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November 20, 2020

The Honorable Elisabeth DeVos
United States Department of Education
400 Maryland Avenue, SW
Washington, D.C. 20202

Herman Bounds
Director, Accreditation Group
U.S. Department of Education
400 Maryland Ave., SW
Washington, D.C. 20202

Delivered via email to: ThirdPartyComments@ed.gov

RE: Department Recognition of the Accrediting Council for Independent Colleges and Schools

Dear Secretary DeVos and Mr. Bounds:

We, the undersigned Attorneys General of New York, California, Colorado, Connecticut, Delaware, Hawaii, Illinois, Iowa, Maine, Maryland, Massachusetts, Michigan, Minnesota, Nebraska, New Jersey, New Mexico, North Carolina, Oregon, Pennsylvania, Rhode Island, Virginia, Washington, and the District of Columbia write in response to the Department of Education's call for written comments regarding the Accrediting Council for Independent Colleges and Schools' ("ACICS") compliance with federal regulations, as published in the Federal Register on November 5, 2020. 85 Fed. Reg. 70594. ACICS's oversight failures have persisted unabated for years and have resulted in substantial harm to thousands of students across the nation. ACICS's extensive and continuing record of noncompliance with federal regulations and its oversight failures demonstrate that ACICS it is unable or unwilling to meet its responsibilities. Accordingly, we urge the Department to immediately terminate ACICS's recognition.

A. ACICS's Oversight Failures Have Seriously Harmed Students and Taxpayers

State Attorneys General are charged with enforcing consumer protection laws in our respective states. Through our offices' investigations and enforcement actions against predatory for-profit schools, we have seen firsthand that ACICS has failed to fulfill its role as a gatekeeper and has failed to protect students and taxpayers. ACICS's failures have resulted in significant harm to students and in the waste of enormous amounts of taxpayer funds.

Among ACICS's most glaring oversight failures is its lack of oversight of campuses operated by the now-defunct Corinthian Colleges ("Corinthian"). ACICS continued accrediting Corinthian even after upwards of twenty state and federal agencies initiated investigations into Corinthian's fraud. In fact, ACICS continued to accredit Corinthian up until the day Corinthian declared bankruptcy. Because of ACICS's continued accreditation, tens of thousands of Corinthian students enrolled in high-cost, low-quality Corinthian programs and now face insurmountable student loan debt. In addition, Corinthian obtained approximately \$3.5 billion dollars from U.S. taxpayers in the form of federal student aid.¹

Corinthian is merely one example of ACICS's egregious oversight failures. ACICS accredited campuses for multiple for-profit schools that defrauded tens of thousands of students including ITT Tech, Education Management Company (EDMC), Career Education Corp. (now known as Perdoceo Education Corp.) and Westwood College. ITT Tech closed its doors after facing enforcement actions by the Consumer Financial Protection Bureau and other regulators, disrupting the education of tens of thousands of students. ACICS also accredited campuses of the Education Management Company (EDMC), which settled with thirty-nine State Attorneys General and agreed to forgive \$102.8 million in outstanding loan debt.² Career Education Corporation also had ACICS-accredited campuses and settled deceptive practices allegations with the New York Attorney General's office in a \$10.25 million agreement. The school later settled similar allegations of fraud with 48 State Attorneys General in an agreement that provided nearly \$500 million in debt relief.³ Finally, ACICS accredited campuses for Westwood College, a for-profit school that misrepresented its accreditation and settled fraud allegations with the Illinois Attorney General's Office for over \$15 million just before closing nationwide.⁴

ACICS's oversight lapses include its disregard for student outcomes at ACICS-accredited institutions, its inaction after regulators concluded that multiple ACICS-accredited institutions had reported fabricated job placement rates to ACICS, its failure to verify job placement

¹ Tamar Lewin, *Government to Forgive Student Loans at Corinthian Colleges*, N.Y. TIMES (June 8, 2015), <https://www.nytimes.com/2015/06/09/education/us-to-forgive-federal-loans-of-corinthian-college-students.html>.

² Stephanie Saul, *For-Profit College Operator EDMC Will Forgive Student Loans*, N.Y. TIMES (Nov. 16, 2015), <https://www.nytimes.com/2015/11/17/us/for-profit-college-operator-edmc-will-forgive-student-loans.html>.

³ A.G. Schneiderman Announces Groundbreaking \$10.25 Million Dollar Settlement with For-Profit Education Company That Inflated Job Placement Rates to Attract Students (Aug. 19, 2013), <https://ag.ny.gov/press-release/2013/ag-schneiderman-announces-groundbreaking-1025-million-dollar-settlement-profit>; Ian Stewart, *Nearly 180,000 Students Won't Have to Repay Loans from For-Profit Higher Ed Company*, NPR (Jan. 3, 2019), <https://www.npr.org/2019/01/03/682057881/nearly-180-000-students-wont-have-to-repay-loans-from-for-profit-higher-ed-compa>.

⁴ Jason Knowles & Ann Pistone, *Westwood College to Forgive \$15M in Loans to Criminal Justice Students*, ABC7 CHICAGO (Nov. 4, 2015), <https://abc7chicago.com/for-profit-colleges-chicago-westwood-college-criminal-justice/1068354/>.

statistics even after findings of fabricated job placement statistics were publicized, its failure to report evidence of misconduct at ACICS-accredited schools to the Department, and its concerning lack of transparency or cooperation with regulators' investigations into student outcomes at ACICS-accredited institutions.

B. ACICS's Oversight Failures Have Continued Unabated

ACICS's pervasive oversight failures have continued unabated, even after the Department terminated, and then reinstated, ACICS's recognition. After ACICS's recognition was restored in 2018, the Department identified multiple new incidences of ACICS's noncompliance with federal regulations. For example, the Department's review of a monitoring report required pursuant to the November 21, 2018 Decision of the Secretary identified noncompliance with 34 CFR § 602.15(a)(1), which requires accreditors to maintain adequate staff and financial resources to carry out its accrediting responsibilities, and § 602.19(b), which requires accreditors to demonstrate effective monitoring and evaluation approaches that enable the agency to identify problems with an institution's or program's continued compliance with agency standards.⁵

The Department also made findings of noncompliance in a separate review initiated after media coverage of ACICS's presentation to the Council for Higher Education Accreditation ("CHEA") concerning its financial situation and its review of two institutions, Virginia International University and San Diego University for Integrative Studies.⁶ In yet another review, the Department identified noncompliance with a number of federal regulations, including 34 CFR §§ 602.15(a)(1), and 602.15(a)(2)⁷, in a review that arose out of media coverage that reported that ACICS accredited Regan National University, despite the fact that the school was not in operation.⁸

In addition to the Department's multiple findings of ACICS's failure to comply with federal regulations, earlier this year, CHEA, a national accreditor oversight organization, recommended that ACICS's application for recognition by CHEA be denied after CHEA found that ACICS was out of compliance with nine of its recognition standards.⁹ CHEA's Committee on Recognition found that ACICS failed to comply with CHEA standards governing the core duties of accreditors, including, for example, a requirement that accreditors' policies and procedures ensure that accrediting decision-making address how well institutions or programs meet performance expectations.¹⁰ ACICS later withdrew its application for recognition from CHEA.

⁵ See Notice, 85 Fed. Reg. 70594 (Nov. 5, 2020).

⁶ See *id.*

⁷ 34 CFR § 602.15(a)(2) requires accreditors to demonstrate that they have competent, qualified employees who are adequately trained regarding the agency's standards, policies, and procedures.

⁸ See Notice, 85 Fed. Reg. 70594 (Nov. 5, 2020).

⁹ Jeremy Bauer-Wolf, *ACICS No Longer Seeking Recognition from Key Oversight Group*, EDUCATION DIVE (Jan. 21, 2020), <https://www.educationdive.com/news/breaking-acics-withdraws-application-for-recognition/570711/>.

¹⁰ See letter from ACICS President Michelle Edwards to CHEA President Dr. Judith Eaton, dated Jan. 17, 2020, <https://static1.squarespace.com/static/5ce58a38738b880001909396/t/5e20ec63c8ae141b3ed9585e/1579215971409/ACICS+CHEA+Withdrawal+Notice.pdf>. See also, Council for Higher Education Accreditation Recognition of

C. ACICS's Failures Warrant Immediate Termination of Recognition

ACICS's extensive and continuing record of noncompliance with federal regulations and oversight failures demonstrate that despite receiving multiple chances to reform its practices, ACICS is unwilling or unable to bring itself into compliance with federal regulations and adequately address oversight failures. ACICS's systemic accreditation failures and refusal to fulfill its obligations to protect students and taxpayers have enabled predatory schools to victimize thousands of students and to enrich themselves at taxpayers' expense. Given the gravity and longevity of ACICS's string of oversight failures and noncompliance with federal regulations, we urge the Department to immediately terminate ACICS's recognition.


Sincerely,



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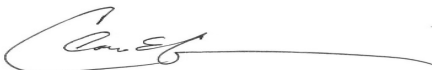
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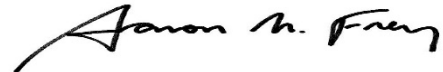
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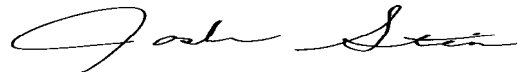
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