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December 6, 2024

Secretary Miguel Cardona
Mr. Herman Bounds, Director, Accreditation Group
U.S. Department of Education
400 Maryland Ave SW
Washington, DC 20202
Via email to: ThirdPartyComments@ed.gov

Re: Written Comments - Accrediting Commission of Career Schools and Colleges

Dear Secretary Cardona and Mr. Bounds:

I write in response to the call for third-party comments in the Department of Education’s notice entitled “Accrediting Agencies Currently Undergoing Review for the Purpose of Recognition by the U.S. Secretary of Education” dated November 6, 2024. My comments concern the Accrediting Commission of Career Schools and Colleges (ACCSC).

The Department should demand better performance from ACCSC. The Department should limit its renewal of ACCSC to a single year, with a requirement that it demonstrate prompt compliance.

The last time ACCSC was up for renewal, in 2021, the Department, citing failures by ACCSC in curbing long-running abuses at a predatory college operation, the Center for Excellence in Higher Education (owner of now-closed Independence University and other schools), delayed renewal of recognition, required ACCSC to explain its conduct, and ultimately extended ACCSC for three years instead of five — although the way the process went forward, the practical effect, disappointingly, was a five year renewal.¹

ACCSC has continued to fail in its role as a gatekeeper for student outcomes and taxpayer dollars, because it continues to accredit schools that engage in deceptive practices and offer low-quality educations at high prices. In violation of 34 CFR §602.20, ACCSC often fails to apply its own standards in an adequate or timely manner to address these schools.

¹ <https://www.republicreport.org/2021/education-dept-delays-renewal-of-for-profit-college-accreditor/>;
<https://www.republicreport.org/2024/questioned-by-education-dept-accreditor-accsc-attacked-its-critics/>

Data shows many ACCSC schools have left students worse off than when they started.²

I endorse in its entirety a comment submitted to the Department on December 5, 2024, by the non-profit organization Veterans Education Success.³ That comment cites facts included in investigative articles I have published in recent years on my website *Republic Report* – articles that document failures of oversight by ACCSC.

Below I summarize key matters of concern regarding ACCSC, with links to more detailed information, including in articles I have published.

International Education Corporation

In November 2024, ACCSC renewed approval of four for-profit colleges owned by California-based International Education Corp. (IEC), a company that was forced to shut down many of its campuses in the past year after a Department of Education investigation revealed the schools were rigging student entrance exams and engaging in other fraudulent conduct. By memorandum⁴ dated November 15, ACCSC noticed the public that it had renewed accreditation of four IEC-owned schools for five years, which is the maximum period of renewal that ACCSC grants to colleges. Three of the schools — in Gardena, Riverside, and Sacramento, California — are branded as UEI College, while the fourth, called United Education Institute, is in Las Vegas.

In February 2024, the Department had terminated financial aid eligibility⁵ to another IEC-owned chain called Florida Career College (which had a different accreditor), and the school closed. As part of the resolution of that matter, the CEO of IEC, Fardad Fateri, stepped down. The Department acted⁶ because it found, as described in a detailed 38-page letter⁷ sent to FCC in April 2023, blatant cheating at FCC on “ability-to-benefit” entrance exams for students without a high school diploma.

My news website, *Republic Report*, relying on interviews with numerous FCC staff, had first exposed⁸ that long-running rampant misconduct, along with other blatant recruiting and financial abuses, at FCC. FCC’s misbehavior lured numerous students — veterans, single parents, immigrants, and other struggling Americans — into low-quality school programs that left them deep in debt and without the career advancement they sought.

The Department’s February settlement agreement with IEC⁹ indicated that the Department had an open investigation of potential violations at UEI similar to those found at FCC. The settlement

² <https://www.thirdway.org/blog/should-this-college-accreditor-be-in-charge-of-assessing-educational-quality>

³ <https://vetsedsuccess.org/our-letter-to-the-department-of-education-re-accrediting-commission-of-career-schools-and-colleges/>

⁴ <https://www.accsc.org/wp-content/uploads/2024/11/ACCSC-November-15-2024-Public-Notice.pdf>

⁵ <https://www.republicreport.org/2024/education-dept-deal-ousts-ceo-who-ran-florida-career-college/>

⁶ <https://www.republicreport.org/2023/education-department-will-terminate-aid-to-florida-career-college/>

⁷ https://www.republicreport.org/wp-content/uploads/2023/04/FCC-4.11.23-redacted-2_Redacted.pdf

⁸ <https://www.republicreport.org/2020/ex-employees-florida-career-college-enrolled-anyone-with-a-pulse/>

⁹ <https://www.ed.gov/sites/ed/files/policy/gen/leg/foia/final-settlement-agreement-IEC.pdf>

barred UEI from administering ATB tests going forward. As part of the settlement, the Department agreed to end its investigation of UEI, if UEI complied with the settlement agreement. That investigation of UEI is apparently now over.

However, a September 2023 letter from ACCSC to IEC revealed¹⁰ that the company was also under investigation by California’s attorney general. It is unclear whether that investigation remains open.

Soon after the Department announced in April 2023 that it was moving to cut off federal student aid to FCC, ACCSC placed UEI College and International Education Corp. on “System-Wide Warning” status, citing¹¹ the Department’s findings that senior IEC leaders knew of and encouraged the cheating, and also citing IEC’s alleged failure to inform ACCSC of the Department’s investigation in a timely manner. ACCSC also noted that IEC had voluntarily halted ability-to-benefit testing and enrollment at UEI; the accreditor’s May 2023 order included a requirement that such testing and enrollment be suspended — suggesting already that there might be questions about ATB testing at UEI.

Yet now ACCSC has renewed accreditation for IEC/UEI schools for the maximum period, the same renewal that it would grant to the best-behaving schools. The renewals are effective back to dates in 2020 and 2022, reflecting in part that ACCSC delayed decisions on renewal while the schools were being evaluated, so the schools must seek renewal again soon. But it is fair to ask whether the full five-year renewals were appropriate, or whether, instead, ACCSC continues to tolerate college abuses, to the detriment of both students and of the U.S. taxpayers who support the hundreds of millions in federal financial aid that have flowed to ACCSC schools.

Atlantis University / Florida Palms University

As *Republic Report* first reported, in July 2023, ACCSC had watched while Atlantis University, a Miami-based for-profit school, acted in blatant violation of an ACCSC rule governing the use of “branch campuses” tied to a school’s central campus.¹² **Atlantis’s executive director was, at the time, the chair of ACCSC.**

The Atlantis branch campus, called Florida Palms University, shut down soon after our report.¹³ ACCSC then put Atlantis on warning status, via a letter that, as we noted at the time, was heavily redacted in the version released to the public.¹⁴ Whatever problems the many blacked-out passages of the October 2023 letter concealed stood in sharp contrast to ACCSC’s unconditional five-year renewal of Atlantis in December 2022. ACCSC removed Atlantis from warning status by February 2024.

¹⁰ <https://www.republicreport.org/2023/florida-career-colleges-owner-faces-more-scrutiny-from-feds-california-accreditor/>

¹¹ <https://www.republicreport.org/wp-content/uploads/2023/05/IEC-SW-Warning-Redacted.pdf>

¹² <https://www.republicreport.org/2023/college-run-by-accsc-chair-seems-to-violate-accsc-rules/>

¹³ <https://www.republicreport.org/2023/florida-palms-university-has-closed/>

¹⁴ <https://www.republicreport.org/2023/accsc-puts-atlantis-university-on-warning-citing-compliance-issues/>

Hussian College

In June 2023, another ACCSC-accredited school, for-profit Hussian College, suddenly shut down.¹⁵ In June 2022, ACCSC had put Hussian on system-wide warning, citing concerns about student achievement at the schools. But ACCSC removed the warning and renewed Hussian's accreditation in December 2022. In September 2024, the owners of Hussian sued the school's former CEO for an alleged conspiracy to defraud the company and embezzle millions of dollars.¹⁶

Paier College

ACCSC is also the accreditor of troubled Connecticut-based for-profit Paier College¹⁷, which faces possible closure¹⁸ after losing access to federal student aid and having been sued for deceptive practices by the state's attorney general. ACCSC placed Paier on warning status in December 2023, citing low graduation rates and weak validation of faculty credentials. But that action by ACCSC came only just after the school, facing scrutiny from the U.S. Department of Education, voluntarily withdrew from eligibility for federal student grants and loans.

Career College of Northern Nevada

Another ACCSC school, for-profit Career College of Northern Nevada, abruptly closed in February 2024¹⁹, replacing its website with a closure notice and literally locking students out of the building.

Southeastern College

ACCSC also accredits Florida's for-profit Southeastern College. There is much evidence suggesting that that school, owned by ultra-rich Floridians Arthur and Belinda Keiser, effectively receives improper subsidies from Keiser University²⁰, a non-profit college controlled by the Keisers.²¹ ACCSC has taken no action, as far as the public knows.

Reduced transparency

Also of concern is that, in the past year, when ACCSC was faced with unwanted public scrutiny, it acted by reducing the transparency of its actions.

After *Republic Report* had repeatedly been able to learn valuable information about the bad behavior of some ACCSC-accredited schools through the public release of detailed letters from

¹⁵ <https://www.republicreport.org/2023/for-profit-hussian-college-is-shutting-down/>

¹⁶ <https://www.republicreport.org/wp-content/uploads/2024/12/20240904-Filed-Complaint-Copy.pdf>

¹⁷ <https://www.republicreport.org/2024/troubled-for-profit-paier-college-keeps-recruiting-students/>

¹⁸ <https://www.insidehighered.com/news/quick-takes/2024/10/01/connecticut-denies-paier-colleges-authority-operate>

¹⁹ <https://www.republicreport.org/2024/for-profit-career-college-of-northern-nevada-abruptly-shuts-down/>

²⁰ <https://www.republicreport.org/2023/when-it-comes-to-compliance-keiser-university-keeps-flunking/>

²¹ https://projects.propublica.org/nonprofits/display_audit/2023-12-GSAFAC-0000057049

the accreditor to schools like UEI and Atlantis — at least the unredacted portions — ACCSC moved away from transparency and accountability. It started releasing, instead of the actual letters to schools, vague summaries that keep the public in the dark about what is actually happening.²²

All of this lack of diligence and willful tolerance of school abuses by ACCSC raises serious questions about its compliance with applicable regulations, including 34 CFR §602.20.

I am prepared to provide the Department with further information and analysis on request.

Sincerely,

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

David Halperin

²² <https://www.republicreport.org/2024/accreditors-education-department-limit-public-access-to-findings-on-troubled-colleges/>