

United States Senate

WASHINGTON, DC 20510

February 14, 2022

Ms. Lisa Brown
General Counsel
U.S. Department of Education
400 Maryland Avenue, SW
Washington, D.C. 20202

Dear Ms. Brown:

We write to express concerns regarding a longstanding conflict of interest that undermines the integrity of the National Advisory Committee on Institutional Quality and Integrity (NACIQI)—Dr. Arthur Keiser’s role as Chair.

Members of Congress have raised Dr. Keiser’s conflicts of interest with the U.S. Department of Education (Department) previously. In 2018, many of us wrote to your predecessor to highlight that, while a NACIQI review of disingenuous for-profit to nonprofit conversions was needed urgently, Dr. Keiser should not have chaired NACIQI’s response.¹ Dr. Keiser used his NACIQI platform to defend the questionable conversion over which he presided.

His 2011 Keiser University-Everglades College conversion was (and continues to be) a prime example of a so-called “covert for-profit.”² The nonprofit Everglades College—which Keiser led—agreed to pay \$521 million to acquire Keiser’s own for-profit Keiser University. In the first year following the conversion, Dr. Keiser and his family members received payments totaling \$34 million from the “nonprofit” college.³ A Government Accountability Office (GAO) report from April 2021 highlighted this conversion as requiring additional scrutiny and protections. GAO further noted insider-driven conversions led to nearly \$2 billion in potentially improper taxpayer costs.⁴

Further, under Dr. Keiser’s leadership, NACIQI actively took steps to penalize an accreditor that tried to pursue more robust oversight of conversions. When the Higher Learning Commission (HLC) acted to withdraw accreditation from two Art Institutes campuses following a close review of Dream Center’s conversion transactions, NACIQI took steps toward penalizing HLC. At the time, several of us wrote to the Department raising concerns over these actions.⁵

¹ Letter from Senators Warren, Murray, Blumenthal, Durbin, & Brown, May 9, 2018, to Carlos G. Muniz, General Counsel, U.S. Department of Education. [2018.05.09 Letter to Carlos Muniz re Dr. Arthur Keiser Chairman of NACIQI.pdf \(senate.gov\)](https://www.senate.gov/imo/media/doc/letter/2018/05/09/2018.05.09%20Letter%20to%20Carlos%20Muniz%20re%20Dr.%20Arthur%20Keiser%20Chairman%20of%20NACIQI.pdf).

² R. Shireman, September 22, 2015, “The Covert For-Profit,” The Century Foundation, <https://tcf.org/content/report/covert-for-profit/>.

³ *Ibid.*

⁴ United States Government Accountability Office, April 20, 2021, *IRS and Education Could Better Address Risks Associated with For-Profit College Conversions*, <https://www.gao.gov/assets/gao-21-500t.pdf>.

⁵ <https://www.durbin.senate.gov/newsroom/press-releases/durbin-blumenthal-brown-call-for-delay-of-naciqi-review-of-higher>

Reviews of that conversion by the U.S. House of Representatives Committee on Education and Labor and by the Department's Office of Inspector General found egregious violations in the Department's handling of that conversion, underscoring the importance of HLC's actions.⁶

Most recently, at the July 2021 NACIQI meeting, Department ethics standards required Dr. Keiser to recuse himself from consideration of the Accrediting Commission of Career Schools and Colleges (ACCSC) given that ACCSC accredits Southeastern College, which he owns. During his recusal, fellow NACIQI members discussed the accreditor's student outcomes, ultimately recommending a shorter period of recognition than the standard five years. Upon returning from his recusal, Dr. Keiser used his authority as chair to chastise other NACIQI members for considering outcomes information not directly provided by Department officials.⁷ He chose to make such comments as a "point of personal privilege" despite his recusal—and that NACIQI was well within its authority to discuss the student outcomes issues raised by members.

Once again, Dr. Keiser chose to use his post of leadership as a bully pulpit to undermine NACIQI's role as the watchdog of the watchdogs. Rather than focusing on ensuring the quality of accrediting bodies and the interests of students, Dr. Keiser has used his position to protect his own interests. Considering longstanding concerns over Dr. Keiser's conflicts of interest, self-dealings, and predatory practices—all of which contradict the role and purpose of NACIQI—we urge additional scrutiny of Dr. Keiser's record and conduct as NACIQI chair by the Department and NACIQI itself.

Thank you for your consideration. We look forward to your prompt response.

Sincerely,



Richard J. Durbin
United States Senator



Sherrod Brown
United States Senator

⁶ Committee on Education and Labor, U.S. House of Representatives, July 2020, *Shattered Dreams: Examining the Education Department's Role in the Misconduct of Dream Center Education Holdings*.

<https://edlabor.house.gov/imo/media/doc/Shattered%20Dreams%20Examining%20the%20Education%20Departments%20Role%20in%20the%20Misconduct%20of%20Dream%20Center%20Education%20Holdings1.pdf>; Office of Inspector General, U.S. Department of Education, June 29, 2020, *Inspection of the Department's Activities Surrounding the Sale of Postsecondary Schools to Dream Center Education Holdings*.

<https://www2.ed.gov/about/offices/list/oig/auditreports/fy2021/i05t0010.pdf>.

⁷ NACIQI minutes, July 28, 2021, p. 2. https://sites.ed.gov/naciqi/files/2021/08/NACIQI-Meeting_Day-2_July-27-29-2021-Transcript_Final.pdf



Elizabeth Warren
United States Senator

CC: Members, National Advisory Committee on Institutional Quality and Integrity