

United States Senate
WASHINGTON, DC 20510

February 15, 2018

Mr. Arthur E. Keiser, Ph.D.
Chairman

National Advisory Committee on Institutional Quality and Integrity
U.S. Department of Education, Office of Postsecondary Education
400 Maryland Ave., SW., Room 6W250
Washington, DC 20202

Professor Frank H. Wu, J.D.
Vice Chairman

National Advisory Committee on Institutional Quality and Integrity
U.S. Department of Education, Office of Postsecondary Education
400 Maryland Ave., SW., Room 6W250
Washington, DC 20202

Dear Mr. Keiser and Professor Wu,

The Department of Education (“the Department”) announced that at the May 2018 National Advisory Committee on Institutional Quality and Integrity (NACIQI) meeting, NACIQI will review the Accrediting Council for Independent Colleges and Schools’ (ACICS) application for “initial recognition” as a federally recognized accrediting agency.¹ In 2016, the Department terminated ACICS’s status as a federally recognized accreditor, following a history of negligence on the part of ACICS to safeguard taxpayer funds from predatory institutions that were deceiving students. There is no evidence that ACICS has sufficiently and substantially improved the policies and practices that resulted in their termination only 14 months prior. We remain concerned that ACICS will again indiscriminately accredit colleges at the expense and harm of students and taxpayers. We, therefore, strongly urge NACIQI to reject ACICS’s application.

ACICS’s failure to ensure institutional quality has harmed students and veterans in our home states and across the country. For example, there were 90 instances where colleges or individual campuses under investigation by state or federal government agencies that were, at the same time, named by ACICS to its honor roll between 2010 and 2015.² These cases included FastTrain College, which used exotic dancers to recruit students, was raided by the FBI in 2012, and was required to pay more than \$20 million back to

¹ Mahaffie, L.B. (2018, January 24). “Solicitation of third-party comments concerning the performance of accrediting agencies.” *Federal Register*. Online at: <https://www.gpo.gov/fdsys/pkg/FR-2018-01-24/pdf/2018-01220.pdf>.

² Miller, B. (2016, June 6). “ACICS must go.” *Center for American Progress*. Online at: <https://www.americanprogress.org/issues/education-postsecondary/reports/2016/06/06/138826/acics-must-go/>; Office of Senator Elizabeth Warren. (2016, June 10). “Rubber stamps: ACICS and the troubled oversight of college accreditors.” Online at: https://www.warren.senate.gov/files/documents/2016-6-10_ACICS_Report.pdf.

the federal government for fraudulently drawing federal financial aid money for ineligible students.³ Westwood College, another ACICS-accredited school, settled with the attorneys general of Colorado and Illinois, as well as the Department of Justice for \$11.5 million for deceptive marketing practices and false claims for federal student aid.⁴

Although both of these colleges have since closed, they provide clear evidence of a systemic lack of oversight by ACICS over its institutions. For example, between the two of them, for-profit giants Corinthian Colleges and ITT Technical Institute were investigated or sued by more than 20 state attorneys general, the Consumer Financial Protection Bureau, the U.S. Securities and Exchange Commission, the Department of Justice, and the Department of Education for misrepresenting job placement rates and attendance records, suspect recruitment practices, and deceptive advertising between 2011 and 2014.⁵ Nevertheless, ACICS continued to accredit both Corinthian Colleges and ITT Tech until their respective closures despite this history of legal issues at the state and federal level.⁶ The closure of these for-profit colleges affected more than 51,000 enrolled students and countless graduates and former students, who were left deep in debt with meaningless degrees and credits.⁷

Even before ITT Tech closed, the Department recommended the termination of ACICS's federal recognition in June 2016, concluding that the agency had failed to comply with more than 20 areas of federal regulation and that "the agency could not remedy its compliance issues" with the Department's Criteria for Recognition.⁸ The Department's decision followed calls for ACICS's termination as a federally recognized accrediting agency by 13 state attorneys general,⁹ nine veterans groups,¹⁰ 23 advocacy groups (representing students, consumers, and educators),¹¹ and members of Congress.¹²

³ Teproff, C. (2017, February 21). "Now defunct for-profit college must pay the government \$20 million, a court rules." *Miami Herald*. Online at: <http://www.miamiherald.com/news/local/education/article134161714.html>; Vasquez, M. (2015, November 25). "FastTrain College owner convicted of theft, conspiracy." *Miami Herald*. Online at: <http://www.miamiherald.com/news/local/education/article46253760.html>.

⁴ Smith, A.A. (2016, January 29). "For-profit Westwood College announces closing." *InsideHigherEd*. Online at: <https://www.insidehighered.com/quicktakes/2016/01/29/profit-westwood-college-announces-closing>.

⁵ "Government investigations and lawsuits involving for-profit schools (2004-May 2014)." *National Consumer Law Center* (2014). Online at: <https://www.nclc.org/images/pdf/pr-reports/for-profit-gov-investigations.pdf>.

⁶ ACICS threatened to withdraw accreditation from ITT Tech about one month before its closure, but did not do so officially.

⁷ Smith, A.A. (2016, September 7). "The end of ITT Tech." *InsideHigherEd*. Online at: <https://www.insidehighered.com/news/2016/09/07/itt-tech-shuts-down-all-campus>; "U.S. Department of Education fines Corinthian Colleges \$30 million for misrepresentation." *U.S. Department of Education*. (2015, April 14). Online at: <https://www.ed.gov/news/press-releases/us-department-education-fines-corinthian-colleges-30-million-misrepresentation>.

⁸ "Staff report to the Senior Department Official on recognition compliance issues." *U.S. Department of Education, Accreditation and State Liaison*. (2016, June). Online at: <https://opeweb.ed.gov/as/web/finalStaffReports.cfm?alD=15&mid=68>.

⁹ Letter opposing the application for renewal of recognition of ACICS. *Commonwealth of Massachusetts, Office of the Attorney General*. (2016, April 8). Online at: <http://www.mass.gov/ago/docs/policy/2016/ag-multistate-ltr-to-usdoed-040816.pdf>.

¹⁰ Letter to National Advisory Committee on Institutional Quality and Integrity. (2016, April 8). Online at: <https://www.republicreport.org/wp-content/uploads/2016/04/Final-NACIQI-Ltr-from-veterans-orgs.pdf>.

¹¹ Letter to National Advisory Committee on Institutional Quality and Integrity and the U.S. Department of Education. (2016, April 8). Online at: <https://cdn.higherednotdebt.org/wp-content/uploads/2016/04/08173929/Coalition-Letter-on-ACICS.pdf>.

¹² Blumenthal, R., Durbin, R.J., Brown, S., Warren, E., & Murray, P. (2016, June 16). Letter to National Advisory Committee on Institutional Quality and Integrity. Online at: <https://www.help.senate.gov/imo/media/doc/2016%2006%2016%20Letter%20to%20NACIQI%20re%20ACICS.pdf>.

NACIQI affirmed the Department's decision and voted to de-recognize ACICS one week later.¹³

Following appeals by ACICS, former Secretary of Education John King announced the Department's official and final decision to cease recognition of ACICS as an approved accrediting organization on December 12, 2016.¹⁴ In Secretary King's decision letter, he cited ACICS's lax oversight and "pervasive noncompliance" with regulators' criteria and concluded "[ACICS] is not capable of coming into compliance within 12 months or less, even if I renewed its recognition for an additional 12 months."¹⁵ ACICS is now suggesting it has changed its ways and will be compliant despite its history of failure, a mere 14 months after it was de-recognized by the Department.

Since ACICS lost its recognition, the 269 institutions formerly accredited by ACICS were given 18 months to find a new accrediting agency. The vast majority have either already gained accreditation elsewhere, are in the final steps to be accredited before the June 2018 deadline, or have closed or announced their intention to close.¹⁶ In fact, accreditation status is unknown for only 19 former ACICS institutions. This likely suggests that these are bottom-of-the-barrel colleges that are unable to gain accreditation from a different agency due to the poor quality controls permitted under ACICS's watch.

ACICS has claimed that it has "fundamentally changed as an organization,"¹⁷ but this claim is impossible for us or the public to verify because the Department has not made public ACICS's application for renewal. Based on what is in the public record, recognition of ACICS as a Department approved accreditor could allow schools that no other agency would accredit a lifeline to more students and taxpayer dollars. It could also allow countless new predatory colleges to game the federal student financial aid system and cause continued damage to thousands more students on the taxpayers' dime. We do not see the value of bringing back an accreditor that has such a poor track record on accrediting fraudulent institutions and has not provided us nor the public with enough information to verify their claims that it has improved.

We request the Department make ACICS' application public. Given recent history and the status of their previous institutions, however, we see no reason to again grant ACICS gatekeeper power to federal student aid dollars. The Department and NACIQI have a responsibility to ensure that federally recognized accrediting agencies are effective quality assurance mechanisms and strong gatekeepers to federal aid dollars. ACICS has failed at this task, and we neither see a need nor a reason for the Department to again reward their negligence with this incredible power. We therefore strongly urge NACIQI to reject ACICS's application as a federally recognized accreditor.

¹³ Fain, P. (2016, June 24). "Accreditor on life support." *InsideHigherEd*. Online at: <https://www.insidehighered.com/news/2016/06/24/federal-panel-votes-terminate-acics-and-tightens-screws-other-accreditors>.

¹⁴ King, J.B. (2016, December 12). Decision of the Secretary: Accrediting Council for Independent Colleges and Schools *U.S. Department of Education*. Online at: <https://www2.ed.gov/documents/acics/final-acics-decision.pdf>.

¹⁵ King, J.B. (2016, December 12).

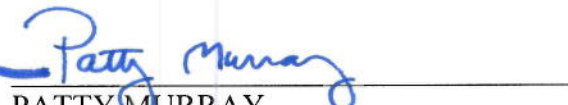
¹⁶ Miller, B. & Flores, A. (2018, February 6). "A second status update on ACICS colleges." *Center for American Progress*. Online at: <https://www.americanprogress.org/issues/education-postsecondary/news/2018/02/06/445946/second-status-update-acics-colleges/>.

¹⁷ "ACICS submits application to Department of Education for recognition as a national accreditor. *ACICS*. (2017, October 4). Online at: <http://www.acics.org/WorkArea/linkit.aspx?LinkIdentifier=id&ItemID=7048&libID=7042>.

Sincerely,



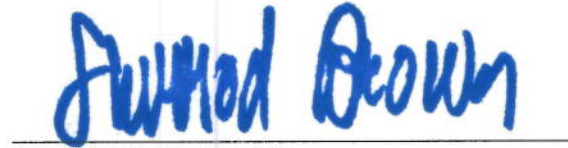
ELIZABETH WARREN
United States Senator



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