David Halperin, Attorney & Counselor December 8, 2023

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 November 6, 2023, 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 compliance report that the Department has requested from the Southern Association of Colleges and Schools, Commission on Colleges ("SACSCOC" or "SACS"), and that the Federal Register notice states is on the agenda for the winter 2025 meeting of the Department's National Advisory Committee on Institutional Quality and Integrity ("NACIQI"). The Federal Register notice states that the SACS compliance report relates to "findings of noncompliance with certain criteria in 34 CFR part 602 identified in the November 7, 2022, letter from the SDO following the July 19, 2022, NACIQI meeting."

As far as I know, the public does not have access to a compliance report from SACS or even any confirmation that such a report has been submitted, as the SDO required within twelve months of his November 2022 decision. Nor does the public have access to any written response from the Department, if one exists, or any subsequent communications.

Although I lack access to these relevant materials, in this comment I can, at least: (1) reaffirm the concerns that led me to raise issues about SACS in an August 2021 letter to the Department; and (2) provide critical new information that I have obtained or has been made public since August 2021. I also will describe what I think the Department should look for in evaluating whether SACS is in compliance with applicable Criteria for the Recognition of Accrediting Agencies.

Specifically, I am following up on my letter to the Department dated August 9, 2021<sup>2</sup>, which I sent in response to the Department's request for third-party comments in advance of the July 19, 2022, NACIQI meeting. In that letter I raised concerns regarding SACS's oversight 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"). In that letter I described extensive evidence that, I argued, required the Department not to approve the renewal of

<sup>1</sup> 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.

<sup>&</sup>lt;sup>2</sup> https://www.republicreport.org/wp-content/uploads/2021/08/David-Halperin-comments-ED-SACS-08-09-21.pdf

recognition of SACS until and unless the agency could 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.

I argued that this evidence showed that SACS either knew or should have known about numerous failures of the three schools to meet SACS own accrediting standards, and failures 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 in the letter, SACS appeared to have violated the Department's criteria.

I further argued that, 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 its schools, particularly the three schools, meet the standards 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 and repeated failure to comply with the standards.

Subsequent evidence has emerged since my August 2021 letter that indicates further abuses at the three schools and further evidence that SACS has failed to address these abuses in an appropriate manner.

SACS accredits many fine schools, public and private, large and small, and of course the Department should not evaluate any accreditor 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 without consequence. The facts related to the three schools indicate that these challenges are not simply a one-off error related to a few institutions that fail to meet SACS standards; rather, the problem appears to be a broader failure of SACS to ensure that all of its institutions meet the required standards.

### Department of Education proceedings concerning SACS

At the July 19, 2022, NACIQI meeting, NACIQI member Robert Shireman, who repeatedly cited my August 2021 letter to the Department, as well as other information, extensively questioned representatives of SACS about the acquisition by non-profit Everglades College, Inc., of then-for-profit Keiser University, and the continuing financial relationships between the Everglades non-profit and for-profit entities owned by Keiser University "Chancellor and CEO" Arthur Keiser, former owner of Keiser University.<sup>3</sup> At the meeting, I also delivered a public comment about SACS and Keiser.<sup>4</sup>

At the end of that discussion at the NACIQI meeting, Belle Wheelan, the president of SACS, seemed to pledge to take seriously the issues related to Keiser: "Regarding Mr. Halperin's comments... Keiser, I believe, is about to do their fifth year review. And the financial

<sup>&</sup>lt;sup>3</sup> U.S. Department of Education, NACQI meeting transcript, July 21, 2022. <a href="https://sites.ed.gov/naciqi/files/2022/08/Transcription\_NACIQI-Day-3-revised\_2022-07-21.pdf">https://sites.ed.gov/naciqi/files/2022/08/Transcription\_NACIQI-Day-3-revised\_2022-07-21.pdf</a> Shireman and I are long-time colleagues and friends.

<sup>&</sup>lt;sup>4</sup> https://www.republicreport.org/2022/accreditor-sacs-fails-to-stop-abuses-at-keiser-university/

and personnel issues that you identified would be a part of that review, so we'll go back and see if there's anything there. I still say that we were found in compliance with our process eleven years ago when this case came to be an issue. But we will do our due diligence this time in reviewing them again."

The November 7, 2022, letter<sup>5</sup> from the Senior Department Official addresses the SACS / Keiser issue by directing SACS to include in its compliance report the following:

I also ask that you respond to the concerns raised by Mr. Shireman at the NACIQI meeting (see, NACIQI Transcript, Day 3, page 218, et seq.) with respect to SACSCOC's oversight of the potential conflicts of interest and tax issues surrounding the transition from the for-profit Keiser University to the not-for-profit Everglades College and University. Please provide: (1) information about your procedures for monitoring institutions undergoing such transitions and addressing conflicts of interest, and how those procedures are consistent with the monitoring requirements under section 602.19 and substantive change requirements under section 602.22; (2) how those procedures and standards were applied with respect to Keiser University; and (3) how they have been used in other circumstances.<sup>6</sup>

## Relevant public information regarding the three schools

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 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."

Since the Senate report, information indicating violation of SACS standards at the three schools has been presented in articles in the *New York Times*<sup>8</sup> and *Miami Herald*, 9 reports by the

<sup>&</sup>lt;sup>5</sup> <u>https://surveys.ope.ed.gov/erecognition/#/public-documents;</u> <u>https://www.republicreport.org/wp-content/uploads/2023/11/SACS-Decision-Letter Oct-2022 revised-1.pdf</u>

<sup>&</sup>lt;sup>6</sup> The SDO letter directed that SACS provide its compliance report, addressing the Keiser issue as well as other issues, "no later than 12 months from the date of this letter"; the letter was dated November 7, 2022, although the SDO's electronic signature has a date of November 18, 2022.

<sup>&</sup>lt;sup>7</sup> 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, <a href="https://www.govinfo.gov/content/pkg/CPRT-112SPRT74931/pdf/CPRT-112SPRT74931.pdf">https://www.govinfo.gov/content/pkg/CPRT-112SPRT74931.pdf</a>;

https://www.help.senate.gov/imo/media/for profit report/PartII/Keiser.pdf

<sup>&</sup>lt;sup>8</sup> Patricia Cohen, "Some Owners of Private Colleges Turn a Tidy Profit by Going Nonprofit," *New York Times*, March 2, 2015, <a href="https://www.nytimes.com/2015/03/03/business/some-private-colleges-turn-a-tidy-profit-by-going-nonprofit.html">https://www.nytimes.com/2015/03/03/business/some-private-colleges-turn-a-tidy-profit-by-going-nonprofit.html</a>

<sup>&</sup>lt;sup>9</sup> 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

Century Foundation<sup>10</sup>, a 2021 hearing before the House Education and Labor Committee,<sup>11</sup> and other sources.

Regarding St. Andrews, U.S. Representative Kathy Manning (D-NC) wrote a letter to Secretary Cardona in June 2021, 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."<sup>12</sup>

Also, critically, a January 30, 2022, letter from Representative Bobby Scott (D-VA), then the chair of the House Education & Labor Committee, to Secretary Cardona revealed, citing a letter from Everglades College to the Committee, "According to Everglades College itself, the IRS found in 2014 and 2015 that some of the leases with Keiser-related companies were above fair market value and imposed an excise tax as well as unrelated business income taxes as a result." In other words, the Internal Revenue Service imposed a penalty on the school for improperly steering profits to Arthur Keiser by entering into leases above fair market value with Keiser-related for-profit companies. Representative Scott concluded, "the owner and the owner's family, substantially benefit from the earnings of the institution in violation of the principles of what makes an institution a nonprofit. Dr. Keiser, his family members, and related businesses have received millions of dollars since 2011 from loan payments, rental properties, and contracts to provide goods and services to Everglades College, including at above fair market values."

On February 14, 2022, senators Dick Durbin (D-IL), Elizabeth Warren (D-MA), and Sherrod Brown (D-OH) wrote to the Department criticizing Keiser University's abuse of non-profit status and self-dealing related the schools. <sup>14</sup> On February 18, 2022, Representative Mark Takano (D-CA), the House Veterans Affairs committee chair, as well as North Carolina Democratic representatives Alma Adams and Kathy Manning, sent a similar letter to the Department. <sup>15</sup>

I have been raising concerns about the three schools for many years. I reference below two investigative articles I published in 2020 and 2021 that contain detailed information based on extensive investigations I conducted, including the review of numerous documents and interviews with more than 50 people associated with these institutions. Since I wrote to the Department in advance of the NACIQI meeting, I have published a number of additional articles regarding the three schools, and I also reference two of those articles below.

<sup>&</sup>lt;sup>10</sup> Robert Shireman, "The Covert For-Profit," The Century Foundation, September 22, 2015, https://tcf.org/content/report/covert-for-profit/

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

<sup>12</sup> https://www.republicreport.org/wp-content/uploads/2021/06/Rep.-Manning-ED-Letter-St.-Andrews.pdf

<sup>&</sup>lt;sup>13</sup> Letter from Rep. Bobby Scott to Secretary Miguel Cardona, January 30, 2022 (erroneously dated 2021). https://www.republicreport.org/wp-content/uploads/2022/01/2022.01.31-RCS-Ltr-to-ED-re-Everglades-College.pdf

<sup>14</sup> https://www.republicreport.org/wp-content/uploads/2022/02/2.14.22-ED-NACIQI-Charimanship-Letter.pdf

<sup>15</sup> https://www.republicreport.org/wp-content/uploads/2022/03/Manning-Adams-Takano-letter-to-ED-re-Keiser.pdf

I indicate below 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.

Articles I have published regarding Keiser-affiliated institutions include:

- "Inside Arthur Keiser's College Empire: Troubling Evidence," *Republic Report*, August 6, 2020, <a href="https://www.republicreport.org/2020/inside-arthur-keisers-college-empire-troubling-evidence/">https://www.republicreport.org/2020/inside-arthur-keisers-college-empire-troubling-evidence/</a> (Article 1)
- "Is Arthur Keiser in Charge at St. Andrews University?," *Republic Report*, February 19, 2021, <a href="https://www.republicreport.org/2021/is-arthur-keiser-in-charge-at-st-andrews-university/">https://www.republicreport.org/2021/is-arthur-keiser-in-charge-at-st-andrews-university/</a> (Article 2)
- "Predatory Abuses Continue At Keiser University," *Republic Report*, April 12, 2023, <a href="https://www.republicreport.org/2023/predatory-abuses-continue-at-keiser-university/">https://www.republicreport.org/2023/predatory-abuses-continue-at-keiser-university/</a> (Article 3)
- "When It Comes to Compliance, Keiser University Keeps Flunking." *Republic Report*, June 13, 2023, <a href="https://www.republicreport.org/2023/when-it-comes-to-compliance-keiser-university-keeps-flunking/">https://www.republicreport.org/2023/when-it-comes-to-compliance-keiser-university-keeps-flunking/</a> (Article 4)

Rather than pasting the texts of all those articles into this letter, I encourage you to review them at the links provided.

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.

Importantly, the Department's own regulations emphasize the importance of monitoring nonprofit institutions on an ongoing basis, rather than only when they are initially approved to participate as a non-profit entity, to ensure continued compliance. Even in the event that, as Ms. Wheelan suggested at the NACIQI meeting, institutions like Keiser were determined to be in compliance with SACS standards at the time of review, the Department must determine that an accreditor's ongoing monitoring process is adequate to ensure institutions are in compliance even years later. Moreover, the Department should ensure that, if SACS's standards were inadequate or ineffective at identifying or assessing these deficiencies in compliance at the time of review, that those standards have been adequately updated to ensure their effectiveness with respect to institutions going forward.

# The Department's criteria

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

<sup>&</sup>lt;sup>16</sup> For instance, recently published regulations at 34 CFR 668.14(g)(2) require any institution certified as a non-profit institution or that undergoes a conversion to non-profit status to report on any IRS, state, or foreign country communications related to the tax-exempt or non-profit status within 10 business days for the entirety of the time they participate in the Federal student aid programs as a non-profit institution – even after being initially certified or approved for a conversation to non-profit status.

• 34 CFR Sec. 602.19<sup>17</sup> ("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, changes in the legal status, form of control, or ownership of the three schools have been associated with conflicts of interest 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 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: <a href="https://sacscoc.org/accrediting-standards/">https://sacscoc.org/accrediting-standards/</a>, with the most recent (2018) articulation of the standards here: <a href="https://sacscoc.org/app/uploads/2019/08/2018PrinciplesOfAcreditation.pdf">https://sacscoc.org/app/uploads/2019/08/2018PrinciplesOfAcreditation.pdf</a>

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 1:

The institution operates with integrity in all matters.

See my *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. alleged use of staff of non-profit Keiser University to engage in political fundraising, in apparent violation of IRS rules (see my Article 4);
- 4. the extensive business dealings between the non-profit Keiser schools and businesses owned by members of the non-profit board, including Arthur Keiser;
- 5. the Internal Revenue Service review of Keiser University / Everglades College compliance with non-profit standards;
- 6. the IRS finding, as described in Rep. Scott's January 2022 letter, that leases with Keiser-related companies were above fair market value, and the IRS's imposition of an excise tax as well as unrelated business income taxes as a result;
- 7. Keiser University's 2012 settlement of an investigation by the Florida attorney general under the state's Deceptive and Unfair Trade Practices Act;
- 8. 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;
- 9. a 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; the case was settled in 2022<sup>18</sup>;
- 10. possible misrepresentation by Keiser staff to a SACS visiting team regarding conditions at the Keiser University campus in Shanghai, China;
- 11. deceptive and predatory recruiting practices at Keiser University, as alleged by current and former staff members;
- 12. sexual misconduct by Keiser University campus leaders;
- 13. 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; Arthur Keiser now says that Keiser University "has stepped away from our support of Webber/St. Andrews," but SACS is still expected under the Criteria to hold Keiser University accountable for its conduct with respect to St. Andrews;
- 14. the recent placement of multiple Keiser University programs on warning, probation, or show cause status by three different programmatic accreditors due to concerns about matters including program effectiveness and certification exam passage rates (see my Article 4).

### 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,

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<sup>&</sup>lt;sup>18</sup> "College Head Arthur Keiser Settles Lawsuit With Mother, Who Claimed Fraud and Theft," *Republic Report*, April 8, 2022, <a href="https://www.republicreport.org/2022/college-head-arthur-keiser-settles-lawsuit-with-mother-who-claimed-fraud-and-theft/">https://www.republicreport.org/2022/college-head-arthur-keiser-settles-lawsuit-with-mother-who-claimed-fraud-and-theft/</a>

<sup>19</sup> Pam Kelley, "The college that refused to die," The Assembly, August 16, 2023, <a href="https://www.theassemblync.com/education/higher-education/st-andrews-university-survival/">https://www.theassemblync.com/education/higher-education/st-andrews-university-survival/</a> Keith Wade, the president of Webber International University, the parent school of St. Andrews, defended the replacement of much of the Webber / St. Andrews board with associates of Arthur Keiser, engineered the co-location of St. Andrews satellite campuses in North Carolina and South Carolina with campuses of Southeastern, replaced the alumni association that criticized Keiser, and nevertheless insisted that Arthur Keiser "has no connection to St. Andrews whatsoever." <a href="https://www.republicreport.org/2021/is-arthur-keiser-in-charge-at-st-andrews-university/">https://www.republicreport.org/2021/is-arthur-keiser-in-charge-at-st-andrews-university/</a> Webber, in a December 6, 2023, press release, says that Dr. Nelson Marquez is the new President and CEO of Webber and continues, "Dr. Marquez replaces Dr. H. Keith Wade who has served as the University's President/CEO since 2008. The Board and the University communities of Webber in its Florida and North Carolina campuses would like to thank Dr. Wade for his years of service and wish him well." <a href="https://www.webber.edu/webber-international-university-board-of-trustees-appoints-new-president-ceo/">https://www.webber.edu/webber-international-university-board-of-trustees-appoints-new-president-ceo/</a>

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 focused on reserving key, high-paying jobs for family members.

### 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"; my article 3 section entitled "Predatory recruiting in the Keiser U. online division and at campuses"; and my article 4.

The evidence indicates that the three schools have acted with impunity for years (St. Andrews, as far as I know, only after Arthur Keiser obtained influence there), flouting a wide

range of rules and standards that are supposed to govern them. The question that 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?

## What SACS compliance should look like

Given the extensive, repeated, and long-running abuses at the three schools associated with Arthur Keiser, the Department's decision about whether SACS meets federal requirements should depend on whether the evidence shows that SACS's standards are effectively enforced. In the case of these schools, this would mean actions including:

- 1. SACS requiring Everglades College to retain a new, independent auditor, whose selection must be approved by SACS and the U.S. Department of Education, to reexamine the 2011 transaction for the sale of Keiser University from the Keiser family to Everglades College and any subsequent modifications to the agreement, and publicly issue a report regarding the fairness of the deal; and, if, in the judgment of SACS, the deal does not or did not adequately reflect the value of the school and/or SACS standards, require modifications as a condition of continued accreditation;
- 2. SACS requiring Everglades College to retain an independent monitor, whose selection must be approved by SACS and the U.S. Department of Education, to ensure an appropriate separation between its activities, resources, and personnel time, and those of for-profit Southeastern College; or, in the alternative, SACS requiring Everglades College / Keiser University and Southeastern to have separate leadership and stop sharing personnel, facilities, and resources within a specified time period, perhaps two years;
- 3. SACS prohibiting Everglades College, Keiser University, and Everglades University from business dealings with entities owned or operated by executives or board members of those schools, including but not limited to Arthur Keiser, Belinda Keiser, and Robert Keiser, within a specified time period, perhaps two years;
- 4. SACS requiring Everglades College / Keiser University to retain an independent monitor, whose selection must be approved by SACS and the U.S. Department of Education, to ensure that it is not engaging in deceptive and predatory recruiting practices.

Alternatively, if the Department somehow is unwilling to enforce its accreditor criteria by expecting SACS to uphold its standards with respect to the Keiser schools, then the Department should use its authorities and leverage, including through program participation agreements with the Keiser schools, to impose these accountability measures.

I will conclude by noting, again, 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. In this case, I would presumably have benefitted, before submitting my comment, whose deadline is today, from reading the

compliance report that was due from SACS last month, and any subsequent exchanges between SACS and the Department. In general, more complete and timely release of accreditation information would be of great value to advocates, researchers, students, Members of Congress, and others, including with respect to public comments regarding Department decisions on accrediting bodies.<sup>20</sup>

There may be more information in the possession of various Department offices, including the Office of Federal Student Aid, that is relevant to the concerns I have raised, and I encourage you to collect all the relevant information as part of this inquiry.

Thank you for taking the time to consider my comments. I would be pleased to discuss these matters further and provide additional information at your request.

Sincerely,

David Halperin

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<sup>&</sup>lt;sup>20</sup> See David Halperin, "The Department of Education Is Still Concealing the Public's Business," *Republic Report*, July 16, 2021, <a href="https://www.republicreport.org/2021/the-department-of-education-is-still-concealing-the-publics-business/">https://www.republicreport.org/2021/the-department-of-education-is-still-concealing-the-publics-business/</a>