



STATE OF CALIFORNIA
OFFICE OF THE ATTORNEY GENERAL
KAMALA D. HARRIS
ATTORNEY GENERAL

June 2, 2016

The Honorable John B. King, Jr.
Office of the Secretary of Education
United States Department of Education
400 Maryland Avenue, SW
Washington, DC 20202

Jennifer Hong
Executive Director/Designated Federal Official
National Advisory Committee on
Institutional Quality and Integrity (NACIQI)
United States Department of Education
400 Maryland Ave., SW, Rm. 6W250
Washington, DC 20202
ThirdPartyComments@ed.gov

Re: Application for Renewal of Recognition of the Accrediting Council
for Independent Colleges and Schools (ACICS)

Dear Secretary King and Ms. Hong:

I write concerning the application of the Accrediting Council for Independent Colleges and Schools (ACICS) for Renewal of Recognition as published in the Federal Register on March 18, 2016. ACICS was a major accreditor for schools operated by Corinthian Colleges, Inc. (Corinthian) under the Everest College and Everest University Online brands. My office recently obtained a \$1.1 billion judgment against the now defunct Corinthian and its subsidiaries. Unfortunately, despite the fact that our law enforcement action commenced in October 2013, the United States Consumer Financial Protection Bureau commenced another law enforcement action, and your Department was taking serious administrative actions, each of Corinthian's ACICS accredited schools in California remained accredited until their closure on April 27, 2015.

In its Final Judgment, the Court found several longstanding violations of law – each of which can and should have been fully investigated and addressed by ACICS – including:

- From at least 2009 until the closure of its schools, the placement rates that Corinthian published were systematically false, misleading, erroneous, and/or failed to comply with applicable state and federal regulations and/or accreditor standards. In addition, many of

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these published placement rates could not be substantiated using Corinthian's own internal placement data and files.

- Corinthian did not offer ultrasound technician programs, x-ray technician programs, radiology technician programs, or dialysis technician programs in California. Despite this fact, from at least 2010 until the filing of this action, Corinthian ran millions of advertisements stating that they did offer those programs. Corinthian executives knew that these false advertisements misled students.
- Corinthian inserted unlawful clauses into enrollment agreements that purported to bar any and all claims by students.
- Corinthian subjected students to unlawful debt collection practices on loans that it did not own, and despite the fact that the proceeds of those loans had already been paid in full by the lender to Corinthian.
- Corinthian failed to disclose its role in the Genesis Private Student Loan Program.
- Corinthian misrepresented its financial stability to students.

Simply put, ACICS failed to uphold their commitment "to the importance of a quality educational experience for all students" when they continued to accredit Corinthian campuses in the face of regulatory and enforcement actions. Students and consumers relied on "accreditation" to mean that the schools met peer-reviewed standards of academic quality, financial stability, and operational ethics, as defined by ACICS. Relying on this accreditation, vulnerable students and veterans continued to attend Corinthian campuses and as a result suffered significant financial and educational losses in pursuit of job prospects that rarely materialized. The failure of ACICS in accrediting Corinthian continues to affect former students and veterans to this day, through the loss of family stability and expected earning potential as well as the loss of G.I. Bill benefits that cannot be restored.

The continued accreditation of Corinthian by ACICS greatly harmed Californian students and consumers. I share the concern that other Attorneys General have expressed in opposing the renewal of recognition of ACICS. I urge the Department to revoke ACICS's status as a recognized accreditor.

Sincerely,



KAMALA D. HARRIS
California Attorney General