned by the Keisers' BAR Education](#), is Southeastern Institute. It offers the same mix of programs as Southeastern College — health care, IT, business. It has campuses in Charlotte, North Carolina, and Columbia and North Charleston, South Carolina. And its catalog lists the [same executives](#) as Southeastern College, meaning many of the top executives of Keiser University.

According to the most recently-available Internal Revenue Service [filing](#) of Everglades College, the non-profit institution that operates Keiser University, Peter Crocitto earned \$684,584 and Joseph Berardinelli got \$381,721 from Everglades in 2018. These are hefty salaries, especially because they are apparently part-time jobs, given the two men's roles at Southeastern College and Southeastern Institute.

As to what Crocitto, Berardinelli, and other staff earn from Southeastern, there are two possibilities: either (1) they are earning significantly more money, on top of all the money they get from Everglades/Keiser University; or else (2) their salaries paid by non-profit Everglades/Keiser essentially help compensate for the work they do at the for-profit Southeastern schools, which are owned by Arthur and Belinda Keiser, their bosses at non-profit Keiser University.

The for-profit Southeastern College, Southeastern Institute, and their owner, BAR Education, all use as their corporate address 1900 W Commercial Blvd, Suite 180, in Ft. Lauderdale. Non-profit Everglades College and Keiser University use the same address.

If the CEO of a tax-exempt non-profit business directed staff time and resources to a separate for-profit business owned by that CEO, it would be a

violation of laws and standards governing non-profit organizations — if, say, the president of the non-profit Planned Parenthood, Heritage Foundation, National Geographic, or the Girl Scouts ordered employees there to spend weekends working for free for a for-profit landscaping company owned by that non-profit president.

Perhaps the Keisers are able to strictly segregate the operations. But the heavy overlap between Keiser and Southeastern should raise a concern for the IRS, and perhaps it is a concern for that agency. At least one person has filed a complaint over Keiser University's controversial conversion to non-profit status and the wealth that deal conferred on Arthur Keiser. And, according to a former Keiser executive, IRS staff have spent a lot of time at Keiser's headquarters in recent years.

[UPDATE 08-12-20: A person with whom I spoke after I published this article provided a specific, detailed account of being directed, as an employee, by Keiser University management to work extensively, for a sustained period, on efforts at for-profit Keiser-owned Southeastern College. That employee never received any compensation from Southeastern, only from non-profit Keiser University. Although this person asked, out of career concerns, that I not publish the details, they correlated with facts of which I was already aware.]

The laws governing non-profit organizations are far from the only ones that have been implicated by the conduct of Keiser University and its executives.

One of Keiser's campus presidents, after he was carjacked in Daytona Beach, Florida, was accused by the police of seeking to pay for sex, including with underage girls. Another Keiser official, a campus dean, was charged with solicitation of prostitution at a Jupiter, Florida, massage parlor, swept up in the same dragnet that nabbed football owner Robert Kraft. Then, last month, the president of Keiser's "flagship campus" was caught on camera in Palm Beach holding a gun when bicyclists confronted him for coming close to them on the road.

But these tawdry tales of wayward college executives, however concerning, are not at the heart of the troubles at Keiser University. A deeper review of the institution raises new questions — about predatory student recruiting, conflicts of interest, mixing of non-profit and for-profit assets, and the overall integrity of the operation.

Keiser University already has faced law enforcement actions for deceiving students, mistreating employees, and defrauding taxpayers. And as we reported in May, the man behind the schools, Dr. Arthur Keiser, has now even been sued for fraud by his own mother over his handling of the finances of the colleges they founded together.

Yet Arthur Keiser still sits atop a Florida college empire that bears his name. The self-styled Chancellor and CEO of Keiser University runs a network of schools that have brought in hundreds of millions, likely billions of dollars, much of it from taxpayer-funded student grants and loans.

Arthur Keiser and his wife Belinda are, at this point, very rich. We don't know how rich, but Belinda Keiser's 2017 disclosure form, filed in connection with her run for the state senate, listed her own personal net worth at \$261,247,091.

The Keisers are political power players in Florida and in Washington DC, doling out hundreds of thousands in campaign contributions to favored politicians, and getting themselves and Keiser executives appointed to government bodies. Arthur Keiser chairs a critical advisory panel for Betsy DeVos's Department of Education, where he has aggressively [pushed](#) to protect for-profit college interests. He also has long been a [dominant figure](#) in the national lobbying group of for-profit and career colleges, [CECU](#), which has consistently sought to gut college accountability rules and whose membership has included some of the most blatantly predatory companies in the industry.

Belinda Keiser, meanwhile, has [sought political office](#), although the [hundreds of thousands](#) she has spent to get elected have not brought success at the ballot box.

Past controversies

Despite all the heights he has scaled, Arthur Keiser already has faced controversies:

- While the educational quality and spending levels at Keiser schools are nowhere near as bad as some of the worst predatory for-profit schools, and the school achieves good outcomes for many students, a [Senate investigation](#) in 2012 concluded, “Given the high cost of tuition at Keiser and that the majority of students leave the company’s schools with no degree or diploma, the company’s high rate of student loan default is particularly troubling. It is unclear whether taxpayers or students are obtaining value from their investments in the company.”
- There was a front-page [New York Times report](#) and complaints to the IRS about the troubling 2011 deal in which Arthur Keiser [converted](#) for-profit Keiser University to advantageous [non-profit status](#) while awarding a huge revenue stream and lucrative contracts to himself.
- In 2010, Keiser University fired three senior admissions officials following [revelations](#) that the school had recently admitted at least 74 students based on diplomas from a [fraudulent high school diploma mill](#).
- In 2012, to resolve a two-year investigation by the office of Florida attorney general Pam Bondi under the state’s Deceptive and Unfair Trade Practices Act, Keiser’s schools [agreed](#), without any admission of guilt, to offer thousands of former students free job retraining and that its staff [would not misrepresent information](#) about the schools to prospective students.

— In 2015, Keiser University and the U.S. Justice Department reached an [agreement](#) under which Keiser, without admitting misconduct, would pay \$335,000 to settle a lawsuit under the False Claims Act, [charging](#) that the school defrauded taxpayers in the receipt of Department of Education funds by paying recruiters sales commissions for enrolling students, which is barred by federal regulations.

— And this year, as we [reported](#), Keiser’s own mother sued him for fraud and theft over her entitlement to proceeds from companies related to the Keiser schools. Keiser responded by petitioning a court to declare his mother incapacitated.

A request to speak

In the past, Keiser has declined my requests to be interviewed, with his office instead politely providing statements denying any wrongdoing. But, last month, the day after I published another [article](#) mentioning Keiser, I received an email from a senior Keiser executive: “On behalf of Dr. Keiser, I’m respectfully requesting an opportunity to speak with you regarding the series of blogs you have posted.” We emailed back and forth about dates, but then I stopped hearing from her.

Meanwhile, though, I prepared for the discussion, pulling together materials and interviews with numerous former Keiser executives and employees, some who approached me years ago and others who contacted me in the past few months and weeks. I wrote back to the Keiser executive with a list of matters I wanted to discuss, seeking to get the call with Arthur Keiser back on track.

This week I received a [statement](#) from Arthur Keiser that read in part:

Upon review of your previous focus on me and your polemic obsession with the for-profit career education sector, it clearly demonstrates a lack of fairness which smacks of the worst of political opposition research. It is clear you see only one side of the story which does not include the positive

side of Keiser University, the sector or my involvement in Higher Education. When reviewed objectively, Keiser University has been ranked by objective third party evaluators in the top of adult learning, higher educational institutions in the country. Forbes ranks us the 8th best University in Florida. US News ranked us 3rd for student social mobility in Florida. Florida Trend recognized my contributions by naming me among the leaders in the third largest state in the union. Your history and your questions strongly suggest that I not contribute to what appears to a willful hit piece and not journalism. I respectfully will not participate in a conversation with you until you can demonstrate a modicum of fairness.

[UPDATE 08-25-20: Keiser's claim that his school is ranked eighth best in Florida by *Forbes* may be a reference to Keiser's position, which the school has touted, in *Money* magazine's 2018 ranking of the best value colleges, taking into account quality of education, affordability and outcomes. Keiser did rank 8th on that *Money* list out all Florida schools ranked — which made it the 571st ranked school out of the 727 nationwide ranked by the magazine, putting Keiser in the bottom 22 percent.]

I wrote back, stressing to Keiser that I still wanted to give him an opportunity to clarify the facts and present his perspective so that this article would be accurate and fair. I also noted that I have in the past written that Keiser schools have provided better educational opportunities than many other career schools.

I haven't heard anything from Art Keiser and Keiser University since.

I have prepared this account, based on those interviews and extensive review of company documents and public records, of little-known and sometimes troubling aspects of Keiser's college empire. All the former Keiser officials and employees with whom I spoke declined to be identified by name, citing concerns for their careers or business relationships.

Meet Arthur Keiser and Keiser University



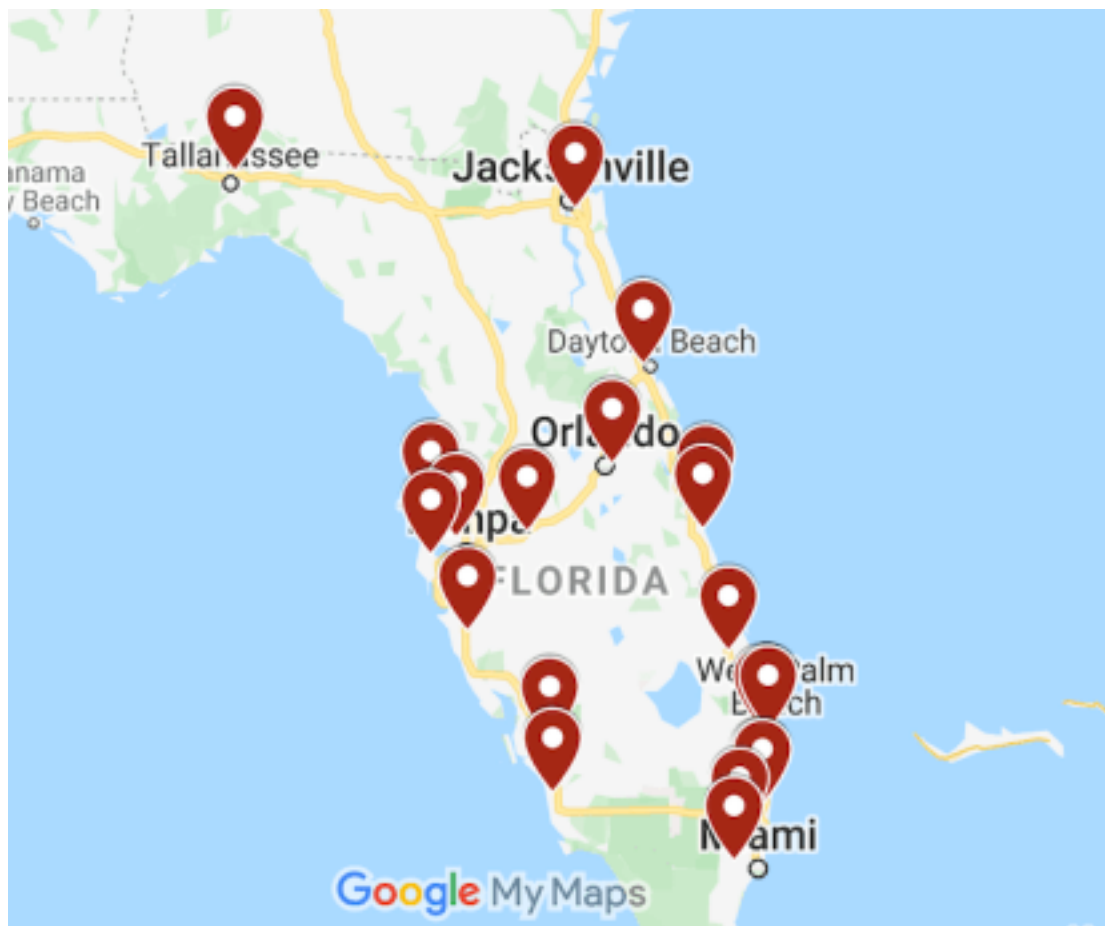
Keiser University offers associates, bachelors, and graduate degrees in career-focused fields ranging from nursing and medical assisting, to criminal justice and fire science, to business and information technology, to education, to culinary and “cinematic arts.”

Arthur Keiser’s [bio](#) on his school’s website trumpets the reach of his schools — and his own influence. It boasts that Keiser University has “20 Florida campuses, international campuses, the Online Division, and Graduate School,” all overseen by Keiser himself; the international growth has extended to campuses “in San Marcos, Nicaragua; Shanghai, China; and Eastern Europe.” Keiser University, according to the bio, “has grown into Florida’s second largest independent university.”

More recently, pitching his school in the COVID-19 era, [Keiser says](#) his school is “the largest” such institution.

Keiser's bio notes the school boasts coveted regional accreditation from the Southern Association of Colleges and Schools Commission on Colleges (SACS). The school, which he founded with his mother in 1977, "today offers more than 100 doctoral, master's, bachelor's, and associate degrees, has nearly 66,000 alumni, 20,000 students, and employs over 3,800 team members."

Keiser University's 20 Florida campuses dot the state, from the home base main campus in Ft. Lauderdale, to the "flagship" residential campus in West Palm Beach, up to Daytona and Jacksonville on the Atlantic coast, across to Orlando, to Naples and Tampa on the Gulf Coast, to the state capital of Tallahassee.



The Keiser bio also lists his impressive personal achievements, including his role as chairman of the U.S. Department of Education's National Advisory Committee on Institutional Quality and Integrity ([NACIQI](#)), an 18-member

panel that advises secretaries of education on accreditation and other matters; his previous chairmanships of the accreditor ACCSCT and the national for-profit college trade association CECU; his previous presidency of the Florida state association of private colleges; and his appointments by Florida's governor to the State Board of Independent Colleges and Universities and the State Board of Independent Postsecondary, Vocational, Technical, Trade and Business Schools.

Troubling statistics

Other aspects of Keiser University's record, however, are more dubious.

According to data [compiled](#) by *The Chronicle of Higher Education* last year, of the fastest-growing non-profit colleges in the U.S., Keiser had the second highest rates of spending on advertising and marketing; in 2016-17; it spent \$83 million, 17.5% of all expenses, on ads and marketing.

Keiser University programs often are advertised on [deceptive pay-to-play websites](#) like [this one](#), which confuse visitors between legitimate college rankings and paid advertising, and which are now exploiting fears during the pandemic to sign up new students.

The Keiser spending on ads and marketing do not include the millions that Keiser spends annually on its large team of recruiters, who use phone calls, online chats, and face-to-face meetings to sign up new students.

A former Keiser executive says that, despite Keiser now styling itself as a non-profit university, many of the school's directors of admissions previously worked at for-profit colleges, places where many are trained in boiler room settings to use aggressive and deceptive tactics to sign up as many students as possible.

A 2016 [class-action lawsuit](#) contended that Keiser University was violating the federal Telephone Consumer Protection Act by using automated dialing

systems to call, multiple times a day, the mobile numbers of prospective students registered with the National Do Not Call Registry. According to the complaint, Keiser employs more than 350 “admissions counselors” who each make up to 100 phone calls a day, seeking to enroll new students. The plaintiffs dismissed the case in early 2017. Lawyers representing the people who allegedly got called by Keiser recruiters did not respond to my messages seeking information about the case.

In 2009, according to a [Senate investigation](#), Keiser University got \$193 million, equal to 78.6 percent of its revenue that year, from federal taxpayers through the U.S. departments of education, defense, and veterans affairs. In the absence of a temporary accounting change in the law, Keiser’s aid from the education department alone might have been as much as [87 percent](#). In 2010, according to [Department of Education data](#), Keiser received \$245 million through student grants and loans from the education department, and in 2011, that figure grew to \$258 million. At those sized figures, taxpayer-funded revenue adds up into the billions pretty quick.

Such federal aid data is no longer available to the public, because Keiser University converted to being a non-profit school. But we know from the latest IRS filing of Everglades College, the non-profit owner of Keiser University, that its 2018 revenue has ballooned to \$490 million.

Southeastern College, the separate Florida career school that is still for-profit and owned by Arthur and Belinda Keiser, [reports](#) in the most recent available year that 86.99 percent of its \$9.96 million annual revenue came from grants and loans from the U.S. Department of Education — perilously close to the 90 percent cap imposed by federal law.

Schools that spend big on advertising, that engage in aggressive and deceptive marketing, and that struggle to obtain funding from sources other than that federal aid [tend to be](#) the ones where many students, including graduates, end up with bad outcomes — little career advancement and high debt.

Keiser University, according to Department of Education data, [reports](#) an eight-year graduation rate for first-time, full-time students of 58 percent — strong for a career college. But it's clear from talking to a range of former staff that some of the Keiser programs, and students, do far better than others.

Origins of an empire

In 1977, Arthur Keiser, 23 years old and a graduate of Tulane University, [helped his mother, Evelyn Keiser](#), start a Ft. Lauderdale-based for-profit career college. When it opened in 1978, it offered healthcare programs, such as in ultrasound, and programs in business. They called it the Keiser School. As the college expanded, adding programs and degrees, it morphed into the Keiser Institute of Technology, then Keiser College, and, in 2006, Keiser University.

Meanwhile, Art Keiser in 1998 obtained a PhD in higher education from The Union Institute and University, a Cincinnati-based school that specializes in distance-learning programs. The school generally did not require doctoral students to take classes; the main activity for many students was writing a thesis. (After the Ohio Board of Regents [examined](#) Union Institute and University's PhD program in 2002, the school undertook significant reforms.)

In the early 1980's, [Keiser met and married Belinda Mills](#), who is now the vice-chancellor of Keiser University.

A former Keiser official said the young Art Keiser really wanted to be a teacher, and that when he opened a school with his mother, it was, for both Keisers, about the students. But, says this ex-Keiser associate, when the for-profit college business started growing faster, and especially after the University of Phoenix started expanding its operations, going beyond servicing working adults seeking career advancement, and heavily recruiting low-income people, operators like Keiser began to realize “how much money you are leaving on the table.”

Keiser, says this former associate, was taken with a book written by the University of Phoenix founder John Sperling, a tome that offered college marketing advice, such as that campuses should always be visible from highways. Subsequent Keiser campus buildings, this ex-associate says, sprung up alongside highways.

While building his own operation, Keiser invested in a separate for-profit beauty school, based in Casselberry, in central Florida, with a man named C.M. Fike. Fike helped teach Keiser how to make money in the career college business, and the two men became close friends, sharing season tickets to the NFL Miami Dolphins, until they had a falling out. Fike later told associates, “Art Keiser is a very self-serving person.” (C.M. Fike acquired in 1987 another for-profit school, Ft. Lauderdale-based [City College](#), and eventually converted it to non-profit, one of the first colleges to undergo that transformation. After [Fike’s death](#), at age 58, his widow, Esther Fike Curry, took over [City College](#).)

Buying out a parent and becoming non-profit

As Keiser’s own school continued its expansion, he was approached by [Kaplan](#), the for-profit college operation then owned by the Washington Post Company, which wanted to buy the school for some \$130 to \$160 million, according to a former Keiser official. That wasn’t the only approach Keiser received from big publicly-traded companies seeking to buy his increasingly lucrative schools. Another came from Corinthian Colleges, an [awful predatory chain](#). But Keiser turned them all down.

The former Keiser official offered an opinion as to why Keiser would not have taken any of these deals: He and his mother were co-owners. “He knew if he sold,” the ex-official says, “he had to give his mother 50 percent.”

Instead, Keiser devised a plan to buy his mother out. In 2005, Keiser University had about \$80 million revenue and \$15 million profit; by 2008, with programs rapidly expanding on the ground and online after the George

W. Bush administration had gutted accountability rules, Keiser revenue had nearly tripled. But Keiser used the 2005 financials to obtain a valuation of the school at \$15 to \$20 million, and on that basis, he implemented an agreement to buy his mother out for somewhere the neighborhood of \$7 to \$8 million, paid in installments, according to the former official.

[UPDATE 11-23-20: Another source tells me Keiser concluded the deal with his mother in 2003, based on earlier year valuations, but affirmed that Keiser bought her out for between \$7 and \$8 million.]

A long-time for-profit college industry executive told me a story that echoed this account. Keiser was giving the executive advice on how to buy out a partner in a for-profit college business. Get an appraisal done before you implement new programs, Keiser said. He paused, and then added, “That’s what I did with my mother.”

Another former Keiser executive who was generally critical of Keiser, but who did not know the details of the sale of Evelyn Keiser’s interest in the schools, insisted that, because Keiser was extremely devoted to his mother, he would never have given her such a bad deal. But the former official who explained the deal to me, while agreeing about Keiser’s fidelity to his mother, speculated that Art Keiser may have felt she was well taken care of by the arrangement; the real issue was how much money would go to his siblings after their mother was gone.

Another veteran career college executive said he believed that Evelyn Keiser, “was the one who built everything” in the first years of the Keiser schools. He added, “I think his mom was really concerned about educating people in her neighborhood, whereas Art cared about money.” He said that when they discussed the plan to buy out his mother, Keiser said that his mother no longer understood the business.

Just a few years after buying out his mother, in 2011, Arthur Keiser engineered the sale of Keiser University, still a for-profit college, to Everglades College, a

school, previously called American Flyers College, that he had acquired in 1998 and converted from for-profit to non-profit soon after.

For purposes of that deal, Keiser University was valued not at \$10 or \$20 million, but at \$521 million.

Keiser later told the *New York Times* that the valuation was determined by two independent auditors.

The enormous difference in valuation between what Keiser paid his mother, and what he soon took for himself, says the former Keiser official, “was when the bad feelings between Keiser and his siblings started,” a feud that eventually led to the lawsuits between family members filed earlier this year.

Everglades’ 2015 financial statement — [see page 14](#) — indicates that Keiser and the non-profit later agreed to substantially reduce the debt, based on a much lower valuation for the schools. The adjustment occurred around the time of negative public discussion of the Keiser transaction, and it could possibly have been aimed at deflecting criticism. The Keiser financial statement cited reduced stock prices of for-profit schools and the potential impact of new government regulations as reasons for the lower valuation. But one former Keiser executive also speculated that the university needed to reduce its debt or risk increased scrutiny and financial controls from the U.S. Department of Education, and former Department officials told me such debt levels in theory could have been a concern for Department regulators.

Even with the debt reduced, Keiser’s return was still many times what his mother received.

The conversion of Keiser University from for-profit to non-profit was [among the first](#) in a wave of such transformations, as owners of for-profit schools developed several [varieties of schemes](#) to gain the benefits of non-profit status — freedom from certain federal regulations (such as the law barring for-profit colleges from getting more than 90 percent of their revenue from Department

of Education aid — a cap to which Keiser schools have come dangerously close), freedom from taxation, eligibility for more state grant aid and for charitable donations, and escape from the stigma created by for-profit school abuses — while continuing to make big profits off the operation.

The Keisers' non-profit Everglades College now operates not only Keiser University but another multi-campus career college, now called [Everglades University](#), with five Florida campuses — Miami, Boca Raton, Orlando, Sarasota, and Tampa — and an online division, with programs in a wide range of career fields.

So, if you're counting, that's four college chains that Arthur Keiser runs — Keiser University and Everglades University, both owned by the non-profit educational organization Everglades College, plus for-profit Southeastern College and Southeastern Institute, owned by Arthur and Belinda Keiser. But as we'll learn below, there's at least one more school where Arthur Keiser and his team have a growing role.

Conflicts of interest at the non-profit



In the deal selling Keiser University to the non-profit, the buyer, Everglades College, took on a \$321 million loan — from Arthur Keiser. Everglades thus has been paying Keiser principal and interest on that loan, since reduced, plus an annual salary of \$831,000. Keiser also made Everglades a charitable gift of much of the rest of the purchase price, potentially providing him with large tax deductions.

In addition, Arthur Keiser owned stakes in properties that have been collecting some \$14.6 million in rent from Everglades, in the Holiday Inn where Everglades employees stay, in a private airplane that Keiser and his key employees use, and, at one time, in Keiser Computers, a company run by his brother that previously contracted with the college.

The self-dealing goes beyond the Keisers. Several board members of the non-profit Everglades also have had business deals with the school — for its filing system, for recruiting services, for the school's pool maintenance program.

Everglades' board chair, Gregg Wallick, a former captain of the University of Miami football team who has [helped](#) to build the Keiser University NAIA [football team](#), is the CEO of Best Roofing, which has [boasted](#) on its website that it “assists [Keiser] University with all their roofing decisions,” and added an endorsement from Art Keiser himself: “Thanks for keeping our campus dry and saving us money.” According to a former Keiser official, Keiser himself made an investment in or loan to Best Roofing around 2005.

This ex-Keiser official says that Keiser's business ties to his own board members helps keep them in line, not questioning his decisions about the operation of the schools.

Keiser University has long flaunted its accreditation by the Southern Association of Colleges and Schools Commission on Colleges (SACS), which is a regional accreditor, the type of body that oversees more prestigious colleges, as opposed to the “national accreditors” more associated with nonselective for-profit schools. [SACS's guidelines](#) expressly direct schools to avoid conflicts of interest:

To maintain the integrity of the educational enterprise, the governing board—responsible for establishing broad institutional policies—should be free of inappropriate influence. Although potential conflicts cannot be eliminated, they should be effectively managed to avoid even the appearance of any conflict of interest as board members carry out their duties.... In order to ensure the objectivity of the board's collective interests, care is taken to restrict the potential for conflicts of interest to affect decisions and to ensure that the board's independence is maintained. This is especially important when it comes to the role of the presiding officer of the board.

The presiding officer of the Keiser board is the school's roofing contractor, Gregg Wallick.

Keiser told the *Times* in 2015, regarding claims of conflict of interest, that all deals with insiders “are at fair market value” and that “We disclosed everything. There’s nothing wrong with it.”

A statement provided to me by Keiser University in 2017 states, “Repetitive questions regarding Keiser University’s status as a not-for-profit University have been answered time and time again. In summary, the transition to not-for-profit was thorough, transparent, and lengthy.... Fully disclosed tax returns and IRS 990s have always been and remain publicly available.... The structure of the corporation and acquiring of assets followed state and federal guidelines and regulations including notification and applications with both [the accrediting agency] SACS and the Department of Education. All necessary approvals were obtained. In March 2015, the *Miami Herald* reported that BDO, one of the country’s largest accounting firms, reviewed Keiser’s nonprofit tax filings – at the Herald’s request – and found nothing to suggest any impropriety.”

But an ex-Keiser official, reviewing the record of insider deals, said, “I’m surprised the IRS has let him get away with it.”

It’s possible the IRS now has a different view. According to a former Keiser executive, for about two years IRS personnel were onsite at Keiser University’s headquarters in Ft. Lauderdale.

The IRS’s interest could be a result of a [complaint](#) that former U.S. deputy under secretary of education Robert Shireman [filed](#) with the IRS in 2014, or it could have been triggered by something else.

The former Keiser executive theorized that the IRS might be considering a penalty. After the IRS concluded its visits, Keiser campus presidents across Florida were directed by Keiser management to solicit letters of support from local employers and notables praising Keiser University as valuable to the community. The former executive believes the letters were intended as part of a defense to the IRS.

(Keiser has in the past [responded](#) to Robert Shireman’s criticisms by repeating a false assertion that Shireman had an improper relationship with Wall Street investors betting against for-profit college stocks. Disclosure: For 25 years, I have been, in various capacities, a lawyer for and colleague of Shireman.)

The king of smoke and mirrors

Conflicts of interest are not the only area where Keiser may have skirted accreditor standards. According to a former Keiser executive, when SACS was reviewing Keiser in 2017 to reaffirm its accreditation, it sent a team to see the school’s [Shanghai, China, campus](#). Keiser officials would have preferred that SACS visit the school’s Nicaragua campus, because, at least at the time, there wasn’t much actually going on at the Shanghai location — few students enrolled, little activity. Keiser staff told SACS that it was a vacation period, explaining the absence of students. The school brought in extra Chinese nationals to look busy on campus. A Florida-based Keiser employee served as translator, facilitating the conversations between SACS officials and the Chinese people on site. The SACS team members didn’t speak any Chinese language.

Keiser officials got a report back that the visit went well and the SACS team were apparently pleased. Afterward, Keiser, according to the former executive, walked into the lobby of the school’s flagship campus, smiled, and said to some senior staff, “I am the king of smoke and mirrors.”

A former Keiser official involved in the Shanghai operation did not respond to requests for comment.

Why does Art Keiser even need a Shanghai campus? The former executive says Keiser “likes toys,” symbols that Keiser is a “real university” and that he is powerful. It’s the same, several former executives and staff members said, with the Keiser football team. Keiser’s main residential campus loses millions of dollars “because of the stupid sports teams,” such as the football squad; “his

toys are expensive.” Those losses put pressure on the regular campuses to make more money to make up for the flagship losses.

But when it has come to the long-running dispute with his siblings over his business dealings with his mother, the wealthy Arthur Keiser won’t spend money. “He could have thrown them a bone,” the former executive says, “but he never gives in and never settles.”

Instead, says this ex-Keiser official, Keiser always makes clear that the school is about making money for him. Despite the school having converted to non-profit, Arthur and Belinda Keiser “both make it very clear that they still own it.”

St. Andrews University

There’s yet another college in the Keiser orbit.

St. Andrews University is a non-profit Presbyterian liberal arts college located in Laurinburg, North Carolina, and, according to its [website](#), a “branch” of another non-profit school, Babson Park, Florida-based [Webber International University](#), since the two schools merged in 2011.

On June 11 of this year, a St. Andrews [press release](#) announced that “Effective immediately, Dr. Ellen Bernhardt has been appointed Interim Campus President for St. Andrews University, a branch of Webber International University.” According to the release, Bernhardt has already been at St. Andrews for two years, holding the title [senior vice president of operations and chief operating officer](#), and she “assumed total leadership responsibility for the campus in November of 2019” when the previous president announced his retirement.

Yet, according to the 2019-20 Keiser University [catalog](#), Ellen Bernhardt is associate vice chancellor of Keiser University. Bernhardt’s LinkedIn profile

lists her Keiser job as her current position. She still can be reached at a Keiser University email address.

Arthur Keiser is a [member](#) of Webber International University's board of trustees. And on the [website](#) of its accreditor, SACS, Webber lists the address of an off-campus instructional location, "Webber International University West Palm Beach," as 1756 North Congress Avenue — the same address as the [main campus](#) of Keiser's for-profit Southeastern College. It lists another Webber location in Miami Lakes as 17395 Northwest 59th Avenue — also a Southeastern campus location. Webber also lists on the accreditor site three other St. Andrews University locations in North and South Carolina — all located at the same addresses as Keiser's Southeastern Institute schools.

A former Keiser executive says Keiser has been a donor to Webber. This ex-staffer speculates that Webber may be a "backup plan" for Keiser in case his troubles increase at other schools.

[UPDATE 02-19-21: More on Keiser and St. Andrews [here](#).]

A web of corporations and construction projects

Between them, Arthur Keiser, Belinda Keiser, and Keiser University / Everglades University general counsel James Waldman are listed in [Florida records](#) as the registered agents for dozens of corporations. Reviewing this web of companies provides a window into the complex structure of Keiser's empire and, in particular, its opaque real estate transactions.

Among the companies for which Arthur Keiser is listed as the registered agent are The Keiser School, HornerXpress Worldwide ([swimming pool supply](#)), Marion Education Inc, Keiser Demeter LLC, Telesto LLC, Balaat LLC, ABK Management LLC, Hermes Aircraft, and Metropolitan 8, LLC.

James Waldman is registered agent for companies including Hercules Properties LTD, Keiser Commons Associates, Parkland Education Associates, and Daytona Education Associates

Belinda Keiser is listed as registered agent for companies including Everglades Management Inc., Beta Business Solutions, and American Flyers College (the original name of Everglades University).

A 2017 account in the Orlando Business Journal reported that Everglades College had paid \$32.7 million “to buy the following land it has been renting at three of its [Keiser University] campuses from Ft. Lauderdale-based Hercules Properties Ltd. and Hercules Orlando Inc., Chancellor and co-founder Arthur Keiser told *OBJ*: \$12.4 million in Orlando; \$16.1 million in Melbourne; \$4.2 million in Daytona Beach.”

That report did not mention that Arthur Keiser is the registered agent for Hercules Orlando and that James Waldman is the registered agent for Hercules Properties LTD. In other words, that the non-profit Everglades College, where Arthur Keiser is CEO, bought the properties for \$32.7 million from companies tied to Arthur Keiser. The report did state, without explanation, that the purchase price was “below market and appraised values.”

Keiser sold other properties where Keiser University campuses are located to Keenan Development Corporation, a real estate investment and construction business operated by Bill Keenan and Dale Chynoweth, long-time Keiser business associates. Keenan continues to build new Keiser campuses.

Keiser created its “flagship campus” in 2015 by acquiring the West Palm Beach campus of another school, Northwood University. According to Keiser University, the purchase “was made possible in part through a benefactor’s \$10 million donation.” Keiser’s new non-profit status likely entitled that secret

donor to take a hefty tax deduction, while building up the assets of another Keiser campus.

Cash for license plates: The Keiser Mills Foundation

Like [many other](#) colleges in [Florida](#), Keiser University offers people the chance to get a license plate with the school name and logo. But while some other schools indicate that an [extra \\$25 fee](#) for such plates will go to the school or alumni association for scholarships, Keiser University [says](#) its plates require, in addition to regular state charges, a “\$30 Specialty plate fee (\$25 of which goes to Keiser Mills Foundation to support student scholarships).... \$25 of every purchase will go to fund the Keiser Mills Foundation to provide scholarships for deserving students attending Keiser University in pursuit of their degree.”

Apart from Keiser not specifying what happens to the other \$5, there is the question of why the [scholarship funding](#) is routed through a private charitable operation, the Keiser Mills Foundation. The Foundation reported in 2018 \$5359 in revenue (all from \$25 license plate fees, according to the foundation’s [IRS filing](#)), \$207,698 in assets, and \$27,750 in expenses. \$24,000 of that went to scholarships for students to attend Keiser University.

Tuition for one undergraduate student to attend Keiser University for one year is [\\$33,120](#).

According to her [bio](#), Belinda Keiser “established the Keiser Mills Foundation, which provides unique scholarship and learning opportunities to students seeking international, entrepreneurial, leadership and civic engagement experiences as part of their college education in Florida.”

It’s unclear why Keiser asks its alumni, staff, and supporters who want Keiser plates to donate to a foundation created and controlled by the Keiser family, rather than the school itself or an independent alumni association.

It's also unclear how Belinda Keiser can tout the mission of the foundation as providing “unique scholarship and learning opportunities” to students “in Florida” if the school, at least in the latest reporting year, is providing scholarship money only to a school, Keiser University, that pays the Keisers, and in an amount that would not cover the full tuition of even one student.

In 2015, Keiser University held its “First Annual Golf Classic,” featured former pro golfer Jack Nicklaus. According to a [press release](#), the event “raised over \$200,000 for the Nicklaus Children’s Health Care Foundation, as well as the Keiser Mills Foundation for student scholarships.”

Placing Keiser officials in state jobs



A congressional staffer once explained to me why his boss, considered one of the most progressive members of Congress, usually voted against measures to protect students and taxpayers from predatory college abuses — it was because Art Keiser organized fundraisers that helped keep his campaign coffers full. Keiser seems to never forget that the pipeline of money that funds his schools runs through Washington, DC; a relatively modest investment in lobbying and campaign cash can be worth billions in taxpayer dollars.

After years of lobbying in Washington, Keiser has actually now taken an advisory post with the federal government. Appointed to the Department of Education advisory committee, NACIQI, by congressional Republicans, Keiser seems to act there as a sadly predictable partisan against accountability for career schools. In 2016, he aggressively, and unsuccessfully, [pushed NACIQI](#) to reject the Obama-era Department's move to suspend college accreditor ACICS, even though the Department had presented devastating evidence that the accreditor was asleep at the switch while predatory for-profit schools like Corinthian Colleges and ITT Tech engaged in egregious abuses of students and taxpayers.

But Keiser does reportedly behave in a genial manner with NACIQI colleagues, and, after Donald Trump's election, they elected him panel chair in 2017. Last month, Keiser chaired the latest NACIQI meeting, held online due to the pandemic, mostly with fairness. But at one point Keiser scolded another NACIQI member for offering "political opinions" when she commented, while questioning witnesses, on the merits of this meeting's main dispute, over whether to endorse the Betsy DeVos Department's [punishment of accreditor Higher Learning Commission](#) (HLC). Then Keiser, seeming to lean to the opposing side of the debate from that panel member, ended his own questioning with what was essentially a comment on the merits of the same dispute.

When the votes were counted, the Republican-dominated NACIQI panel had, remarkably, [voted 9-2 against the Department](#), whose effort to punish HLC

was, in reality, an attempt to cover up [blatant failures and misconduct](#) by Department, especially top higher education official Diane Auer Jones. I and others saw a “no” vote by Keiser’s name in the online tally board during the voting, indicating a vote for the Department and against HLC, but according to the Department’s final accounting, Keiser didn’t end up voting. It’s possible he didn’t want to end up on the losing side again.

Keiser also has worked diligently to cement his political power in his home state, managing, among other things, to get himself and trusted lieutenants placed in key government roles.

As noted, Keiser’s top aide Peter Crocitto has served for decades, and now is chair, for the second time, of Florida’s [Commission on Independent Education](#) (CIE), the panel that oversees non-profit and for-profit colleges in the state. Crocitto’s position gives him, and therefore Arthur Keiser, influence over state policies, on issues including consumer protection and school licensure — issues where Keiser University has much at stake.

In July, Florida governor Ron DeSantis [appointed](#) another top Keiser official, Joseph Berardinelli, to another state body in which Keiser University has an interest: the state’s [Higher Education Facilities Financing Authority](#), which helps private colleges in the state to obtain tax-exempt bond financing for building construction and renovations. Berardinelli is now the chair of that agency.

[UPDATE 08-07-20 11:25 am: I forgot to note, and was just reminded, that Shane Strum, in between serving as [chief of staff](#) for then-Florida governor Charlie Christ and his current job as [chief of staff](#) for Florida governor Ron DeSantis, was Associate Vice Chancellor of Business Development at Keiser University. This means Keiser hired one of the most powerful political figures in the state, and that person is, again, one of the most powerful political figures in the state.]

Belinda Keiser, meanwhile, was a delegate to the 2016 Republican National Convention that nominated Donald Trump. In 2017, then-governor Rick Scott appointed her to the Florida Constitution Revision Commission, a 37-member body that considers and proposes changes to the state Constitution. The next year, Belinda Keiser sought a bigger government role, [running for the vacant Florida state senate district 25 seat](#) in 2018. She lost in the Republican primary despite reportedly [spending more than \\$900,000 of her own money](#) on the campaign.

Some district 25 residents called Belinda Keiser a carpetbagger. In registering her senate candidacy, she used a Keiser property address in the [district](#), which covers Florida's Martin and St. Lucie counties, plus part of Palm Beach. But just months before the GOP primary, in the wake of the Parkland school shooting, Keiser had written an [op-ed](#) titled, "I live in Parkland and I fight for change." Parkland, further south and not part of the district Keiser sought to represent, is where the Keisers have long resided — in a gated property purchased from former Miami Dolphins defense tackle Daryl Gardener.

Belinda Keiser also was [criticized](#) during her senate run by fellow Republicans for the Keisers' many past campaign donations to Democrats, just as she was criticized for their donations to Newt Gingrich and other Republicans in 1999 when she [ran](#), also [unsuccessfully](#), for the Democratic nomination in a Broward County state House of Representatives district. The reality is, that, like many business executives, the Keisers have donated heavily over the years to candidates of both parties. Spreading money around is good business. But former Democrat Belinda Keiser is now clearly a committed [Donald Trump supporter](#).

A general counsel with dual roles, and homes

While Belinda Keiser's political aims have been frustrated, one key Keiser aide did make it to the state legislature: James Waldman, Keiser's long-time general counsel, served as a representative in the Florida legislature from

2006 to 2014, when term limits forced him to leave. But Waldman's tenure in office was marked by controversies.

Like Belinda Keiser, Waldman was called out for carpetbagging, but in Waldman's case the charge was more serious, because he was accused of not living in his district while in office, a violation of the [state constitution](#).

The *Broward Palm Beach New Times* [reported](#) in 2010 that Waldman claimed as his district residence a bedroom he allegedly rented for \$250 a month in a 920-square-foot Coconut Creek condo owned by one Ron Sherman. Confronted by state authorities and faced with losing a portion of his homestead tax benefit, Sherman delivered a declaration that he was not renting any part of his condo, including to Waldman. Waldman reportedly insisted to investigators that he did live there, and Sherman lost part of the exemption. Meanwhile, while claiming he lived at the Coconut Creek condo, Waldman claimed his own homestead exemption at the home where he apparently really lived, in another district, on the alleged ground that his two children actually still lived there. Ultimately, despite some evidence to the contrary, tax assessors accepted that explanation from Waldman. It's unclear how Waldman resolved the issue of claiming as his district residence a room whose owner denied any such arrangement.

Even more troubling was a report in the *South Florida Sun-Sentinel* that Waldman seemed to be leveraging his powers and access as a legislator to advance the interests of his employer, Keiser University, creating, as the *Sun-Sentinel* wrote, "an impression that his primary allegiance is to Keiser." Waldman co-sponsored bills that would have increased student financial aid and scholarships available for private colleges, including Keiser. Also, in the midst of a policy dispute where Keiser University and a Florida community college were on opposite sides, Waldman used his legislative office to request budget and salary information on a state agency entangled in the matter and to write to other community colleges asking for their views on the issue.

Waldman and Keiser University at the time denied any impropriety.

Donors to Waldman's legislative campaigns over the years included Waldman himself — totaling \$250,000 — and various Keiser-associated entities: Everglades Management, Parkland Education Associates, Daytona Education Associates, Hercules Properties, Keenan Properties, Chinook Construction (part of Keenan Development Corp.), Zeus Properties, Gregg Wallick's Best Roofing, Peter Crocitto, Belinda Keiser, Arthur Keiser, and Gragg Advertising (Keiser University's biggest contractor for marketing programs to students). Many of those donors gave at or near the maximum contribution permitted by Florida campaign finance law; aggregated, their contributions offered Waldman much more.

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In 2008, Keiser University fired an admissions representative named Lisa Fikki after she delayed signing an employment agreement that included a mandatory arbitration clause prohibiting Keiser workers from suing in court or joining in a class action against the school. Last year, after years of litigation over a complaint filed by Fikki, the National Labor Relations Board ruled that the employment agreements that Keiser made its workers sign illegally restricted employee access to the NLRB and its processes, and that it was unlawful for Keiser to fire Fikki for refusing to sign. After Keiser dropped an appeal to the U.S. Court of Appeals in June, it posted a notice, as required by the NLRB order, telling employees, “The National Labor Relations Board has found that we violated federal labor law” and stating that it would not interfere with their rights to file charges with the NLRB.

Also this year, as the novel coronavirus surged across Florida, multiple Keiser University employees have complained that management directed them to come into the office, even after some employees tested positive. A former executive with knowledge of current arrangements insisted, however, that Keiser management had a solid plan to address COVID risks.

A former Keiser admissions employee told me that the school has “a culture of bullying and badgering their own employees in order to ‘make the numbers.’” This former staffer says that Keiser admissions supervisors taught recruiters “to sell at all costs, pressuring people. I saw Keiser screaming, where are his enrollments and where is his money? He’s all about money. He doesn’t care about students or quality of education. Every meeting he was having a tantrums. The man does not speak to you, he screams at you.... I’ve seen people cry at meetings....The guy is just an intimidator.”

This ex-employee said that admissions representatives once presented to Keiser the idea that G.I. Bill-funded veterans who were disabled or had disabled family members should be given a waiver for the \$50 school application fee, since many of them had a hard time coming up with the money. According to the ex-employee, Keiser responded that \$50 wasn’t really much, relating that when he and his wife had cocktails in New York it cost them at least \$50.

Another former employee, who worked in several senior capacities, said admissions “protocols” at Keiser pushed admissions representatives to pressure students into enrolling, and that the school would admit almost any student, regardless of their potential for succeeding at the school. This employee added, “I also sat at management meetings with Art Keiser where he screamed at people for not meeting sales quotas while threatening them with losing their jobs.”

This employee said that Keiser frequently remarked that all of his schools’ problems were the result of interference by “the Democrats.” Once, when an

instructor sassed back, asking if the Democrats were to blame for the school's shortage of dry markers and staff cubicles, Keiser stormed out.

A former Keiser executive remarked on the campus norm that everyone must call the chancellor "Dr. Keiser," because of his PhD degree. "I have never seen a university where even the inner circle has to call" the campus leader "doctor" at all times. Even Belinda Keiser calls her husband "Dr. Keiser" in front of senior staff. But, says the former executive, Art Keiser "does not reciprocate" with campus presidents who have doctorates; "he calls them 'doctor' only when being sarcastic."

That former Keiser executive stated that Keiser University does place more emphasis on instruction and quality than many of the worst-behaving predatory schools. But, the former employee said, go into many Keiser classrooms and you will find "awful, old equipment." Some instructors are very good, while others do a poor job.

This former executive said that Keiser is unforgiving, rather than supportive, when staff decide they want to move on: "If you want to quit, you are disloyal. You don't ask for recommendations because if he knows you are looking, your life will become hell." When that executive finally left, Keiser "would not speak to me, would not say goodbye."

When another top employee left, according to two former officials, he told a farewell party packed with 60 colleagues, "I am not leaving the university, I am leaving that man." The attendees laughed. Art Keiser wasn't there.

Another former employee said, "No one ever leaves without confrontation. [Keiser] promised me a hefty increase in salary — but then said he didn't have the money."

According to a former executive, one of the former admissions directors who was fired in the wake of revelations that Keiser enrolled students with phony

high school degrees felt betrayed, forced to take the hit to defend higher-ups. The fired employee confronted Keiser, telling him, “You are an evil man.”

Keiser University, several former employees said, makes staff work long hours. The office is open the day after Thanksgiving and the day before Christmas. The year Keiser became a non-profit, the offices closed on Martin Luther King Day, but since then they have been open.

Keiser, a former executive said, “wants to be told that everything is perfect and he hates it when people tell him otherwise.” He wants to be able to say he is offering students the very best school, that he is doing things right. But Peter Crocitto and other aides must deliver that outcome within tight budget constraints. When things go wrong, Keiser “blows his stack” and “everyone’s lives are miserable.” Keiser is angry when the numbers look bad. He’s angry on Mondays when the Miami Dolphins lose. He’s angry when he receives unflattering media attention.

But several former executives and employees went out of their way to stress that Belinda Keiser is even more abusive in the workplace. She is, said a former official, “a thousand times worse. There is some good in Art Keiser. But that side of him doesn’t even exist when she’s around.” Another former executive said that Belinda Keiser has gone through dozens of assistants over the years, because many couldn’t tolerate the job.

Keiser Daytona: a campus leader, and a campus, in turmoil

On August 9, 2015, Daytona Beach police arrested William Smith, 21, and charged him with beating and carjacking Matthew McEnany. But the police also charged McEnany, 60, alleging that he had for months been texting with a 13-year-old girl, a 14-year-old girl, and a pregnant 15-year-old girl, and that on the night of the carjacking was seeking to give two women in their twenties — identified only as “Luscious” and “Brittany” — a ride in his SUV, with the aim of having sex with them. Instead, when McEnany exited his vehicle to

speak with the young women, Smith struck him from behind, shoved him onto the roadway, and sped off with the women in McEnany's Toyota Venza.

"There was a prearranged time to meet and have sex for money," Daytona Beach police chief Mike Chitwood [told](#) channel News 6 in Orlando.

According to the police, an out-of-breath McEnany called 911 and gave the following account: "I had two supposedly friends of mine needed a ride. I pulled up here and I got out of the car and some black guy jumps me. He throws me down to the ground and starts kicking me and the two girls and the guy get in to my car and take off with it, my wallet, everything."

McEnany told the dispatcher the "black guy" also took \$100 cash he had in his pocket "to pay a bill." Asked by the dispatcher if he was giving the women a ride, McEnany said, "I was picking up these two girls because they needed a ride somewhere."

The investigators discovered, however, that there was more to Matthew McEnany. They charged that earlier that summer at a local splash park McEnany inappropriately touched an underage girl and then paid her. The investigators said McEnany had given money, food, and cigarettes to underage girls in hopes of getting sexual favors.

"When you have a 60-year-old man sending 50 text messages to a 15-year-old, that's not good," Chitwood told News 6. He added of the text message traffic, "It's pretty sexually graphic and pretty disgusting, to be honest."

Up until the arrests, and for eleven years, Matthew McEnany had been, as his [LinkedIn profile](#) still reports, the president of the Daytona campus of Keiser University.

After his arrest, Keiser suspended McEnany, and soon fired him.

Keiser officials, however may not have been entirely surprised by McEnany's arrest.

A former Keiser executive says that a Daytona campus official had contacted Keiser headquarters, a year earlier, expressing concern about McEnany's erratic behavior, his "constant meltdowns" on campus.

A former Daytona campus academic official also described health problems and troubling behavior by President McEnany: paranoia, inappropriate relationships with staff and students, bizarre actions.

Keiser management dispatched a top official, associate vice chancellor Gary Cosgrove, to speak with McEnany and feel him out, but told Cosgrove to avoid a campus meeting. Instead, the two men met in a parking lot. Whatever happened, McEnany remained as campus president until his carjacking and subsequent charges. (Cosgrove didn't respond to my LinkedIn message seeking comment.)

The day after the carjacking, according to the former Daytona official, Arthur Keiser came to the campus for a long-planned major event with area notables. The official encountered McEnany, sporting a black eye. McEnany said he had been punched at his front door by someone claiming to be a salesman.

McEnany died in 2018.

A former Daytona campus academic official described to me a chaotic campus, both under McEnany and his successor, where it was hard for good teachers to teach. "The school," he said, "would enroll anybody, and do anything to get them to sign up." The school enrolled a homeless, drug-addicted veteran who didn't have a computer needed to complete coursework or the capacity to complete a required externship; he showed up on campuses about once a month, but the school kept him enrolled and cashed his financial aid checks.

The campus held retention meetings aimed at keeping students enrolled and their federal aid checks coming. In these meetings, Keiser administrators pressed faculty to essentially act as recruiters and get their missing and underachieving students back in the classroom and back on track.

Administrators changed student grades when instructors refused to do so, in order to keep enrollment up.

The campus also enrolled a completely blind student into its massage therapy program. Blind people can be message therapists, but another former instructor says Keiser Daytona wasn't equipped to help blind students succeed in the program — there were no braille manuals or other needed materials and equipment. School officials told the student that the campus would supply him with a note taker, but then that didn't happen. Instead the student's girlfriend came to class with him, but the student would regularly fall asleep. Then the girlfriend stopped coming. Yet in retention meetings, the instructor was told by Keiser administrators to keep the student enrolled, until eventually they could not sustain the argument, and the student was dropped.

Instructors at the Daytona campus say they lacked supplies or adequate office space. The campus had only one defibrillator, so when inspectors came staff would move it from one location to another to create the illusion that there were two. There was one set of bathrooms for the entire campus, producing long lines and unsanitary conditions. The air conditioner leaked and malfunctioned for extended periods.

An instructor had sexual relationships with students. Drug dealers with weapons hung out in the campus parking lot at night.

An instructor who sent complaints about the campus to Keiser and other higher-ups was fired.

A former Keiser Daytona student, a military veteran, told me that he completed an associates degree program in sports medicine but then found out, to his surprise, that he remained ineligible for well-paying jobs in the field without a bachelors or masters degree. Instead he worked at the campus as a security guard. He reports that the school building's roof "would leak all the time," and that the school would call the roofing company — Best Roofing, operated by Keiser's board chair — but despite multiple trips by Best to repair

the roof, “when it rained the classrooms on the corners would flood and classes couldn’t be held due to standing water.” He took pictures of the conditions and sent them, anonymously, to Arthur Keiser. Within a week he was fired.

A former instructor confirmed the sustained roof leaks, saying a “big blue tarp” covered areas behind the reception desk for years. This instructor said a series of hurricanes in the 2000’s left campus carpets wet and moldy. (Best Roofing and Greg Wallick did not respond to a request for comment.)

Other campus leaders in trouble

McEnany wasn’t the only Keiser campus head who has had unsavory encounters with the law. And while Keiser University quickly terminated McEnany after he was caught, the school has been more forgiving of other executives.

On February 21, 2019, according to a police report, Jean Claude Norman was arrested in Martin, Florida, and charged with soliciting prostitution and use of a conveyance for prostitution. The *Palm Beach Post* [reported](#) the next day that Norman, then 56, of Palm City, was one of 25 men, including New England Patriots owner Robert Kraft, charged over visits to the Orchids of Asia Day Spa in Jupiter, Florida, where women allegedly performed sex acts.

Jean Claude Norman at the time was the [dean of Keiser University’s Port Saint Lucie campus](#). After the massage parlor scandal broke, the school placed Norman on leave. But this year the school rehired him as a dean at Keiser’s West Palm campus, according to a former Keiser executive.

Norman’s [LinkedIn profile](#) indicates he still holds that position. Norman, who started at Keiser about 25 years ago, is also an ordained minister. (Norman did not respond to a LinkedIn message seeking comment.)

Another Keiser president was recently recorded in an angry encounter where he brandished a firearm.

Last month, a post and video from the news agency Storyful [appeared](#) on the Yahoo! News website. The video shows a July 7 confrontation between two cyclists and an SUV driver on route A1A in Palm Beach. The video first appears to show the SUV coming very close to the cyclists, who then follow the vehicle into a parking lot. As the cyclists approach, the driver can be seen holding a gun, then putting it in his pocket, then pulling it out again, as the men argue over their actions and rights on the road. The driver angrily tells the cyclists, “Stay the fuck off the road.” A local TV station did a [report](#) with an interview with the cyclists and excerpts of the video, but with the driver’s face obscured, and with no information about who the man was.



Soon after the video was posted, multiple former Keiser staff who saw the video identified the gun-brandishing motorist to me as Gary Vonk, President of Keiser University’s “Flagship Campus,” located in West Palm Beach. An ex-Keiser executive also noticed a custom Keiser University license plate on the SUV.

On July 28, the *Palm Beach Post* [reported](#) on the encounter and identified Vonk. Vonk denied wrongdoing, and [law enforcement concluded](#) he had done nothing illegal. The bicyclists vowed to pursue the matter.



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From federal data, we know that much more than a billion dollars, and likely multiple billions, in taxpayer money have been spent over the years on student grants and loans provided to Arthur and Belinda Keiser's schools. That also means that the Keisers have been entrusted with the educational and financial futures of tens of thousands of students — veterans, single moms, people of color, immigrants, and others. Many have been struggling people looking to improve their lives. Many did get what they wanted from Keiser's schools in terms of passing certification exams and advancing their careers. But others have been left with nothing but overwhelming debt.

One former Keiser University instructor, having experienced years of her bosses enrolling students who couldn't succeed in the programs, watching people leave with \$45,000 or \$55,000 in debt, faced with "paying off their loans forever," for degrees that did not help them, expressed disgust with Keiser University's motto: "Students First!" The Keisers, this instructor concluded, "don't give a crap about the students."

Given the Keiser operation's record of troubling deals and operations, the Senate committee's 2012 conclusion resonates today: "It is unclear whether taxpayers or students are obtaining value from their investments in the company."

Is Arthur Keiser in Charge at St. Andrews University?

POSTED AT 12:15 PM BY [DAVID HALPERIN](#)



There is ample evidence that controversial, ultra-wealthy for-profit college owner Arthur Keiser, a powerful figure in business and politics, has obtained dominant influence over tiny St. Andrews University, a non-profit liberal arts school in southern North Carolina. Florida-based Keiser University, the largest institution that Arthur Keiser controls, started making multi-million dollar contributions to St. Andrews and its parent school, Florida's Webber International University, in 2018, around the time that most members of those schools' joint board of trustees were replaced, largely, perhaps entirely, by people connected to Arthur Keiser. In addition, St. Andrews/Webber satellite campuses are now sharing locations with campuses of Southeastern

College, a separate for-profit career college owned by Arthur Keiser and his wife, Belinda. And last summer, Ellen Bernhardt, who is still listed in the Keiser University catalogue as a top official of that school, became the interim president of St. Andrews.

Now, alumni of St. Andrews are expressing concern that they are being kept in the dark, that St. Andrews is losing its character and integrity. They believe Ellen Bernhardt may be named the permanent president as soon as this weekend when the trustees are scheduled to meet. Last summer on a Zoom call, Bernhardt spoke bluntly to alums who seemed unready to accept her as the replacement for the institution's beloved long-time president, who had retired. "Get over it," Bernhardt told them.

In August we published an extensive [investigative report](#) describing numerous troubling issues at Arthur Keiser's schools. Keiser University is a career college chain, with programs ranging from health care to business, criminal justice to culinary arts, and some 19,000 students at campuses across the entire state of Florida. Owners Arthur and Belinda Keiser [converted the school from for-profit to non-profit](#) in 2011, in a sketchy deal under which the Keisers continue to run the school — Arthur Keiser is "chancellor and CEO" and his wife is vice chancellor — and the school continues to produce enormous returns for them personally. Relying on accounts from more than fifteen current and former Keiser officials and employees, as well as Keiser students, we wrote about the overlap of personnel and resources between non-profit Keiser University and the Keisers' smaller for-profit Southeastern College; about questionable business dealings between Keiser University and the Keisers and other board members; about recruiting abuses and academic failings at Keiser schools; about law enforcement problems for the school and personal misconduct by Keiser officials; and about Arthur Keiser's political influence.

Keiser has long been a powerhouse in his state's politics, and in federal lobbying efforts to protect for-profit colleges' access to taxpayer dollars. Appointed by congressional Republicans to the main federal advisory

committee on higher education, [NACIQI](#), which will have its [next meeting](#) in early March, Keiser now is the chair of that important panel.

Since we posted the article, another two dozen or so Keiser employees, associates, and students have reached out to me, as recently as this week, to describe continuing abuses at Keiser and Southeastern. Matters alleged, which we continue to investigate, include: relentless demands on recruiters to use high-pressure sales tactics to sign up new students in the COVID-19 era; insistence that admissions staff make their recruiting phone calls from campus during the pandemic, in close quarters and with many staff remaining maskless; enrollment of students who are obviously unprepared to succeed in Keiser programs; pressure on instructors to raise grades so struggling students will stay enrolled; and delays and denials of approvals with respect to an employee tuition reimbursement program, leaving staff members owing tens of thousands to Keiser University for taking classes there.

We also learned of the recent elevation of the Keisers' son [Robert](#) from executive director of their for-profit Southeastern College to executive vice chancellor in charge of Keiser University's graduate school, despite him receiving his [doctorate](#) (from for-profit Capella University) only last year — calling into question again whether Keiser University is being operated like the large, regionally-accredited, non-profit institution it supposedly is, or is instead still being treated like a family business.

Keiser's growing influence on St. Andrews/Webber

St. Andrews University, the apparent increasing focus of Keiser family interest, is a Presbyterian-founded college located in Laurinburg, North Carolina, and, according to its [website](#), a “branch” of another non-profit school, career education-oriented, Babson Park, Florida-based [Webber International University](#). The two schools [merged in 2011](#), when St. Andrews was in financial trouble and at risk of losing accreditation. At the time Webber

had about 750 students, and St. Andrews about 440. Long-time Webber president [Keith Wade](#) is a St. Andrews graduate.

In June of last year, a St. Andrews [press release](#) announced that “Effective immediately, Dr. Ellen Bernhardt has been appointed Interim Campus President for St. Andrews University, a branch of Webber International University.” According to the release, Bernhardt had already been at St. Andrews for two years, holding the title senior vice president of operations and chief operating officer, and she “assumed total leadership responsibility for the campus in November of 2019” when the previous university president, Paul Baldasare, announced his retirement.

Yet, according to the 2020-21 Keiser University [catalog](#), Ellen Bernhardt remains the associate vice chancellor of Keiser University. Bernhardt’s LinkedIn profile lists her Keiser job as her current position. She still can be reached at a Keiser University email address.

Webber International University and St. Andrews share a single board of trustees. Oddly, Arthur Keiser is [listed](#) as a member of that board of trustees in [one version](#) of Webber International University’s 2019-2020 catalogue posted online (as we pointed out in our August 2020 article), but not in [another version](#), even though both are titled “2019-2020 UNIVERSITY CATALOG NUMBER 79.” He’s not included as a trustee on the same list in the [St. Andrews catalogue](#) for that year, and he’s disappeared from the [2020-21 Webber catalogue](#) trustee list as well.

But Keiser may not need to conspicuously keep a board seat himself to have influence. Comparing the Webber and St. Andrews college [catalogues](#) for [2018-19](#) with the ones for 2019-20 and [2020-21](#) reveals that twelve people on the 16-member joint board of trustees left and were replaced in that period by nine new members (not counting Keiser), and at least some of them, maybe all, are tied to Arthur Keiser.

For example, new board member [Ana Waldman](#) is [married to](#) the [brother](#) of [James Waldman](#), the long-time general counsel of Keiser University. New board member [Donald Jones](#) is the retired patriarch of a family that, like the Keisers, has [profited handsomely](#) from operations and deals involving Florida non-profit colleges; an industry executive told me Jones and Keiser have known each other for many years. Another new board member, [Melissa Wade](#), worked for years in the for-profit college industry, according to two former Keiser officials; one said Wade “knows Art for a very long time” but that her real ties are to [Peter Crocitto](#), Keiser’s top lieutenant.

The other new board members — Joe Miranda, [Arvid Albanese](#) (who, like Arthur Keiser, appears to have posted a [five-star review](#) of New Bedford, Massachusetts’ LePage & Sons Roofing), [Sonny Van Arnem](#), Maria Wells (the name of a [south Florida realtor](#) who [actively supported Belinda Keiser’s failed 2018 campaign](#) for state Senate), Ronald Schmidt (a one-time for-profit college executive, [now in real estate](#), and long-time friend of Peter Crocitto, according to a Keiser associate), and Robert Colton, MD (who has served on the [board of directors](#) of the elite private K-12 Pine Crest School, as has [Arthur Keiser](#), class of ’71) — all hail from South Florida, home of Arthur Keiser.

Keiser and Webber/St. Andrews are now also tied financially. The IRS [990 disclosure form](#) filed for 2018 by Everglades College, the non-profit organization that runs Keiser University, [shows](#) that Everglades donated that year \$2.2 million to St. Andrews and \$2.1 million to [Webber](#), in both cases for “PROGRAMS/ADMIN.” The donations from Keiser-controlled Everglades thus appeared to come around the time the Webber/St. Andrews board of trustees was remade with Keiser associates. One could infer that Arthur Keiser bought himself a new governing board.

Marty Martin, a St. Andrews alumni council member who attended St. Andrews for two years before completing his bachelors at the University of North Carolina-Chapel Hill, is now a [Raleigh, NC, lawyer](#) with extensive

expertise in nonprofit organizations and taxation. He says the alumni group was not notified of the radical makeover of board membership or of the millions in Keiser donations.

Martin and other alums told me they believe there is not a single person on the current board of trustees with any affiliation with St. Andrews or its local area.

Meanwhile, there are growing connections between St. Andrews-Webber campuses and those of Keiser's for-profit Southeastern College.

On the [website](#) of its accreditor, SACS, Webber lists the address of an off-campus instructional location, "Webber International University West Palm Beach," as 1756 North Congress Avenue — the same address as the [main campus](#) of Southeastern. It lists another Webber location in Miami Lakes as 17395 Northwest 59th Avenue — also a Southeastern campus location. Webber also lists on the accreditor site three other St. Andrews University locations — in Columbia and North Charleston, SC, and Charlotte, NC — all located at the same addresses as Keiser's Southeastern College ([previously called Southeastern Institute](#)) schools.

More recently the St. Andrews [website announced](#) that the school will this spring begin offering classes in business and health administration (not the full range of liberal arts courses taught on the Laurinburg campus) at a new Charlotte campus. As on the SACS site, the address for the Charlotte campus is listed as 207 Regency Executive Park Drive. Guess what? That's the very [same address](#) as the Charlotte campus of Southeastern College, owned by Arthur and Belinda Keiser.

What's the point?

The purpose of all this new, Keiser-dominated alignment between schools is unclear.

Arthur Keiser and a Keiser University spokesperson did not respond to a request for comment. Ellen Bernhardt and Webber president Keith Wade also did not respond.

It's possible Keiser may be planning a reprise of the controversial deal he did to convert Keiser University: sell a for-profit school, in this case Southeastern, to a non-profit, Webber/St. Andrews, on terms that strongly benefit the Keisers, and then allow for-profit businesses operated by the Keisers to rent buildings and sell goods and services to the non-profit school.

Absorbing Southeastern into Webber/St. Andrews would also upgrade that Keiser school from oversight by the national accreditor ACCSC to the more prestigious regional accreditor Southern Association of Colleges and Schools Commission (SACS), which also oversees Keiser University.

These kinds of [conversion deals](#), pioneered by Keiser and others, and pursued by predatory for-profit operations including [Kaplan](#), [Bridgepoint](#), [Dream Center](#), and [CEHE](#), have allowed for-profit barons to obtain coveted non-profit status and benefits, and escape the stigma and regulations that the for-profit college industry provoked with its bad behavior, while [still making big money](#).

But any such deal might catch the eye of the IRS which, as we previously [reported](#), investigated Keiser University's finances in recent years. Also, congressional oversight of these for-profit to non-profit conversions is [increasing](#), and the new Biden administration may be prepared to look harder at the risks.

So perhaps Keiser is considering options, maybe not a formal merger but other synergies between the institutions that could benefit his bottom line.

Alumni speaking up

Whatever Arthur Keiser has in mind — and some active alumni I spoke with seemed to have no inkling of Keiser's possible designs until they recently read

our article from August 2020 — members of the St. Andrews alumni council are expressing multiple concerns: that interim president Bernhardt is treating them brusquely and making it difficult for them to obtain information about the school's operations and finances; that Bernhardt will be named permanent president at this weekend's trustees meeting; that their school is losing its character entirely.

"Many of us are quite concerned," says Carol Wood, St. Andrews class of '69. Wood and others say that when alumni have asked Bernhardt to provide them with financial documents, such as audited financial statements and IRS 990 returns, Bernhardt, despite the pandemic, has declined to send such documents electronically, instead offering them for review only on the Laurinburg campus, which sits about 110 miles north of coastal cities Wilmington, NC, and Myrtle Beach, SC.

"What are they hiding, and why are they making the financials so hard to see?" asks Wood.

"My concern," says Martin, the non-profit law expert, "would be with transparency and disclosure, the failure to make financial information available, the inherent conflict of having overlapping boards with no input from the St. Andrews community, and what I am beginning to learn about newer board members' affiliations."

"It makes me wonder," Martin added, "what it means for the future of St. Andrews as an independent university."

Even before COVID-19, times were tough financially for many small non-profit colleges. But a fate worse than death for some schools might be to become the unrecognizable playthings of cynical for-profit college empire builders — operators who may conceal the extent of their influence.

A former Keiser executive likened the situation to the “Godfather” movies: “There’s a guy who is the owner of the casino in Vegas, but it’s another guy who really owns it. It’s brilliant, but it’s disgusting.”

One alum described Ellen Bernhardt as responding in a “snippy” manner, not the usual way a non-profit college president speaks to an alumni gathering, when asked on a Zoom call about the possibility of separating St. Andrews from Webber and restoring its independence.

Two alums said that in Bernhardt’s first Zoom conference with alumni as interim president, in June 2020, she said that people on the call who were concerned or upset about her being interim president should “get over it.”

A former Keiser executive who worked with Bernhard and professes to like her says she is “rough around the edges.... When you come from for-profit, non-traditional education, you don’t look at alumni the same way, you don’t treat them the same way.”

Carol Wood sensed the difference. She said that in 1969 the St. Andrews campus was “liberal, welcoming, happy, and academically it was hard — intellectual rigor united us, you were proud you went to St. Andrews.”

“I fear,” she said, “that spirit of St Andrews in getting lost in the new programs” with new campuses in various locations. Future students “will never have experienced St Andrews.”

Wood, whose career has been in education, said that if Bernhardt is named permanent president, “I know if I was a professor there I would make sure my resume is out there.”

Donald “Mick” Meisel, a 1976 graduate and an urban planner living in Hamilton Township, NJ, is vice president of the St. Andrews alumni council. He reports that a council meeting had been set for this weekend, just before the trustees meeting, as is traditional. Concerned about the direction matters

were heading, Meisel prepared resolutions for the council to vote on calling for the addition of trustees with connections to the school, for St. Andrews alumni to serve on a search committee for a new president, and for more openness about the school's financial information.

But the president of the alumni council pushed the meeting back a week, citing his own scheduling conflict.

Multiple alums expressed concern to me that by the time the alumni council meets, Bernhardt's appointment will be a done deal, without their input. Meisel suspects that the decision to make Bernhardt the permanent president was made when she was named as interim leader.

"I'm concerned," Meisel said, "that the alumni were promised 18 months ago that there would be presidential search. Our understanding was that the association with Webber would be a temporary situation that would end when St. Andrews got back on sound financial footing. That path isn't being followed."

From the evidence, it appears that St. Andrews' current path may instead be directed by Arthur Keiser.

UPDATE 02-20-21:

Four hours after we posted this report, the St. Andrews website posted an announcement that it had added to the board of trustees one Frederick McCoy, Jr., a Chapel Hill business executive, a former board member, and "[a] native of Laurinburg, North Carolina." According to the post, "Electing Mr. McCoy to the Board was a unanimous decision."

Then, this morning a reader shared with me some interesting additional information.

First, this excerpt from Webber International University's latest audited financial statement:

Note N – Campus Lease Commitments

...

In September 2011, the University entered into a sale-leaseback arrangement whereby it sold its St. Andrews campus, consisting of certain campus land, buildings, and improvements, including the equestrian center, to Scotland Development Corporation, a North Carolina nonprofit corporation. Concurrent with this agreement, the University entered into a contract to lease the same real estate for an initial term of ten years, with two consecutive five-year renewal options. During the term of the lease, the University is required to pay all executor costs such as taxes, maintenance, and insurance. Monthly rental payments for the St. Andrews campus are \$60,000. The lease is accounted for as an operating lease. Rent expense for the years ended May 31, 2020 and 2019, was \$766,275 and \$854,000, respectively.

In May 2018, the University amended its lease agreement with Scotland Development Corporation to become current on outstanding lease payments owed of \$1,214,000. In addition to the scheduled monthly rent payments of \$60,000, the current outstanding liability shall be repaid at a rate of \$5,000 per month beginning June 1, 2018 until paid in full; with one-half of the remaining balance paid on or before October 1, 2021 and the remaining balance paid on or before October 1, 2022.

Note O – Consulting Agreement

In June 2018, the University entered into a ten year consulting agreement with a non-profit organization for both campuses. Under terms of the agreement, the

organization will provide comprehensive administrative consulting services to the University. Monthly consulting payments are \$16,667 in addition to reimbursing business expenses incurred by the consultant. The monthly consulting payments will be reviewed annually and adjusted to the determined fair market value of consulting services.

The reader helpfully analyzed these provisions:

In other words, Webber was \$1.2 million behind on the lease of St. Andrews' facility and reached a deal to get caught up the same year Everglades opened up its wallet. Also that year, Webber started receiving “comprehensive administrative consulting services” from some unnamed nonprofit (maybe Everglades?). I think the timing corresponds with when Ellen Bernhardt started....

Filings with the [Scotland County Register of Deeds](#) shows [St. Andrews borrowed](#) more than \$600,000 [\$642,000] from Webber in 2017 that it happened to pay back in ... [June](#) of [2018](#).... Between the significant unpaid rent and this loan, it looks like Webber/St. Andrews had a serious need for cash — and that is before Hurricane Florence caused extensive damage to the school. This means they were likely in a position to be receptive to money with strings attached.

UPDATES 02-22-21 6:00 pm:

St. Andrews [tells employees](#) they can't speak to the media without permission from acting president (and Keiser employee) Ellen Bernhardt. Funny though, for this story I *did* reach out to Bernhardt — the only staff member at St. Andrews I contacted — and she didn't respond.

As of February 12, the South Carolina Commission on Higher Education was [considering an application](#) from St. Andrews to offer courses in business

administration, starting in May, to be held at two “off-campus locations” in Columbia and North Charleston, SC. As explained in an internal memo prepared at the commission:

St. Andrews University included in their its application for licensure a signed copy of a memorandum of understanding for use of the facilities proposed at the North Charleston and Columbia campuses. The University entered into an agreement on January 24, 2020 with B.A.R. Education doing business as (DBA) Southeastern Institute and Southeastern College. This agreement establishes the guidelines for a cooperative relationship to facilitate co-location and post-graduation matriculation of students.

UPDATE 05-17-21:

After the *Laurinburg Exchange* newspaper [republished this article](#) in early March, it published an [article](#) based on an interview with Webber International University president Keith Wade. Among Wade’s comments, as reported by the *Exchange*: “First of all, I will say that (the Republic Report) is a blog; anyone can have a blog... There are some libelous points that need attention and there are some points that are correct; they are public record. I’m surprised it’s created the attention it has because it’s merely a regurgitation of what was said in August.... We have a consulting agreement with Everglades, and it’s been a very successful one. But Mr. Keiser has no connection to St. Andrews whatsoever. He probably doesn’t even know anything about the contract we have with his university.”

As I noted above, Wade did not respond to my request for comment before I published this article. As I also noted, among other things, a long-time Keiser University employee, Ellen Bernhardt, is the interim president of St. Andrews; campuses of St. Andrews are now co-located with campuses of Southeastern College, owned by Arthur Keiser; and Keiser was previously listed as a board member of Webber, which is also the governing board of St. Andrews. So

Wade's statement that Keiser "has no connection to St. Andrews whatsoever" is ludicrous.

UPDATE 06-15-21:

In a [letter](#) sent last night, Rep. Kathy Manning (D-NC), writes to U.S. Secretary of Education Miguel Cardona: "In the last few years, St. Andrews's nonprofit legacy has been threatened as for-profit college operator Arthur Keiser and his associates exert control over St. Andrews through what one expert characterized as a 'hostile takeover.'" Manning asks Cardona to report on "what steps have been taken to ensure that St. Andrews continues to operate as a bona fide nonprofit as defined by ED regulations?"

UPDATE 06-24-21:

Both [Arthur Keiser](#) and Webber president [Keith Wade](#) have now sent letters to Rep. Manning regarding her letter.

Each insists that Arthur Keiser was never a member of the Webber / St. Andrews board of trustees, but they don't explain why, as we noted above, a Webber catalogue for 2019-20 [listed Keiser as a member of that board](#).

Keiser and Wade also spin various facts noted by Manning, such as Keiser asserting that he has "no professional relationships" with any of the new trustees, and Wade arguing that it's meaningless to assert that some of the new trustees are "connected" to Keiser and that there are no conflicts of interest. That's all, frankly, just silly if you look at the evidence above about people like Ana Waldman, the sister-in-law of Keiser's long-time general counsel — these are people tied to Arthur Keiser. As Chico Marx, disguised as Groucho Marx, [asked Margaret DuMont](#), "Who ya gonna believe, me or your own eyes?"

Keiser does admit, "Keith Wade, President of WIU requested my input regarding potential board members and I recommended the names of

potential candidates.” This occurred in the period when Keiser-controlled Everglades/Keiser University was giving roughly \$11 million to help keep Wade’s schools going, so I don’t think Wade was just casually seeking suggestions.

Most of the rest of these Keiser and Wade letters are also spin, rather than actual refutation of any factual assertions.

Wade also attacks the St. Andrews’ graduates who question Keiser’s role as “elitist alumni who wish to hoard the transformational value of a college education.”

UPDATE 08-03-21:

In the wake of St. Andrews terminating the school’s alumni council, which had become a center of concern about the Keiser takeover, and replacing it with a new council, members of the previous council launched a website, <https://www.standrewsfriendsnc.com>.