

Case Name: *In the Matter of Accrediting Council for Independent Colleges and Schools*

Docket No.: 16-44-O

Filing Party: Respondent, Accrediting Council for Independent Colleges and Schools

Exhibit No.: B-O-140



SHOP LOCATIONS	SHOP TYPE	REQUIREMENTS	QUANTITY	COST PER SHOP
Accrediting Council for Independent Colleges and Schools	Phone call	Admissions call to Stevens Institute of Business and Arts	3	\$45

Scope of Services: CampusFeedback.com ("Company") will provide mystery shopping services to Accrediting Council for Independent Colleges and Schools ("Client"),

Company will execute the mystery shopper program as outlined below:

- Company will schedule shoppers for each shop. Client may request that shops occur on specific dates as long as Client provides at least one backup date for each requested date and provides the requested dates two weeks in advance. Client is expected to keep Company informed of any changes in business schedule, closings, private functions, etc. If Company sends a shopper to complete a shop when a location is expected to be open and it is closed for any reason, Client agrees to be billed for the attempted shop.
- Company will review, edit, and approve all shop reports before they are made available to Client for quality assurance.
- Completed shop reports will be available to Client online in a secure password protected area. Client may also receive shop reports by email, but should still check the website periodically for any new shops in case spam filters or email issues prevent timely email receipt of reports. If a shop report is not received by Client in email, but is available in the online account, then that shop is considered valid and billable.
- Shop templates are customized for clients on annual programs at no charge, but will not be customized for trial shops.
- Customized graphs are available online to help analyze and identify trends in cumulative data. Additional data analysis in Excel, summaries, and consulting on the data is not included.
- ~~Recorded phone calls incur an additional cost of \$1/minute for the recording.~~
- Pricing includes up to 3 required photos, with additional required photos incurring a higher cost per mystery shop.
- Pricing for phone shops includes up to 7 attempts to reach the target, at which point the shop will be considered billable.

Length of Agreement: Company and Client agree to honor this agreement for the number of shops specified above. Additional shops of the same type and price may be added by Client without signing another agreement.

Fees: Client agrees to be charged for the services of Company for every mystery shop completed for Client in the amounts shown above. Company pays each shopper a reimbursement fee for his or her shopper services and reports. Client is not responsible for additional fees or shopper reimbursement. Rates and fees may be revisited and increased in future years as the cost of doing business changes. If Client hires any member of Company's corporate, leadership, sales, recruiting, or client services team (not mystery shoppers) that was with Company within 1 year of the hiring date, Client agrees to pay a fee to Company that is equal to 18% of the individual's total annual compensation.

Quality Guarantee: Company agrees that if Client is not satisfied with the quality of any given shop report, a one-time replacement shop will be completed at the expense of Company. Client must alert Company that a report was found unsatisfactory within 10 days of shop submission. Client agrees that the quality guarantee feature is forfeited if account is not in good financial standing or if payment terms are not being met.

Independent Contractor Status of Shoppers: Client understands and agrees that the individuals contracted to perform mystery shops on behalf of Company are Independent Contractors and are not employees of Company. Company is not responsible or liable for any actions taken by shoppers.

Governing Law: This fee agreement shall be subject to the jurisdiction and laws of the State of New Hampshire, where the Company headquarters is located. Mystery shop reports are designed to be used as trending, coaching, and training tools and are not to be used for performance evaluations or employment terminations. Company and shoppers are not liable for terminations that result from mystery shops.

Payment Terms: Client will be billed upfront for the trial shops ordered with this agreement. Payment options include direct debit by automatic check handling (ACH), automatic credit card processing, or payment by check. ACH is the preferred, safest, and most secure method of payment. ACH debits and credit card processing will occur once this agreement is signed and BEFORE Client's trial shops are completed. For payment by check, Client will receive an invoice BEFORE trial shops are completed and full payment will be due within 20 days of the invoice date. In order to attract qualified mystery shoppers and pay them timely, a credit card kept on file is required for back-up payment when paying by check and will be charged the invoice amount if not paid in full within 7 days after the due date. A late fee of 5% will be added once an invoice is 7 days overdue. Client agrees to pay for any reasonable collection costs associated with the collection of late fees. Client agrees that shops will not be executed if payment terms are not met or if account is not current.

Consultant: Kurt Eddins

Client: ACTCS (b)(6)

VP + IT
9/15/16



Report Summary

Location: Name
Shop Name: ACICS Shop #1
Start Time: Start Time
Completed: Completed

Scores

Total Score: XX% **Points** XX of XX
Phone Presence: XX% XX

Phone Presence		%
#1 Q: I'm interested in the graphic design bachelor's degree program, how much does it cost?	text	0 Possible Point(s)
#2 Q: How long is the program?	text	0 Possible Point(s)
#3 Q: When do classes start?	text	0 Possible Point(s)
#4 Q: I've been at The Art Institute of St. Louis for a year and a half taking graphic design (associate's degree) classes. Can I finish those classes at SIBA?	text	0 Possible Point(s)
#5 Q: My friend said that all of the credits from Ai (nickname for The Art Institute of St. Louis) transfer into SIBA's graphic design program, is this true?	text	0 Possible Point(s)
#6 Q: Would I need to show you a copy of my transcript?	text	0 Possible Point(s)
#7 Q: How much is the application fee?	text	0 Possible Point(s)
#8 Q: Do you have financial aid? Does it cover the whole program?	text	0 Possible Point(s)
#9 Q: Can you help me find a job?	text	0 Possible Point(s)
#10Q: I work during the day, do you have night classes?	text	0 Possible Point(s)
#11Q: Do you have any additional information you can mail or email to me?	text	0 Possible Point(s)
#12Q: Is there student parking?	text	0 Possible Point(s)



#13Q: There are a few of us looking to leave Ai. Can I just tell them to call the campus?

text 0 Possible Point(s)



Report Summary

Location: Name
 Shop Name: ACICS Shop #2
 Start Time: Start Time
 Completed: Completed

Scores

Total Score: XX% Points: XX of XX
 Phone Presence: XX% Points: XX

Phone Presence	%
#1 Q: What do I need to do to apply for classes that start in spring 2017?	text 0 Possible Point(s)
#2 Q: I'm interested in the graphic design program (associate's degree), how much does it cost?	text 0 Possible Point(s)
#3 Q: How long is the program?	text 0 Possible Point(s)
#4 Q: I went to The Art Institute of St. Louis for over a year and I just needed to take a few more classes to get my associate's degree in graphic design. Can I just take those classes here and finish my degree?	text 0 Possible Point(s)
#5 Q: My friend told me to apply here because she said that all of the credits I've already taken would transfer into SIBA's graphic design program, is this true?	text 0 Possible Point(s)
#6 Q: Can you help me find a job?	text 0 Possible Point(s)
#7 Q: When you asked, "What is the class schedule?", how did the employee respond?	text 0 Possible Point(s)
#8 Q: Do we have to take classes in the summer?	text 0 Possible Point(s)
#9 Q: Sometimes my kid gets sick, how many classes can I miss if they do?	text 0 Possible Point(s)
#10Q: Do you need my transcript from The Art Institute?	text 0 Possible Point(s)
#11Q: Do you need a copy of my high school diploma?	text 0 Possible Point(s)



#12Q: When you asked, "I think my loan is in default right now. Can I apply for financial aid again since my loan is in default for a different school?", how did the employee respond?

text 0 Possible Point(s)



Report Summary

Location: Name
Shop Name: ACICS Shop #3
Start Time: Start Time
Completed: Completed

Scores

Total Score: XX% **Points** XX of XX
Phone Presence: XX% XX

Phone Presence	%
#1 Q: When do graphic design classes start?	text 0 Possible Point(s)
#2 Q: How much does your graphic design program (bachelor's degree) cost?	text 0 Possible Point(s)
#3 Q: My friend said that all of the credits I've already taken would transfer into SIBA's graphic design program, is this true?	text 0 Possible Point(s)
#4 Q: I got my associate's degree in graphic design from The Art Institute of St. Louis. Can I transfer in all of those credits and just take the bachelor's level courses.	text 0 Possible Point(s)
#5 Q: How long is the bachelor's degree program and how many classes do full time students take at a time?	text 0 Possible Point(s)
#6 Q: Would I get a refund check from financial aid?	text 0 Possible Point(s)
#7 Q: Do I need to bring my own computer?	text 0 Possible Point(s)
#8 Q: Can you help me find a job when I graduate?	text 0 Possible Point(s)
#9 Q: Do you help students find jobs when they are in school?	text 0 Possible Point(s)
#10Q: Are you near a bus stop?	text 0 Possible Point(s)
#11Q: Do you have any additional information you can mail to me?	text 0 Possible Point(s)

From: [Complaints Adverse](#)
To: [Perliter Walters-Gilliam](#)
Subject: FW: Questionable Practices - SIBA
Date: Tuesday, August 30, 2016 11:27:50 AM
Attachments: [SIBA.pdf](#)

Jan A. Chambers

Senior Coordinator, Complaints & Adverse Review
Accrediting Council for Independent Colleges and Schools
750 First Street, NE | Suite 980 | Washington, DC 20002
www.acics.org | 202.336.6764 - p | 202.842.2593 - f
Follow us on Twitter - <http://twitter.com/acicsaccredits>
Like us on Facebook - <http://facebook.com/acicsaccredits>

From: jdj41@charter.net [mailto:jdj41@charter.net]
Sent: Thursday, August 25, 2016 7:30 PM
To: Jan Chambers
Subject: Questionable Practices

This email is being distributed to students all across the St. Louis area. I find it difficult to understand how someone with no admissions or academic administrative experience can make promises of accepting all students credits from previous institutions. I am sure that this statement does not even match the policies listed in the catalog. It's promises like this that give institutions, and ACICS, a bad reputation. This school is not even starting this program until October but this person assures students that everything will transfer in. Something needs to be done regarding this individual and this institution for allowing this to take place. I believe that this is deceptive marketing and can't be allowed to continue.

Subject: siba
From: Edward Engel <EEngel@siba.edu>
Sent: 10:48am, Monday, August 1, 2016
To: (b)(6) @yahoo.com
CC: Hey there Darrin, it's been a while since you were in my class at Meramec.
Hope everything is great!

I am gonna cut to the chase. Recently, I was asked to develop a Graphic Design & Illustration program for a college. They are Stevens, The Institute of Business & The Arts. Siba for short. They are located right next to the City Museum on Washington Avenue in downtown Saint Louis. The Graphic Design & Illustration program has been approved by the state of Missouri and ACICS. Here at siba students can receive an AAS in Graphic Design and/or a BS in Graphic Design with an emphasis in illustration if you choose. The classes are my conglomeration of the best classes from the following colleges: OTIS, Parsons, SCAD, RISD and even a few new classes that have emphasis in illustration.

I have been named the Head of the Department of Graphic Design & Illustration. Which is very exciting as you can imagine. I want the BEST students to come and be part of siba, which is why I am contacting you. If you have any questions or even want to come visit our school, I would be happy to show you around.

Btw-ALL classes will transfer directly.

Again, please contact me with any questions or concerns. Or at the very least, give any friends who are potential graphic artists or illustrators my information.

Edward J. Engel
Department Head, Graphic Design & Illustration

Mobile# (b)(6)

Washington Ave.
St. Louis, Missouri 63103

eengel@siba.edu
www.siba.edu
www.facebook.com/sibastl
www.twitter.com/sibastl



September 28, 2016

ID Code 00010552

VIA E-MAIL ONLY

acics@siba.edu

Ms. Cynthia Musterman
President
Stevens - The Institute of Business and Arts
1521 Washington Avenue
Saint Louis, MO 63103

Dear Ms. Musterman:

Enclosed is a copy of a complaint against your institution from an anonymous source. The complainant alleges that in an effort to recruit students into the graphic design program, campus employees have stated verbally, in e-mails, and through social media messages that the campus accepts all transfer credits from other institutions. Statements affirming the transferability of all credits earned from a previous institution(s) prior to their evaluation would be in violation of Section 3-1-413 of the *ACICS Accreditation Criteria*. As explained in Section 2-3-700 of the *Accreditation Criteria*, the Council is obligated to investigate complaints about an institution from any source.

In an effort to investigate the concerns outlined in the complaint and to ensure compliance with Section 3-1-412(a) of the *Accreditation Criteria*, the Council commissioned a third-party agency to conduct three mystery telephone shops of the institution's recruitment activities. All questions were directed toward the graphic design programs and general campus information. The mystery shopper agency reported that when asked, two admissions representatives identified as "Artensis" and "Tameka" [*sic*] made statements affirming that all credits earned from an outside institution can transfer into Stevens – The Institute of Business and Arts. Furthermore, when asked if the campus had employment assistance, one unidentified admissions representative made the statement that, "Career services is available to help students with job placement. The placement percentage is 90 percent within six months of graduation."

Having reviewed the statements provided to the mystery shoppers, along with the attached email purportedly sent by department head, [REDACTED] the Council directs the institution to provide the following information within 21 calendar days of the date of this letter:

1. A detailed response to all allegations outlined in the attached complaint submission.
2. A copy of the catalog outlining the current transfer of credit policy along with any disclosure or publication which outlines the maximum allowable credits that can be transferred into any program.



3. Evidence that all institutional representatives, including [REDACTED] and admissions representatives, have been properly trained on the communication of accurate program information and institutional policies during the recruitment process. Documentation must include copies of the admissions training manual, the policy on recruitment activities monitoring at the campus, and observations and evaluations of the admissions representatives for the last review cycle.
4. A listing of all prospective and currently enrolled students sent the attached or similar email communication from [REDACTED] or any campus employee, along with evidence of documented communication informing them of the campus' accurate transfer of credit policy.
5. Evidence that the statement, "...the placement percentage is 90 percent within six months of graduation..." made by the admissions representative is accurate. Documentation must include placement statistics for the campus and every program. If it is determined that this information is inaccurate, the institution must then submit evidence of detailed training provided to the admissions department regarding the communication of accurate program and campus performance information.

The institution's response must include copies of appropriate materials to support statements and must be submitted, via email, at complaints_adverse@acics.org on or before **October 19, 2016**.

Your immediate attention to this matter will be appreciated.

Sincerely,

(b)(6)

Jan A. Chambers
Senior Coordinator, Complaints & Adverse Review

c. Mr. Leroy Wade, Missouri Department of Higher Education (leroy.wade@dhe.mo.gov)

Enclosure



August 28, 2016



Official Complaint Letter

Did you follow the campus grievance policy? **No**

Additional Details: **I do not work at the institution**

Do you wish to remain anonymous? **Yes**

School: **10552 - Stevens - The Institute of Business and Arts, 1521 Washington Avenue, Saint Louis, MO**

Your relationship to the School: **Other**

Complaint: **Employees are making deceptive and misleading remarks to students that all credits will transfer. I was given a copy of an email sent to a student that attends a local community college. Other comments have been made to students via facebook and other means. Other comments have been made to students verbally. As I work for an ACICS school located in the St. Louis area I would like to keep my name from being used but believe these deceptive marketing practices are what gives proprietary schools a bad reputation.**

Subject: siba

From: [REDACTED]

Sent: [REDACTED], Monday, August 1, 2016

To: [REDACTED]

CC: Hey there [REDACTED], it's been a while since you were in my class at [REDACTED].
Hope everything is great!

I am gonna cut to the chase. Recently, I was asked to develop a Graphic Design & Illustration program for a college. They are Stevens, The Institute of Business & The Arts. Siba for short. They are located right next to the City Museum on Washington Avenue in downtown Saint Louis. The Graphic Design & Illustration program has been approved by the state of Missouri and ACICS. Here at siba students can receive an AAS in Graphic Design and/or a BS in Graphic Design with an emphasis in illustration if you choose. The classes are my conglomeration of the best classes from the following colleges: OTIS, Parsons, SCAD, RISD and even a few new classes that have emphasis in illustration.

I have been named the Head of the Department of Graphic Design & Illustration. Which is very exciting as you can imagine. I want the BEST students to come and be part of siba, which is why I am contacting you. If you have any questions or even want to come visit our school, I would be happy to show you around.

Btw-ALL classes will transfer directly.

Again, please contact me with any questions or concerns. Or at the very least, give any friends who are potential graphic artists or illustrators my information.

[REDACTED]
Department Head, Graphic Design & Illustration

Mobile# [REDACTED] (b)(6)

Washington Ave.
St. Louis, Missouri 63103

eengel@siba.edu

www.siba.edu

www.facebook.com/sibastl

www.twitter.com/sibastl



STEVENS - THE INSTITUTE
OF BUSINESS & ARTS

October 20, 2016

Ms. Jan A. Chambers
Senior Coordinator, Complaints & Adverse Review
Accrediting Council for Independent Colleges and Schools
750 First Street, NE, Suite 980
Washington, DC 20002

Dear Ms. Chambers,

I received your letter today regarding my response to the anonymous complaint, and it was very disturbing to have my veracity called into question, although looking at it from your point of view, I can understand your position. In light of our positive history with ACICS, however, I do hope you will allow me to explain what happened and to continue to take corrective action.

When I received the initial complaint, I directed [REDACTED] to immediately forward me every email he sent with the message that Siba would accept "ALL" transfer credits. He sent me 19 different emails, two of which had two email addresses for the same person (see numbers 18 and 19 below), for a total of 21 email addresses:

- 1)
- 2)
- 3)
- 4)
- 5)
- 6)
- 7)
- 8)
- 9)
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19

When I sent the corrective email dated 10/9/16, I did not include the secondary email addresses for [REDACTED]

[REDACTED] but I would have if the emails I sent to their other addresses [REDACTED] and [REDACTED] had come back as undeliverable. I simply didn't want to send duplicative emails to them if it wasn't necessary.

After reading your letter today, I had an IT specialist go into [REDACTED] siba email account to verify whether he had, in fact, forwarded me all of the emails he had been directed to do by me. The IT Specialist found three emails that [REDACTED] failed to forward:

[REDACTED]

I should have followed this procedure initially upon addressing the complaint, but I made the mistake of trusting [REDACTED] to follow my directive to the letter. As he is a new hire, and very enthusiastic about his program, I truly believe he was careless rather than intentional in his failure to comply completely with my directive. That does not mitigate the failure on my part, however, to provide the Council with exactly what was requested. I am embarrassed and I apologize.

I conducted another meeting with [REDACTED] today, in which I took disciplinary action against him. A copy of the letter of probation that will be placed in his personnel file is included in this mailing.

Also included in this response are:

- 1) A copy of a corrective email sent to the [REDACTED] today: and
- 2) A copy of a corrective email sent to the secondary email addresses of [REDACTED]
- 3) Copies of all 22 emails taken from the server dated August 1.
- 4) A copy of the disciplinary action-Probation letter to [REDACTED]

The two emails sent today should serve to finish correcting the misinformation sent on by [REDACTED] to all 22 people/24 email addresses in question.

Again, I apologize for the incompleteness of my previous response.

Sincerely,

Cynthia A Musterman
President.



October 20, 2016

ID Code 00010552

VIA E-MAIL ONLY

Ms. Cynthia Musterman
Stevens - The Institute of Business and Arts
1521 Washington Avenue
Saint Louis, MO 63103

Dear Ms. Musterman:

The Council has reviewed your response to the complaint made against your institution by an anonymous source.

To protect the anonymity of the complainant, identifying information was redacted from both the initial complaint and the accompanying email sent to a prospective student which included the non-compliant statement regarding the transfer of credits. At the request of the Council, the campus submitted a list of email addresses for prospective students that were sent communication referenced in the complaint. However, the student email address redacted in the initial complaint documentation was not included in the list of prospective student email addresses submitted by the campus. This discrepancy calls into question the truthfulness and integrity of the information being provided by the institution. Hence, this matter has been made a part of the institution's file and will be reviewed by the Council when considering the new grant of accreditation for the institution.

Please reach out to Ms. Perliter Walters-Gilliam, Associate Vice President of Accreditation, at (202) 336-6769 if you should have any questions or need further clarification.

Sincerely,

(b)(6)

Jan A. Chambers
Senior Coordinator, Complaints & Adverse Review

Case Name: *In the Matter of* Accrediting Council for Independent Colleges and Schools

Docket No.: 16-44-O

Filing Party: Respondent, Accrediting Council for Independent Colleges and Schools

Exhibit No.: B-O-141



ACCREDITING COUNCIL FOR INDEPENDENT COLLEGES AND SCHOOLS

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About Us

Founded in 1912, the Accrediting Council for Independent Colleges and Schools (ACICS) is one of the most respected and longest established national accreditors of academic institutions in the United States. The Council for Higher Education Accreditation recognizes ACICS' scope of accreditation through the Master's degree level.

Council for Higher Education Accreditation (CHEA) Scope of Accreditation

ACICS is recognized by CHEA to accredit private postsecondary institutions offering certificates or diplomas, and postsecondary institutions offering associate's, bachelor's and master's degrees in programs designed to educate students for professional, technical or occupational careers including those that offer those programs via distance education or internationally.

ACICS Mission Statement

The mission of the Accrediting Council for Independent Colleges and Schools is to advance educational excellence at independent, nonpublic career schools, colleges, and organizations in the United States and abroad. This is achieved through a deliberate and thorough accreditation process of quality assurance and enhancement as well as ethical business and educational practice.

Value

ACICS is committed to the importance of a quality educational experience for all students.

Strategic Plan

The Council launched a Strategic Plan in 2014 to renew the ACICS commitment to educational excellence. **A summary is provided**



ACICS Historical Timeline (PDF)

Review a quick guide to the major milestones in ACICS and accreditation history.

About ACICS Evaluators (PDF)



Peer Evaluators play a critical role in the ACICS accreditation process. To learn how, read our [Evaluator Quick Guide](#) or visit www.acics.org/evaluators for details.



Detailed ACICS History

Review ACICS's history since our founding in 1912. Our mission is the same now as it was then, "to establish and advance the quality of education and the standards of excellence at private career schools and colleges."

ADDRESS

750 First Street NE
Suite 980
Washington, DC 20002-4223
Tel: 202.336.6780
Fax: 202.842.2593

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Ektron

Case Name: *In the Matter of* Accrediting Council for Independent Colleges and Schools

Docket No.: 16-44-O

Filing Party: Respondent, Accrediting Council for Independent Colleges and Schools

Exhibit No.: B-O-142

Complaint & Adverse Details

DETAILS

Received Date 03/14/2016	Due Date	Assigned Staff Peritler Walters-Gilliam
Institution 60228 - American College of Commerce and Technology	Severity 5 - High	Potential Criteria Violation Yes
Category Education Quality, Final Audit Determination, State Regulatory Agency	Source SCHEV	Type Adverse
Source Contact Address 101 N. 14th Street	City Richmond	Source Type State Regulatory Agency
Contact Phone (804) 225-3399	Contact Email sylvia.marasceanova@schev.edu	State VA
Related Institutions 227562 - A2173218@mgkr.net, 1919 gallows rd, Vienna, VA 43008 - A7241@test.com, 1919 gallows rd, Vienna, VA 226852 - Aa1037@test.com, 1919 gallows rd, Vienna, VA 224120 - Aa16014@test.com, 1919 gallows rd, Vienna, VA	Date of Initial Letter	Zip 23219
Description The State Higher Education Council of Virginia (SCHEV) conducted an audit to the Institution on February 2 - 4 2016 and as a result is recommending a revocation of the Institution's license to operate in the state. ACICS was		Country US

Complaint & Adverse Details

NEXT STEPS

Review Section
The Council acted to show-cause the Institution and direct full evaluation visits in the fall 2016 cycle.

**Show-cause continued during the DEC 2016 Council meeting. Campus will have a RA visit in Spring 2017, in addition the campus will be discussed during SCHEV's Spring 2017. Therefore, in Dec 2016 the Council moved to show-cause the campus until its AUG 2017 meeting. - JAC 2/3/17

Status Open- continued in adverse	Resolution Type Show-Cause	Closed Date 11/30-0001
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ACICS COMMENTS AND FILES

Attach Comments

- Select Status -

Complaint & Adverse Details

File Attachments

Drag and drop files here to upload or click to select a file.

Generate Letter

Generate Letter

Download All Files

Status	Comments & Files	Added By	Date	Edit	Remove
Received Response	ACCT - SCHEV Conditional Certificate to Operate.jpg	Jan Chambers	03/29/2017 2:02pm		
Received Response	Re American College of Commerce and Technology SCHEV Update.msg	Jan Chambers	03/29/2017 2:01pm		
	00050228 and 00247252.ACCT SP Continued Show-Cause.pdf	Jan Chambers	02/03/2017 4:34pm		
	ACCT Response to SCHEV Audit Report - April 2016.pdf	Jan Chambers	10/05/2016 2:45pm		
	ACCT Results of IFF_July 2016.pdf	Perliter Walters-Gilliam	07/21/2016 11:23am		

Save Changes Close

Complaint & Adverse Details

Received Response	ACCT - SCHEV Conditional Certificate to Operate.jpg	Jan Chambers	03/29/2017 2:02pm	
Received Response	Re American College of Commerce and Technology SCHEV Update.msg	Jan Chambers	03/29/2017 2:01pm	
	00050228 and 00247252.ACCT SP Continued Show-Cause.pdf	Jan Chambers	02/03/2017 4:34pm	
	ACCT Response to SCHEV Audit Report - April 2016.pdf	Jan Chambers	10/05/2016 2:45pm	
	ACCT Results of IFF_July 2016.pdf	Perliter Walters-Gilliam	07/21/2016 11:23am	
	00050228.ACCT-Falls Church SP.pdf	Perliter Walters-Gilliam	07/21/2016 11:20am	
	Special Visit Communication to the American College of Commerce and Technology.pdf	Perliter Walters-Gilliam	07/21/2016 11:20am	
	Copy of Teach Out Report-4-1-16.xlsx	Perliter Walters-Gilliam	07/21/2016 11:19am	
	ACICS Teach Out Plan.docx	Perliter Walters-Gilliam	07/21/2016 11:18am	
	ACICS Cover Letter.pdf	Perliter Walters-Gilliam	07/21/2016 11:18am	
	ACICS Adverse Information letter to ACCT March 2016.pdf	Perliter Walters-Gilliam	07/21/2016 11:18am	
	American College of Commerce and Technology re SCHEV revoke certificate of operation 03/14/2016.pdf	Perliter Walters-Gilliam	07/21/2016 11:18am	

Save Changes Close

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Exhibit No.: B-O-143

From: Jan Chambers
To: [LaToya Boyd](#)
Subject: RE: Student Complaint - Branford Hall, Springfield
Date: Thursday, May 18, 2017 10:47:00 AM

Perfect. Thanks

From: LaToya Boyd
Sent: Thursday, May 18, 2017 10:50 AM
To: Jan Chambers
Subject: Re: Student Complaint - Branford Hall, Springfield

Yes.

Sent from my iPhone

On May 18, 2017, at 10:48 AM, Jan Chambers <jchambers@acics.org> wrote:

Thank thank thank you for looking into this. Were they able to show you all documentation to evidence her termination from the externship site?

From: LaToya Boyd
Sent: Thursday, May 18, 2017 10:44 AM
To: Jan Chambers
Subject: Re: Student Complaint - Branford Hall, Springfield

Well, partially. The girl who made the complaint had actually been placed within a couple days of her "pinning", but was terminated the day before she made the complaint. There were, however, several other students that were pinned the week after her that haven't been placed because their externship coordinator went on emergency medical leave. They were in the process of working on the problem, it hasn't been resolved yet. They ended up with one finding because of it. I will send you the write up as soon as I get a chance.

Sent from my iPhone

On May 18, 2017, at 9:21 AM, Jan Chambers <jchambers@acics.org> wrote:

When you get a chance, can you let me know if y'all found any truth to the complaint?

From: LaToya Boyd
Sent: Wednesday, May 17, 2017 1:11 PM
To: Jan Chambers
Subject: RE: Student Complaint - Branford Hall, Springfield

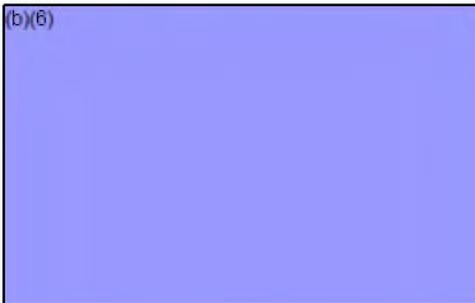
Thanks Jan.

From: Jan Chambers
Sent: Wednesday, May 17, 2017 10:43 AM
To: LaToya Boyd
Cc: Roger J Williams; Perliter Walters-Gilliam
Subject: RE: Student Complaint - Branford Hall, Springfield

LaToya,

I'm back! So I just called the student back and got more info. Her name is (b)(6) she started the Professional Medical Assisting program in October 2016. Other students in her situation began in the same term and also in August 2016. They got "pinned" on May 4, 2017, meaning they completed all of their course work. She made it clear that after pinning, students are supposed to go on externship. (b)(6) also stated that none of them are currently on campus because they finished the classroom portion of their program and they have been calling for the past two weeks. (b)(6) said that when she's called to inquire about her externship status, and claims that she was told that the campus is focusing first on placing other students. (b)(6) said she has already paid tuition for the externship. Below is a list of other classmates that, according to (b)(6) are in the same situation as her (not sure how accurate the spelling is):

(b)(6)



This list does not include all 11 of her classmates, as (b)(6) could not remember all of their names. I still encouraged her to submit an official complaint through our website, but needed to make you aware of the complaint while you're still on-site and able to speak directly to campus administration about this situation. Thank you!!

I was informed that this information should be incorporated in your teams review and incorporated in the introduction of your team's report.

Thanks again,
Jan

From: Jan Chambers
Sent: Wednesday, May 17, 2017 10:17 AM
To: LaToya Boyd
Subject: Student Complaint - Branford Hall, Springfield

Hey LaToya,

I JUST got a phone call a few minutes ago from a student currently enrolled at Branford Hall in Springfield, MA. I believe you are at that campus today. The student stated that she and 11 classmates were supposed to start their clinicals/externship two weeks ago, but the campus hasn't assigned/placed them in them yet. I told the student to submit a complaint but when I got off the phone, realized that you are already at the campus... so I don't have much detail. The student stated that some of her classmates are interested seeking legal counsel and one has already contacted a lawyer. Are you and the team aware of any issues with externships currently going on?

Jan A. Chambers

Senior Coordinator, Complaints & Adverse Review
Accrediting Council for Independent Colleges and Schools
750 First Street, NE | Suite 980 | Washington, DC 20002
www.acics.org | 202.336.6764 - p | 202.842.2593 - f
Follow us on Twitter - <http://twitter.com/acicsaccredits>
Like us on Facebook - <http://facebook.com/acicsaccredits>

Case Name: *In the Matter of* Accrediting Council for Independent Colleges and Schools

Docket No.: 16-44-O

Filing Party: Respondent, Accrediting Council for Independent Colleges and Schools

Exhibit No.: B-O-144



May 10, 2016

ID Code 00247906(MC)

VIA E-MAIL ONLY

Mr. Jason Shin
President
South Baylo University
1126 N. Brookhurst Street
Anaheim, CA 92801

Subject: Voluntary Withdrawal of Initial Application for Accreditation

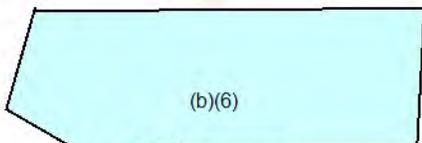
SOUTH BAYLO UNIVERSITY, ANAHEIM, CA ID CODE 00247906(MC)
SOUTH BAYLO UNIVERSITY - VIRGINIA, ANNANDALE, VA ID CODE 00236409(BC)
SOUTH BAYLO UNIVERSITY - LOS ANGELES, LOS ANGELES, CA ID CODE 00236929(LS)

Dear Mr. Shin:

The Council acknowledges the notification, dated April 28, 2017, of the institution's request to voluntarily withdraw its application for initial accreditation, which pertains to the main campus listed at the aforementioned address; a branch campus located at 7535 Little River Turnpike, Unit 325-A, Annandale, VA 22003; and a learning site located at 2727 West 6th Street, Los Angeles, CA 90057.

In response to your request, ACICS hereby formally withdraws the application for initial accreditation for your institution, effective April 28, 2017.

We wish you the best in your accreditation by the Accreditation Commission for Acupuncture and Oriental Medicine. If we can be of any assistance, please let us know.



Rog J. Williams
Interim President

- c: Ms. Cathy Sheffield, Accreditation and State Liaison, U.S. Department of Education
(aslrecordsmanager@ed.gov)
Ms. Martinez Fernandez-Rosario, U.S. Department of Education, San Francisco/Seattle
School Participation Team, Regions IX and X (martina.fernandez-rosario@ed.gov)
Ms. Leeza Rifredi, California Bureau for Private Postsecondary Education
(leeza.rifredi@dca.ca.gov)
Ms. Perliter Walters-Gilliam, Vice President - Accreditation (pwgilliam@acics.org)



April 28, 2017

RE: Withdrawal of ACICS Initial Accreditation
South Baylo University Anaheim: Code: 230247
South Baylo University Los Angeles: Code: 236929
South Baylo University Virginia: Code: 236409

Dear Ms. Periliter Waltgers-Gilliam,

This letter is to inform you that all of South Baylo University campuses will withdraw the pursuit of ACICS initial accreditation. South Baylo University has decided to offer only master's and doctoral programs in Acupuncture and Oriental Medicine in order to maintain the accreditation of the Accreditation Commission for Acupuncture and Oriental Medicine (ACAOM).

South Baylo University has discontinued offering the bachelor's degree effective April 3, 2017.

If you have any question regarding this matter, please feel free to contact me.

Sincerely,

(b)(6)

Jason Shin
President
South Baylo University
1126 N. Brookhurst St., Anaheim, CA 92801
Tel: 714-533-1495 ext. 226
Fax: 714-533-6040
Email: jshin@southbaylo.edu



April 24, 2017

ID Code 00230247(MC)

VIA E-MAIL AND REGULAR MAIL

Mr. Jason Shin
South Baylo University
1126 N. Brookhurst Street
Anaheim, CA 92801

acics@southbaylo.edu

Subject: Initial Grant - Deferral Letter

SOUTH BAYLO UNIVERSITY, ANAHEIM, CA	ID CODE 00230247(MC)
SOUTH BAYLO UNIVERSITY, LOS ANGELES, CA	ID CODE 00236929(LS)
SOUTH BAYLO UNIVERSITY - VIRGINIA, ANNANDALE, VA	ID CODE 0236409(BC)

Dear Mr. Shin:

At its April 2017 meeting, the Council considered the institution's application for initial accreditation with ACICS, which included its response to the deferral action letter, dated December 21, 2016. The Council also considered information received from the institution's current accreditor, Accreditation Commission for Acupuncture and Oriental Medicine (ACAOM), in a letter dated March 27, 2017, to you. According to the ACAOM letter, the institution has been directed to "show cause" why its programmatic accreditation status with ACAOM should not be terminated. The concern cited by ACAOM was a "...February 16, 2017, formal *Accusation* against South Baylo University, dba South Baylo University School of Oriental Medicine, filed by the California (CA) Department of Consumer Affairs' (DCA) Bureau for Private Postsecondary Education (BPPE), Case #999965."

In the *Accusation* issued by the BPPE (which is posted online on the BPPE's website), the BPPE cites 22 "Causes for Disciplinary Action" stemming from its investigations of anonymous complaints and accusations from former South Baylo University employees and the results of compliance visits to the institution's main campus. Among the causes cited by the BPPE were allegations of failure to provide requested documents; failure to obtain necessary documentation of the basis for student admission; failure to apply its own admissions and graduation requirements; falsifying, destroying, or concealing documents; failure to maintain necessary student records; providing financial aid to ineligible students; and several additional charges.

Because of the nature of the allegations cited in the BPPE's case, ACAOM took its "show cause" action, citing a number of possible non-compliance issues with ACAOM's Standards and Policies.

While the Council continues its review of the institution to determine its readiness for an initial grant of accreditation, the allegations and actions expressed by the BPPE and ACAOM are extremely troubling and raise compliance issues based on the following *Accreditation Criteria*:

1. The institution is not currently in compliance with all applicable laws and regulations (Section 1-2-100(f)).
2. In light of the number and substance of allegations made by the State, the Council has serious concerns related to allegations of unethical practices demonstrated by the individuals comprising the ownership and management (Section 3-1-202).

Therefore, the Council has deferred further action on South Baylo University's application for an initial grant of accreditation pending receipt of the following information for subsequent review at its August 2017 meeting:

1. Evidence that the Accusation by the Department of Consumer Affairs at the Bureau for Private Postsecondary Education (BPPE), which includes the 22 causes for discipline, has been resolved. Documentation must include, but not be limited to, copies of all communication, correspondence, and documents to and from the BPPE concerning the hearing to be held on the allegations, and the decision issued by the Director of the Department of Consumer Affairs.
2. Evidence that the institution is no longer under a show-cause action by the Accrediting Commission for Acupuncture and Oriental Medicine (ACAOM), having satisfactorily resolved the concerns identified by ACAOM in its letter. Documentation must include, but not be limited to, any subsequent communication from ACAOM detailing the institution's compliance with its standards.

The Council has taken the action outlined above because it is unable to summon the necessary confidence that an institution seeking initial accreditation by ACICS is fully compliant with its criteria and will continue to review, monitor, and revise its operations with unquestioned integrity and a clear focus on ensuring the high quality of education demanded by accreditation.

Please contact [REDACTED] if you have any questions.

Sincerely,

[REDACTED]
(b)(6)

Roger J. Williams
Interim President

- c: Ms. Cathy Sheffield, Accreditation and State Liaison, U.S. Department of Education
(aslrecordsmanager@ed.gov)
- Ms. Martina Fernandez-Rosario, U.S. Department of Education, School Participation Team – Region IX (martina.fernandez-rosario@ed.gov)
- Ms. Nancy Gifford, U.S. Department of Education, School Participation Team - Region I
(Nancy.paula.gifford@ed.gov)
- Mr. Andrew Kim, Annandale branch campus (infova@southbaylo.edu)
- Ms. Sohila Mohiyeddini, Los Angeles learning site (soh@southbaylo.edu)
- Ms. Sylvia Rosa-Casanova, State Council of Higher Education for Virginia
(sylviarosacasanova@schev.edu)
- Ms. Leeza Rifredi, Bureau for Private Postsecondary Education
(Leeza.Rifredi@dca.ca.gov)
- Dr. Mark S. McKenzie, Accreditation Commission for Acupuncture and Oriental
Medicine (mark.mckenzie@acaom.org)



8941 Aztec Drive | Eden Prairie, Minnesota 55347 | p: 952-212-2434 f: 952-657-7068

Fedex Tracking #8102 8461 6842

March 27, 2017

President Jason Shin
South Baylo University
2727 W. 6th Street
Los Angeles, CA 90057

Dear President Shin:

At its meeting of February 23-25, 2017, the Accreditation Commission for Acupuncture and Oriental Medicine ("ACAOM" or "Commission") reviewed South Baylo University's (SBU) applications and related documentation for initial accreditation for both the Los Angeles, CA and the Annandale, VA branch campuses; and its November 30, 2016 *Monitoring Report* responding to ACAOM's concerns around Criterion 8.12 and SBU's compliance with NCCAOM exams.

The Commission also reviewed SBU's request seeking reclassification of its Los Angeles location pursuant to ACAOM's *Notification of Change Policy*, Section 1.2 - The establishment of an additional location offering 50% or more of a program, rather than as a branch campus under Section 1.3.

Additionally, the Commission received and reviewed a copy of the February 16, 2017, formal *Accusation* against South Baylo University, dba South Baylo University School of Oriental Medicine, filed by the California (CA) Department of Consumer Affairs' (DCA) Bureau for Private Postsecondary Education (BPPE), Case #999965.

Commission Findings:

1. The Commission found that SBU met the two (2) requirements identified in ACAOM's September 11, 2016 Action Letter, namely:
 - A. SBU hosted an ACAOM staff visit to its Anaheim and Los Angeles locations.
 - B. SBU timely submitted a monitoring report effectively addressing Criterion 8.12.

2. The Commission found that information contained in the *Accusation*, Case #999965, filed by CA BPPE, and its twenty-two (22) "Causes for Discipline" is substantial, credible and contains allegations that, if proven, present non-compliance issues with ACAOM's *Standards* and *Policies* including, but not limited to, the following:

ACAOM Integrity in the Accreditation Process Policy

ACAOM Accreditation Procedures Policy

ACAOM Notification of Change Policy

3.1 External Agency Actions

ACAOM Eligibility Requirements

4.0.3, 4.0.8, 4.0.10, 4.0.17

ACAOM Standards

Standard 2 – Legal Organization

Criterion 4.4 – Integrity

Criterion 5.1 – Permanent Records

Criterion 6.2 – Transfer Credit

Criterion 6.8 – English Language Competency

Criterion 13.10 – Refund Policy

Standard 3 - Governance

Standard 5 – Records

Standard 6 – Admissions

Criterion 6.7 – Recruitment

Criterion 13.8 – Financial Aid Operation

Commission Action:

Consistent with ACAOM's *Commission Actions Policy*, the Commission took the following actions:

1. To accept SBU's November 30, 2016 Monitoring Report and supporting documentation as demonstration of compliance with further development for ACAOM Criterion 8.12. No further action by SBU involving Criterion 8.12 is required at this time.
2. To grant SBU's request to reclassify its Los Angeles, CA location to "[T]he establishment of an additional location offering 50% or more of a program" as provided by ACAOM's *Notification of Change Policy*, Section 1.2
3. To approve SBU's revised application seeking recognition of its Los Angeles, CA location as an "additional location" of its main campus effective February 25, 2017.
4. Based on "Causes for Discipline" cited in Case #999965, particularly those involving institutional integrity and unethical behavior, it appears to the Commission that SBU is seriously out of compliance with ACAOM Standard 4 (Criterion 4.4: Integrity). Consistent with ACAOM's *Commission Actions Policy* ("Commission Sanctions," [Imposition of] Sanctions for Unethical Behavior, p.8), the Commission will terminate the accreditation status of SBU and all its locations by March 27, 2018 unless SBU can "show cause" why the Commission should not terminate its accreditation status by demonstrating that it has responded satisfactorily to the Commission's concerns outlined herein, and is in material compliance with all of the Commission's *Eligibility Requirements and/or Standards and Criteria for Accreditation*. Programs and Institutions placed on *Show Cause* may request reconsideration of this decision. The reconsideration procedures are designed as a continuation of the accreditation peer review process and are therefore considered to be non-adversarial. (See page 8 of ACAOM's *Commission Actions Policy* for reconsideration procedures.)
5. To require SBU to host a virtual meeting with ACAOM's Executive Director (ED) and Director of Regulatory Affairs (DRA) within 60 days of the date of this letter (**May 26, 2017**), to discuss the reasons for the Commission's "show cause" sanction and to discuss the program's plans for addressing the issues that gave rise to the sanction.
6. To require SBU to submit to ACAOM a **Show Cause Monitoring Report** no later than December 1, 2017 addressing the then status of Case #999965 and Paragraph 2 of the "Commission Findings" outlined above – particularly ACAOM Criterion 4.4: Integrity.
7. To **defer action** on the review of initial accreditation for SBU's Annandale, VA branch campus, and to extend pre-accreditation (Candidacy) status of SBU's Annandale, VA branch campus subject to the outcome of Case #999965.

****Please note the Commission is not bound by a rigid sequence of actions nor precluded from taking action at any time as warranted by evolving circumstances.***

Please note that SBU is under a continuing obligation to timely notify ACAOM of actions taken by external agencies. (See ACAOM's *Notification of Change Policy*, Paragraph 3.1, pages 9-10, attached)



March 27, 2017

DISCLOSURES TO THE PUBLIC BY THE INSTITUTION

Consistent with ACAOM Policies and *Standards*, SBU must publish the following public disclosure notification in its catalogue, on its website, and/or in any other public announcements that include accreditation information:

The Accreditation Commission for Acupuncture and Oriental Medicine (ACAOM) has placed South Baylo University and all its locations and programs, on *Show Cause* why its accreditation status should not be terminated effective February 25, 2017 through February 2018. The institution retains accredited status during this period. ACAOM is the recognized accrediting agency for programs preparing acupuncture and Oriental medicine practitioners. ACAOM is located at 8941 Aztec Drive, Eden Prairie, Minnesota 55347; phone 952/212-2434; fax 952/657-7068.

Use of language other than that so designated is not permitted without prior written permission from Commission staff. The Commission must receive a copy of, or a link to, the public announcement of its accredited status with ACAOM within fifteen (15) calendar days of receipt of this *Action Letter*.

Please contact ACAOM staff if you have any questions about the Commission's requirements of your accredited institution/program and to schedule the staff visit.

Sincerely,

(b)(6)

Mark S McKenzie, PhD (China), MSOM, L.Ac
Executive Director
Mark.McKenzie@acaom.org

Cc: Kathy Taromina, DACM, L.Ac, Chair

Attachments: See ACAOM's website for current versions of all policies referenced herein.



1 XAVIER BECERRA
Attorney General of California
2 ANTOINETTE B. CINCOTTA
Supervising Deputy Attorney General
3 MARICHELE S. TAHIMIC
Deputy Attorney General
4 State Bar No. 147392
600 West Broadway, Suite 1800
5 San Diego, CA 92101
P.O. Box 85266
6 San Diego, CA 92186-5266
Telephone: (619) 738-9435
7 Facsimile: (619) 645-2061
Attorneys for Complainant

8
9 **BEFORE THE**
DEPARTMENT OF CONSUMER AFFAIRS
10 **FOR THE BUREAU FOR PRIVATE POSTSECONDARY EDUCATION**
STATE OF CALIFORNIA

11
12 In the Matter of the Accusation Against:

Case No. 999965

13 **SOUTH BAYLO UNIVERSITY,**
14 **DBA SOUTH BAYLO UNIVERSITY**
SCHOOL OF ORIENTAL MEDICINE,
15 **1126 N Brookhurst St**
Anaheim, CA 92801

A C C U S A T I O N

16 **Approval to Operate No. 3004561**

17 Respondent.

18 Complainant alleges:

19 **PARTIES**

20 1. [REDACTED] (Complainant) brings this Accusation solely in her official capacity as
21 the Chief of the Bureau for Private Postsecondary Education (Bureau), Department of Consumer
22 Affairs.

23 2. On or about March 6, 1986, the California State Department of Education, Private
24 Postsecondary Education Division (CSDE), issued a Provisional Approval to South Baylo
25 University to offer an Acupuncture program. South Baylo University received course approval to
26 offer acupuncture from CSDE on April 24, 1987. On January 1, 1995, the Bureau for Private
27
28

1 Postsecondary and Vocational Education¹ (hereinafter "BPPVE") issued an approval to operate
2 South Baylo University, dba South Baylo University School of Oriental Medicine (Respondent).
3 In 1998, BPPVE approved Respondent to offer a Bachelor of Science in Acupuncture and
4 Oriental Medicine, and in June 1999, the program title was changed to Bachelor of Science
5 Holistic Science (BSHS).

6 JURISDICTION

7 3. This Accusation is brought before the Director of the Department of Consumer
8 Affairs (Director) for the Bureau under the authority of the following laws. All section references
9 are to the Education Code unless otherwise indicated.

10 4. Education Code (Code) section 94932 states:

11 The bureau shall determine an institution's compliance with the requirements of
12 this chapter. The bureau shall have the power to require reports that institutions
13 shall file with the bureau in addition to the annual report, to send staff to an
14 institution's sites, and to require documents and responses from an institution to
15 monitor compliance. When the bureau has reason to believe that an institution may
16 be out of compliance, it shall conduct an investigation of the institution. If the
17 bureau determines, after completing an investigation, that an institution has
18 violated any applicable law or regulation, the bureau shall take appropriate action
19 pursuant to this article.

20 5. Code section 94933 states:

21 The bureau shall provide an institution with the opportunity to remedy
22 noncompliance, impose fines, place the institution on probation, or suspend or
23 revoke the institution's approval to operate, in accordance with this article, as it
24 deems appropriate based on the severity of an institution's violations of this
25 chapter, and the harm caused to students.

26 6. Code section 94937 states:

27 (a) As a consequence of an investigation, which may incorporate any materials
28 obtained or produced in connection with a compliance inspection, and upon a
finding that an institution has committed a violation, the bureau may place an
institution on probation or may suspend or revoke an institution's approval to
operate for:

(1) Obtaining an approval to operate by fraud.

(2) A material violation or repeated violations of this chapter or

¹ The former Bureau for Private Postsecondary and Vocational Education sunsetted on July 1, 2007. On October 11, 2009, the Bureau for Private Postsecondary Education Act of 2009 (AB 48) was signed into law. The Act, which became operative on January 1, 2010, established the Bureau for Private Postsecondary Education).

1 regulations adopted pursuant to this chapter that have resulted in harm to
2 students. For purposes of this paragraph, "material violation" includes, but is
3 not limited to, misrepresentation, fraud in the inducement of a contract, and
4 false or misleading claims or advertising, upon which a student reasonably
5 relied in executing an enrollment agreement and that resulted in harm to the
6 student.

(b) The bureau shall adopt regulations, within one year of the enactment of this
chapter, governing probation and suspension of an approval to operate.

(c) The bureau may seek reimbursement pursuant to Section 125.3 of the
Business and Professions Code.

(d) An institution shall not be required to pay the cost of investigation to more
than one agency.

7. Business and Professions Code section 118 states, in part:

10 ...

(b) The suspension, expiration, or forfeiture by operation of law of a license
issued by a board in the department, or its suspension, forfeiture, or cancellation by
order of the board or by order of a court of law, or its surrender without the written
consent of the board, shall not, during any period in which it may be renewed,
restored, reissued, or reinstated, deprive the board of its authority to institute or
continue a disciplinary proceeding against the licensee upon any ground provided
by law or to enter an order suspending or revoking the license or otherwise taking
disciplinary action against the licensee on any such ground.

(c) As used in this section, 'board' includes an individual who is authorized by
any provision of this code to issue, suspend, or revoke a license, and 'license'
includes 'certificate,' 'registration,' and 'permit.'"

18 STATUTORY AND REGULATORY PROVISIONS

19 8. Business and Professions Code section 477 states:

20 As used in this division:

(a) 'Board' includes 'bureau,' 'commission,' 'committee,' 'department,'
'division,' 'examining committee,' 'program,' and 'agency.'

(b) 'License' includes certificate, registration or other means to engage in a
business or profession regulated by this code.

24 9. Section 94897 of the Education Code states:

25 An institution shall not do any of the following:

26 ...

(j) In any manner make an untrue or misleading change in, or untrue or misleading
statement related to, a test score, grade or record of grades, attendance record,

28 ///

1 record indicating student completion, placement, employment, salaries, or
2 financial information, including any of the following:

3 (3) Any other record or document required by this chapter or by the bureau.

4 (k) Willfully falsify, destroy, or conceal any document of record while that
5 document of record is required to be maintained by this chapter.

6 ...
7 (p) Offer an associate, baccalaureate, master's, or doctoral degree without
8 disclosing to prospective students prior to enrollment whether the institution or the
9 degree program is unaccredited and any known limitation of the degree, including,
but not limited to, all of the following:

10 (2) A statement that reads: "A degree program that is unaccredited or a
11 degree from an unaccredited institution is not recognized for some employment
positions, including, but not limited to, positions with the State of California."

12 (3) That a student enrolled in an unaccredited institution is not eligible for
13 federal financial aid programs.

14 10. Section 94900 of the Education Code states:

15 ...
16 (b) An institution shall maintain, for each student granted a degree or certificate by
17 that institution, permanent records of all of the following:

18 (1) The degree or certificate granted and the date on which that degree or
19 certificate was granted.

20 (3) The grades earned by the student in each of those courses."

21 11. Code section 94900.5 states:

22 An institution shall maintain, for a period of not less than five years, at its
23 principal place of business in this state, complete and accurate records of all of the
following information:

24 (a) The educational programs offered by the institution and the curriculum for
25 each.

26 (b) The names and addresses of the members of the institution's faculty and
records of the educational qualifications of each member of the faculty.

27 (c) Any other records required to be maintained by this chapter, including, but not
28 limited to, records maintained pursuant to Article 16 (commencing with Section
94928).

1 12. Code section 94902 states in part:

2 (a) A student shall enroll solely by means of executing an enrollment agreement.
3 The enrollment agreement shall be signed by the student and by an authorized
4 employee of the institution.

5 13. Code section 94906 states in part:

6 (a) An enrollment agreement shall be written in language that is easily understood.
7 If English is not the student's primary language, and the student is unable to
8 understand the terms and conditions of the enrollment agreement, the student shall
9 have the right to obtain a clear explanation of the terms and conditions and all
10 cancellation and refund policies in his or her primary language.

11 (b) If the recruitment leading to enrollment was conducted in a language other than
12 English, the enrollment agreement, disclosures, and statements shall be in that
13 language.

14 14. Code section 94911 states in part:

15 An enrollment agreement shall include, at a minimum, all of the following:

16 (a) The name of the institution and the name of the educational program, including
17 the total number of credit hours, clock hours, or other increment required to
18 complete the educational program.

19 ...

20 15. Code section 94929 states:

21 (a) An institution shall annually report to the bureau, as part of the annual report,
22 and publish in its School Performance Fact Sheet, the completion rate for each
23 program. Except as provided in subdivision (b), the completion rate shall be
24 calculated by dividing the number of on-time graduates by the number of students
25 available for graduation.

26 (b) In lieu of calculating graduation data pursuant to subdivision (a), an institution
27 may report graduation data reported to, and calculated by, the Integrated
28 Postsecondary Education Data System of the United States Department of
Education.

16. Code section 94929.5 states:

(a) An institution shall annually report to the bureau, as part of the annual report,
and shall publish in its School Performance Fact Sheet, all of the following:

(1) The job placement rate, calculated by dividing the number of graduates
employed in the field by the number of graduates available for employment for
each program that is either (1) designed, or advertised, to lead to a particular
career, or (2) advertised or promoted with any claim regarding job placement.

///

1 (2) The license examination passage rates for the immediately preceding two
2 years for programs leading to employment for which passage of a state licensing
3 examination is required, calculated by dividing the number of graduates who pass
4 the examination by the number of graduates who take the licensing examination
5 the first time that the examination is available after completion of the educational
6 program. The institution shall use state agency licensing data to calculate license
7 examination passage rates. If those data are unavailable, the institution shall
8 calculate the license examination passage rate in a manner consistent with
9 regulations adopted by the bureau.

6 (3) Salary and wage information, consisting of the total number of graduates
7 employed in the field and the annual wages or salaries of those graduates stated in
8 increments of five thousand dollars (\$5,000).

8 (4) If applicable, the most recent official three-year cohort default rate
9 reported by the United States Department of Education for the institution and the
10 percentage of enrolled students receiving federal student loans.

10 (b) Nothing in this section shall limit the bureau's authority to collect information
11 from an institution to comply with this section and ensure, by regulation and other
12 lawful means, that the information required by this section, and the manner in
13 which it is collected and reported, is all of the following:

13 (1) Useful to students.

14 (2) Useful to policymakers.

15 (3) Based upon the most credible and verifiable data available.

16 (4) Does not impose undue compliance burdens on an institution.

17 (c) Data and information disclosed pursuant to paragraphs (1) to (3), inclusive, of
18 subdivision (a) is not required to include students who satisfy the qualifications
19 specified in subdivision (d) of Section 94909, but an institution shall disclose on its
20 fact sheet and to the bureau whether its data, information, or both, excludes any
21 students pursuant to this subdivision.

20 17. Code section 94929.7 states:

21 (a) The information used to substantiate the rates and information calculated
22 pursuant to Sections 94929 and 94929.5 shall do both of the following:

23 (1) Be documented and maintained by the institution for five years from the date
24 of the publication of the rates and information.

25 (2) Be retained in an electronic format and made available to the bureau upon
26 request.

26 ...

27 (c) The bureau shall identify the specific information that an institution is required
28 to document and maintain to substantiate rates and information pursuant to this
section.

1 18. Title 5, California Code of Regulations (CCR), section 71770 states in part:

2 (a) The institution shall establish specific written standards for student admissions
3 for each educational program. These standards shall be related to the particular
4 educational program. An institution shall not admit any student who is obviously
5 unqualified or who does not appear to have a reasonable prospect of completing

6 the program. In addition to any specific standards for an educational program, the
7 admissions standards must specify as applicable that:

8 (1) Each student admitted to an undergraduate degree program, or a diploma
9 program, shall possess a high school diploma or its equivalent, or otherwise
10 successfully take and pass the relevant examination as required by section 94904 of
11 the Code.

12 ...
13 (b) The institution shall specify the maximum credit it will transfer from another
14 institution for each educational program, and the basis upon which the transferred
15 credit will be awarded.

16 (1) Except as limited by subdivision (c) of this section, a maximum of 75
17 percent of the units or credit that may be applied toward the award of a bachelor's
18 degree may be derived from a combination of any or both of the following:

19 (A) Units earned at institutions approved by the Bureau, public or
20 private institutions of higher learning accredited by an accrediting
21 association recognized by the U. S. Department of Education, or any
22 institution of higher learning, including foreign institutions, if the
23 institution offering the undergraduate program documents that the
24 institution of higher learning at which the units were earned offers
25 degree programs equivalent to degree programs approved by the
26 Bureau or accredited by an accrediting association recognized by the
27 U.S. Department of Education;

28 ...
29 19. Title 5, CCR, section 71800 states:

30 In addition to the requirements of section 94911 of the Code, an institution shall
31 provide to each student an enrollment agreement that contains at the least the
32 following information:

33 (a) The name and address of the institution and the addresses where instruction
34 will be provided.

35 (b) Period covered by the enrollment agreement.

36 (c) Program start date and scheduled completion date.

37 (d) Date by which the student must exercise his or her right to cancel or withdraw,
38 and the refund policy, including any alternative method of calculation if approved
by the Bureau pursuant to section 94921 of the Code.

1 (c) Itemization of all institutional charges and fees including, as applicable:

- 2 (1) tuition;
- 3 (2) registration fee (non-refundable);
- 4 (3) equipment;
- 5 (4) lab supplies or kits;
- 6 (5) Textbooks, or other learning media;
- 7 (6) uniforms or other special protective clothing;
- 8 (7) in-resident housing;
- 9 (8) tutoring;
- 10 (9) assessment fees for transfer of credits;
- 11 (10) fees to transfer credits;
- 12 (11) Student Tuition Recovery Fund fee (non-refundable);
- 13 (12) any other institutional charge or fee.

14 (d) Charges paid to an entity other than an institution that is specifically required
for participation in the educational program.

15 20. Title 5, CCR, section 71920 states in part:

16 ...

17 (b) In addition to the requirements of section 94900, the file shall contain all of the
18 following pertinent student records:

19 (1) Written records and transcripts of any formal education or training,
20 testing, or experience that are relevant to the student's qualifications for admission
to the institution or the institution's award of credit or acceptance of transfer credits
including the following:

21 (A) Verification of high school completion or equivalency or other
22 documentation establishing the student's ability to do college level work,
such as successful completion of an ability-to-benefit test;

23 (B) Records documenting units of credit earned at other institutions that have
24 been accepted and applied by the institution as transfer credits toward the
student's completion of an educational program;

25 ...

26 (3) Copies of all documents signed by the student, including contracts,
27 instruments of indebtedness, and documents relating to financial aid;

28 ...

1 (5) In addition to the requirements of section 94900(b) of the Code, a transcript showing all of the following:

2 (A) The courses or other educational programs that were completed, or were
3 attempted but not completed, and the dates of completion or withdrawal;

4 ...
5 (9) A document showing the total amount of money received from or on behalf of
6 the student and the date or dates on which the money was received;

7 21. Title 5, CCR, section 71930 states in part:

8 ...
9 (b) (1) In addition to permanently retaining a transcript as required by section
10 94900(b) of the Code, the institution shall maintain for a period of 5 years the
11 pertinent student records described in Section 71920 from the student's date of
12 completion or withdrawal.

13 (e) All records that the institution is required to maintain by the Act or this chapter
14 shall be made immediately available by the institution for inspection and copying
15 during normal business hours by the Bureau and any entity authorized to conduct
16 investigations.

17 ...
18 22. Title 5, CCR, section 74112 states in part:

19 (m) Documentation supporting all data reported shall be maintained electronically
20 by the institution for at least five years from the last time the data was included in
21 either an Annual Report or a Performance Fact Sheet and shall be provided to the
22 Bureau upon request; the data for each program shall include at a minimum:

23 (1) the list of job classifications determined to be considered gainful employment
24 for the educational program;

25 (2) student name(s), address, phone number, email address, program completed,
26 program start date, scheduled completion date, and actual completion date;

27 (3) graduate's place of employment and position, date employment began, date
28 employment ended, if applicable, actual salary, hours per week, and the date
employment was verified;

(4) for each employer from which employment or salary information was obtained,
the employer name(s) address and general phone number, the contact person at the
employer and the contact's phone number and email address, and all written
communication with employer verifying student's employment or salary;

///

1 (5) for students who become self-employed, all documentation necessary to
demonstrate self-employment;

2 (6) a description of all attempts to contact each student or employer;

3 (7) any and all documentation used to provide data regarding license examinations
4 and examination results;

5 (8) for each student determined to be unavailable for graduation or unavailable for
6 employment, the identity of the student, the type of unavailability, the dates of
unavailability, and the documentation of the unavailability; and

7 (9) the name, email address, phone number, and position or title of the institution's
8 representative who was primarily responsible for obtaining the students'
9 completion, placement, licensing, and salary and wage data, the date that the
information was gathered, and copies of notes, letters or emails through which the
information was requested and gathered.

10 11 **COST RECOVERY**

12 23. Section 125.3 of the Code provides, in pertinent part, that the Bureau may request the
13 administrative law judge to direct a licentiate found to have committed a violation or violations of
14 the licensing act to pay a sum not to exceed the reasonable costs of the investigation and
15 enforcement of the case, with failure of the licentiate to comply subjecting the license to not being
16 renewed or reinstated. If a case settles, recovery of investigation and enforcement costs may be
17 included in a stipulated settlement.

18 **FACTS**

19 **COMPLAINT INVESTIGATION**

20 24. On September 10, 2014, the Bureau's Complaint Investigation Unit received via e-
21 mail an anonymous complaint about Respondent and California University of Management and
22 Sciences (CalUMS) that a civil lawsuit was filed against Respondent and CalUMS alleging
23 student grade tampering, students hired for faculty positions, I-20 Visa fraud and operating a
24 diploma mill. The complaint alleged that [REDACTED] was the founder and President of Respondent and
25 CalUMS. The allegations in this Accusation pertain to Respondent only.

26 25. On September 12, 2014, the Bureau received another e-mail complaint with similar
27 allegations against Respondent. On April 1, 2015, the Bureau received another complaint, this
28 time from "whistleblowers" about Respondent that alleged computer tampering, falsification of

1 records, selling diplomas, and grade tampering, among other things. The whistleblowers were
2 [REDACTED] (Respondent's Registrar), [REDACTED] (Respondent's Vice Chancellor) and [REDACTED] (Respondent's
3 Compliance Officer/Accreditation Administrator and an instructor. The complaint included
4 approximately 21 student records.

5 26. Among the allegations of the whistleblowers' complaint to the Bureau was that
6 students received a Bachelor of Science in Holistic Science (BSHS) diploma after graduating
7 from the Master of Science in Acupuncture Oriental Medicine (MSAOM) program. Students
8 who earned credits attending the MSAOM program were also given credits towards the BSHS
9 program at the same time and diplomas were issued to unqualified students. In addition,
10 transcripts provided by Respondent to the California Acupuncture Board (CAB) and National
11 Certification Commission for Acupuncture and Oriental Medicine (NCCAOM) were different
12 from Respondent's official transcripts. The Registrar's log of BSHS degrees issued identified
13 five students who were not registered by the Registrar. They are students [REDACTED] (Student 32L),
14 [REDACTED] and [REDACTED] (Student 32B)

15 27. The whistleblowers' complaint also alleged that certain students who had been issued
16 degrees in BSHS were not qualified. In addition, the complaint alleged that [REDACTED], Respondent's
17 Student Advisor, charge students money to change their TOEFL (Test of English as a Foreign
18 Language) test results with the knowledge of Respondent's President, [REDACTED] corrected the answers
19 of student's TOEFL exams before submission for an official score and allowed students to take
20 the exam in different rooms and on another campus.

21 28. On or about April 30, 2015, the whistleblowers advised [REDACTED] that [REDACTED] became aware
22 of the whistleblowers' complaint to the BPPH. [REDACTED] asked the whistleblowers which documents
23 had been provided to the Bureau and told the whistleblowers that he wanted to "fix" the
24 documents. [REDACTED] asked [REDACTED] several times about the documents submitted to the Bureau.

25 29. In May, 2015, [REDACTED] position at the school was eliminated; in June, 2015, [REDACTED] and
26 [REDACTED] were terminated.

27 30. On or about June 18, 2015, Bureau Enforcement Analysts, K.J. and B.K., visited
28 Respondent's Anaheim campus. They were greeted by [REDACTED], the Registrar, who escorted K.J. and

1 B.K. on a campus tour. The Anaheim campus has three floors of the building; classrooms were
2 on the first two floors and an acupuncture clinic was on the third floor. K.J. and B.K. requested
3 the records of 16 students however [REDACTED] was only able to locate six student files. However, [REDACTED]
4 located and provided official transcripts for all 16 of the students (Students 32A to 32P)

5 31. K.J. and B.K. interviewed [REDACTED], the President of Respondent school. [REDACTED] stated he was
6 aware of the "Whistleblower case." [REDACTED] stated that many of Respondent's students attend classes
7 in both the Los Angeles and Anaheim campuses. [REDACTED] stated that the school recently moved all the
8 student files to the Anaheim campus as instructed by their accrediting agency, Accreditation
9 Commission for Acupuncture and Oriental Medicine (ACAOM).

10 32. [REDACTED] explained that 30% of the students admitted to Respondent school were awarded
11 a BSHS. The students are required to have two years of prior college and a minimum of 90 units
12 to be accepted into the MSAOM program. The classes taken while enrolled in the MSAOM
13 program are also applied to the BSHS degree to fulfill the 180 required units for the BSHS.
14 According to [REDACTED] the BSHS was not an accredited program however, ACAOM allowed the
15 school to issue the BSHS diplomas.

16 33. K.J. requested the remaining student files and a student roster for the BSHS program
17 for the past five years. K.J. received the student files on July 9, 2015.

18 34. On or about July 15, 2015, K.J. learned that ACAOM conducted a site visit for
19 accreditation purposes. The site visit occurred from May 27, 2015 through May 29, 2015. On
20 July 28, 2015, [REDACTED] received the ACAOM Site Visit Report. [REDACTED] noted there were 18 findings of
21 non-compliance.

22 35. On or about August 11, 2015, [REDACTED] returned to the school with Bureau Enforcement
23 Analyst [REDACTED] and obtained copies of five randomly selected BSHS student records (Students 32Q
24 through 32U).

25 36. Bureau investigators also obtained the student records of [REDACTED] (Student 32A) from
26 Respondent's Virginia campus and compared it with the records obtained during the on-site
27 investigation on June 18, 2015. [REDACTED] enrolled in Respondent's Virginia campus on April 3, 2014
28 and transferred to Respondent's Anaheim campus on April 7, 2015. [REDACTED] student records

1 obtained during the on-site visit were missing eight documents that had been in the records
2 provided by the whistleblowers. The missing documents included:

- 3 a. Email dated February 12, 2015, that contained [REDACTED] Academic Record;
- 4 b. Email dated October 27, 2014, that contained [REDACTED] Academic Record;
- 5 c. Academic Records printed on January 26, 2015;
- 6 d. Academic Record printed on February 11, 2015;
- 7 e. Bergen Community College Office Transcript dated April 18, 2014;
- 8 f. Two pages of Bergin Course descriptions; and,
- 9 g. Student Files Checklist.

10 37. The following discrepancies were found between [REDACTED] Academic Record contained
11 in the October 24, 2014 e-mail and the Official Transcript obtained during the site visit on June
12 18, 2015:

- 13 a. Transfer Credits were included in the June 18, 2015 Official Transcript;
- 14 b. Spring 2014, BS310 History of Medicine grade changed from A to B;
- 15 c. Spring 2014, BS384 Systemic Pathology grade changed from B to A; and,
- 16 d. Summer 2015, AC342 Acupuncture B grade changed from A to B.

17 38. The following discrepancies were found between the documents provided by the
18 whistleblowers and [REDACTED] records obtained during the site visit on June 18, 2015:

- 19 a. April 3, 2014, Admissions Evaluation Form, Semester units modified from 180 to
20 177 and the Dong-A-University year 1985 had been changed to 1986;
- 21 b. April 27, 2014, Program Language Acknowledgement document the date had been
22 added;
- 23 c. June 2, 2014, Course Registration Form the Academic Advisor signature was added;
- 24 d. July 7, 2014, Add & Drop Form the Academic Advisor signature was added; and,
- 25 e. July 10, 2014, Add & Drop Form an Academic Advisor signature was added.

26 39. Review of the remaining 20 student records (Students 32B through 32U) revealed the
27 following:

28 ///

- 1 a. No high school diplomas or equivalent education documents were in Student files
- 2 32A through 32U.
- 3 b. No BSHS Enrollment Agreements were in Student files 32B through 32T.
- 4 c. Documents such as previous transcripts, evaluation forms, academic records,
- 5 transcripts and BSHS diplomas were missing from Student files 32A, 32C, 32D, 32G through
- 6 32P.
- 7 d. Diplomas were issued without identification numbers. (Students 32E, 32G, 32J, 32M,
- 8 32N, 32O, and 32P)
- 9 e. Transfer credits for Students 32C, 32F and 32L increased after the graduation date.
- 10 f. BSHS diplomas were not identified on official transcripts issued to CAB for Students
- 11 32B, 32E, 32H through 32O.

12 40. A review of Respondent's February 1, 2010-August 22, 2013 "BA Degree" list
 13 (Bachelor diploma applicants who paid fees to receive their diplomas) provided by the
 14 whistleblowers with the Roster of Students enrolled in the BSHS program and who received
 15 diplomas from June 2010 to June 2015 revealed 23 students on the BA Degree List who were not
 16 on the BSIIS roster. The 23 students paid a fee to receive the diploma but were not enrolled in
 17 the BSHS program.

18 41. On October 22, 2015, K.J. requested financial ledgers and transcripts for six BSHS
 19 students: Students 32I, 32Q, 32R, 32S, 32T and 32U. K.J. received the requested documents on
 20 October 22, 2015.

21 42. Review of the ledgers revealed that the following payments were not included in the
 22 students' ledgers:

Student #	Receipt Print Date	Amount	Receipt #
32D	3/5/2010	\$100	AN038902
32C	3/14/2012	\$550	LA022073
32F	3/15/2012	\$550	AN052651
32L	10/3/2012	\$550	AN056427
32H	2/21/2013	\$550	LA024352
32K	2/27/2013	\$550	AN059188
32I	8/22/2013	\$550	AN061998

1 43. On November 4, 2015, K.J. reviewed Respondent's website at www.southbaylo.edu
2 and reviewed the admission requirements for the MSAOM program. According to the website,
3 the requirements for admission in the MSAOM program included applicants who have completed
4 a bachelor's degree or its equivalent from an institution accredited by an agency recognized by the
5 U.S. Department of Education and applicants who have not completed a bachelor's degree but
6 earned at least 90 quarter units or 60 semester units at the baccalaureate level from an accredited
7 institution. Further, "any credit used for admissions requirements shall not be used again for
8 credit towards the Master's degree program."

9 44. CAB's requirements for admission to acupuncture and oriental medicine training
10 programs included the completion of least two academic years (60 semester credits/90 quarter
11 credits) of education at the baccalaureate level, or the equivalent from an institution accredited by
12 an agency recognized by the U.S. Secretary of Education. During K.J.'s investigation, she found
13 that some students did not meet Respondent's or CAB's admission requirements, and that after
14 learning of the whistleblower's complaint, Respondent created new admission evaluation sheets
15 that inflated the student's previous education credits on the new evaluation sheets. The BSHS
16 student files did not have BSHS enrollment agreements, BSHS academic records or transcripts.
17 A student that was enrolled in the Master's program was automatically provided the Bachelor's
18 degrees.

19 45. On May 23, 2016, K.J. requested copies of the following student records from CAB,
20 32B, 32C, 32E through 32J, 32L through 32P. K.J. was advised that students 32D and 32F did
21 not submit applications to take the acupuncture exams and therefore CAB did not have records for
22 these students.

23 COMPLIANCE INSPECTION

24 46. On April 19, 2016, M.A. from the Bureau's Compliance Unit conducted an
25 unannounced compliance inspection of Respondent's Anaheim campus. The inspection included
26 a tour of the campus, review of student records and interviews with staff.

27 ///

28 ///

1 47. Although the institution was approved to provide instruction in English, Chinese, and
2 Korean, M.A. found that the institution did not provide or maintain an enrollment agreement,
3 catalog and School Performance Fact Sheet (SPFS) in Chinese and Korean.

4 48. The institution recruited and enrolled Chinese and Korean speaking students without
5 providing students with a catalog, enrollment agreement, and SPFS in their primary language.

6 49. The institution offered a BSHS program that ran concurrently with the MSAOM.
7 M.A. requested a list of students in the BSHS program. [REDACTED] stated there was no such list because
8 the BSHS program was part of the MSAOM program and stated that he had approval for this
9 from the accrediting body but could not provide documentation. Later in the day, [REDACTED] stated the
10 institution no longer offered the BSHS program. By the end of the day, [REDACTED] stated the institution
11 did offer the BSHS program. [REDACTED] was cautioned that the school may be offering an unapproved
12 "combo" program.

13 50. During M.A.'s inspection, M.A. reviewed 11 student files: [REDACTED]
14 [REDACTED] and [REDACTED]. Of the student files reviewed, no student files
15 contained enrollment agreements for the BSHS program. However several student files indicated
16 the students were enrolled in the BSHS program as stated on transcripts, degrees, emails, or
17 letters. Examples are:

18 a. [REDACTED] – The student file contained an enrollment agreement for MSAOM program but
19 none for BSHS program. However, the file contained a BSHS diploma. Form I-20 stated the
20 student was not proficient in English; however the enrollment agreement was written in English.
21 The student file did not contain a SPFS.

22 b. [REDACTED] – The student file contained an enrollment agreement for MSAOM program but
23 none for BSHS program. However, the file contained an e-mail from the school that the student
24 met the admissions requirements for the BSHS program and that the BSHS degree will be
25 awarded upon completion of the MSAOM program.

26 c. [REDACTED] – The student file contained an enrollment agreement for MSAOM program but
27 none for BSHS program. However, the file contained an Admission Evaluation form that
28 indicated the student met the BSHS and MSAOM admissions requirements.

1 d. [REDACTED] -- The student file contained an enrollment agreement for MSAOM program
2 but none for BSIS program. However, the file contained an e-mail from the school that the
3 student met the admissions requirements for the BSIS program and that the BSIS degree will be
4 awarded upon completion of the MSAOM program. The file also contained a BSIS diploma.

5 51. On July 7, 2016, K.J. sent a letter to [REDACTED] at the institution regarding violations
6 identified during the compliance inspection on April 19, 2016. K.J. also requested the school
7 provide SPFS back up data for the last five years, student enrollment agreements and SPFS in
8 Korean and Chinese, and a BSIS student roster for all students enrolled in the last five years. K.J.
9 requested the information by July 21, 2016. The requested documents were not provided to K.J.

10 **FIRST CAUSE FOR DISCIPLINE**

11 **(Violations Regarding Admissions Standards and Transferred Credits Policy)**

12 52. Respondent is subject to disciplinary action under title 5, CCR, section 71770(a), in
13 that Respondent failed to comply with its policy for admission in the MSAOM program as set
14 forth below and in paragraphs 24-51 above and incorporated by this reference as though set forth
15 in full herein:

16 a. Admission in the MSAOM program required a baccalaureate degree or completion of
17 60 semester units or 90 quarter units at a baccalaureate level from an accredited institution.
18 Students 32G and 32S did not have the required previous college units.

19 b. Respondent's admission policy stated that any credit used to meet admission
20 requirements shall not be used again for credit towards the Master's degree program. Students
21 32Q and 32T met the required number of college units for admission however, the units were
22 applied towards the MSAOM program.

23 **SECOND CAUSE FOR DISCIPLINE**

24 **(Failure to Obtain Documentation of High School Completion or Equivalent)**

25 53. Respondent is subject to disciplinary action under title 5, CCR, section 71770(a)(1)
26 in that Respondent failed to ensure that each student admitted to an undergraduate degree program
27 possessed a high school diploma or its equivalent in that none of the 21 student files reviewed
28 (Students 32A through 32U) contained documentation of high school completion or its.

1 equivalent, as more fully set forth in paragraphs 24-51 above and incorporated by this reference as
2 though set forth herein.

3 **THIRD CAUSE FOR DISCIPLINE**

4 **(Violations Regarding Transferred Credit from Another Institution)**

5 54. Respondent is subject to disciplinary action under title 5, CCR, section
6 71770(b)(1)(A) in that Respondent failed to comply with admission requirements regarding the
7 transfer of units from another institution, including foreign institutions when Respondent admitted
8 Student 32C for the MSAOM program, as more fully set forth below and in paragraphs 24-51
9 above and incorporated by this reference as though set forth herein.

10 55. Student 32C's file indicated this student received college units from Hung Sheng
11 Christian College in Taiwan, which was not regionally accredited. A Credential Evaluation
12 Report prepared by a third party stated that Hung Sheng Christian College did not have regional
13 accreditation in Taiwan. However, the student was allowed to enroll and graduate.

14 **FOURTH CAUSE FOR DISCIPLINE**

15 **(Failure to Provide Enrollment Agreements)**

16 56. Respondent is subject to disciplinary action under title 5, CCR, section 71800 and
17 Code sections 94902(a) and 94911(a), in that Respondent failed to provide each student in the
18 BSHS program an enrollment agreement as set forth below and in paragraphs 24-51 above and
19 incorporated by this reference as though set forth in full herein.

20 57. Nineteen out of 19 student files that were reviewed (Students 32B through 32T)
21 pursuant to the Bureau's investigation on June 18, 2015 did not have BSHS Enrollment
22 Agreements. However, these students were named in the BSHS Student Roster.

23 58. During the compliance inspection on April 19, 2016, the student files of [REDACTED]
24 [REDACTED] and [REDACTED] contained documentation that students
25 were enrolled in the BSHS and MSAOM programs. However, the student files only included
26 enrollment agreements for the MSAOM program. There were no BSHS enrollment agreements in
27 the student files.

28 ///

1 63. Respondent applied 52 units toward Student 32H's general education units, however
2 the student's file did not contain documentation identifying the source of these units.

3 **EIGHTH CAUSE FOR DISCIPLINE**

4 **(Student Records - Failure to Maintain Enrollment Agreements)**

5 64. Respondent is subject to disciplinary action under title 5, CCR, section 71920(b)(3) in
6 that Respondent failed to maintain BSHS enrollment agreements for Students 32B through 32T in
7 student files as more fully set forth in paragraphs 24-51 above and incorporated by this reference
8 as though set forth herein.

9 **NINTH CAUSE FOR DISCIPLINE**

10 **(Student Records - Transcripts Failed to Show All Programs Completed)**

11 65. Respondent is subject to disciplinary action under title 5, CCR, section
12 71920(b)(5)(A) in that Respondent failed to maintain student files containing transcripts showing
13 all the courses or other educational programs that were completed, or were attempted but not
14 completed, and the dates of completion or withdrawal, as set forth below and in paragraphs 24-51
15 above and incorporated by this reference as though set forth in full herein.

16 66. Respondent failed to identify the BSIS degrees on the Official Transcripts of ten
17 students, Students 32B, 32E, 32H-32O. Nine of those of ten transcripts were submitted to CAB
18 to qualify for licensure examinations.

19 **TENTH CAUSE FOR DISCIPLINE**

20 **(Student Records - Failure to Maintain Documentation of**
21 **the Total Amount of Money Received from a Student)**

22 67. Respondent is subject to disciplinary action under title 5, CCR, section 71920(b)(9) in
23 that Respondent failed to maintain documentation in the student files showing the total amount of
24 money received from, or on behalf of, the student and the date or dates on which the money was
25 received as set forth below and in paragraphs 24-51 above and incorporated by this reference as
26 though set forth in full herein.

27 ///

28 ///

1 68. Of the 21 student files reviewed, seven of the BSHS students (Students 32C, 32D,
2 32F, 32H, 32I, 32K and 32L) paid Respondent for BSHS diplomas however, the payments were
3 not identified on the students' ledgers.

4 **ELEVENTH CAUSE FOR DISCIPLINE**

5 **(Maintenance of Records)**

6 69. Respondent is subject to disciplinary action under title 5, CCR, section 71930(b)(1)
7 and Code section 94900(b)(1) in that Respondent failed to maintain pertinent student records for a
8 period of 5 years as set forth below and in paragraphs 24-51 above and incorporated by this
9 reference as though set forth in full herein.

10 70. The whistleblowers provided copies of student documents that were missing when
11 Respondent provided the same student files to K.J. on June 18, 2015 and July 9, 2015.

12 71. Respondent failed to maintain required student records such as copies of Academic
13 Records, BSHS Evaluation Forms, BSHS Diplomas, and Transcripts:

14 a. The student files for Student 32I, 32J, 32O and 32P were missing BSHS diplomas.

15 b. The student files for Students 32C, 32D, 32H, 32I, 32J, 32M, 32O, and 32P were
16 missing BSHS Evaluation Forms.

17 c. The student files for Students 32A, 32C, 32G, and 32K were missing Academic
18 Records.

19 d. The student files for Students 32A, 32J, 32L, and 32P were missing Official
20 Transcripts.

21 **TWELFTH CAUSE FOR DISCIPLINE**

22 **(Failure to Provide Access to Student Records)**

23 72. Respondent is subject to disciplinary action under title 5, CCR, section 71930(e) in
24 that Respondent failed to make all records that the institution is required to maintain immediately
25 available for inspection by the Bureau in that on June 18, 2015, Respondent failed to provide
26 access to the Bureau for inspection of ten student files. Respondent stated they were not able to
27 locate the student files for Students 32B, 32C, 32D, 32E, 32F, 32H, 32K, 32L, 32M, and 32N, as
28

1 more fully set forth in paragraphs 24-51 above and incorporated by this reference as though set
2 forth herein.

3 **THIRTEENTH CAUSE FOR DISCIPLINE**

4 **(Making Misleading Change In or Untrue Statements Regarding Student Grades)**

5 73. Respondent is subject to disciplinary action under Code section 94897(j) for making
6 an untrue or misleading change in, or untrue or misleading statement related to, a test score, grade
7 or record of grades, as set forth below and in paragraphs 24-51 above and incorporated by this
8 reference as though set forth in full herein:

9 a. Student 32A – This student had three modified class grades that did not match the
10 student documents provided by the Whistleblowers.

11 b. Student 32L – The 7/29/2013 Official Transcript for this student had a College
12 Algebra class added after the student graduated.

13 **FOURTEENTH CAUSE FOR DISCIPLINE**

14 **(Making Misleading Change In or Untrue Statements In Any Other Required Record)**

15 74. Respondent is subject to disciplinary action under Code section 94897(j)(3) for
16 making an untrue or misleading change in, or untrue or misleading statement in any other required
17 record as set forth below and in paragraphs 24-51 above and incorporated by this reference as
18 though set forth in full herein:

19 a. Student 32A – This student had five modified student records that did not match the
20 student documents provided by the Whistleblowers.

21 b. Students 32C, 32F, and 32J – These students had transfer credits that were increased
22 after the student graduated.

23 c. Seven BSIS student files had BSHS Evaluation Forms that showed an increase in
24 general education units from the forms provided by the whistleblowers. The documents provided
25 by the whistleblowers were missing from the student files.

26 d. Students 32Q, 32R and 32T – These students had the BSIS program titles removed
27 from their Academic Records.

28 ///

1 **FIFTEENTH CAUSE FOR DISCIPLINE**

2 **(Willfully Falsifying, Destroying or Concealing Documents)**

3 75. Respondent is subject to disciplinary action under Code section 94897(k) for willfully
4 falsifying, destroying, or concealing a document that is required to be maintained as set forth
5 below and in paragraphs 24-51 above and incorporated by this reference as though set forth in full
6 herein.

7 76. Student documents that were provided by the whistleblowers were missing from the
8 student files provided by Respondent to the Bureau Investigators:

9 a. The student files for Students 32I, 32J, 32O, 32P were missing BSHS diplomas.

10 b. The student files for Students 32C, 32D, 32H, 32I, 32J, 32M, 32O and 32P were
11 missing BSIIS Evaluation Forms.

12 c. The student files for Students 32A, 32C, 32G, and 32K were missing Academic
13 Records.

14 d. The student files for Students 32A, 32J, 32I, and 32P were missing Official
15 Transcripts.

16 **SIXTEENTH CAUSE FOR DISCIPLINE**

17 **(Failure to Disclose Program is Unaccredited)**

18 77. Respondent is subject to disciplinary action under Code section 94897(p)(2) for
19 failing to disclose that a degree program is unaccredited in that Respondent failed to disclose, in
20 writing, that the BSHS program was not an accredited program, as set forth below and in
21 paragraphs 24-51 above and incorporated by this reference as though set forth in full herein.

22 78. The student files for Students 32Q, 32R, 32S and 32T, who enrolled after January,
23 2013,² did not contain BSIIS enrollment agreements or the required disclosure notice regarding
24 the lack of BSHS accreditation.

25 ///

26 _____
27 ² Education Code 94897 was amended effective January 1, 2013 to add subdivision (p)(3)
28 that states a student enrolled in an unaccredited institution is not eligible for federal financial aid programs.

1 **SEVENTEENTH CAUSE FOR DISCIPLINE**

2 **(Financial Aid to Ineligible Students)**

3 79. Respondent is subject to disciplinary action under Code section 94897(p)(3) in that
4 Students 32Q, 32R, 32S and 32T, who enrolled in the unaccredited BSHS program after January,
5 2013, received financial aid payments, as more fully set forth in paragraphs 24-51 above and
6 incorporated by this reference as though set forth herein.

7 **EIGHTEENTH CAUSE FOR DISCIPLINE**

8 **(Failure to Maintain Records of Grades Earned by Students in Student Files)**

9 80. Respondent is subject to disciplinary action under Code section 94900(b)(3) in that
10 Respondent failed to maintain a record of grades earned by the student as set forth below and in
11 paragraphs 24-51 above and incorporated by this reference as though set forth in full herein:

12 a. Student 32A -- The grades on this student's October 27, 2014 Academic Record did
13 not match the grades in this student's June 18, 2015 Official Transcript.

14 b. Student 32L -- The Official Transcript printed on July 29, 2013 had class ST131
15 College Algebra added 8 months after this student graduated.

16 **NINETEENTH CAUSE FOR DISCIPLINE**

17 **(Failure to Maintain Institutional Records)**

18 81. Respondent is subject to disciplinary action under Code section 94900.5 in that
19 Respondent failed to maintain institutional records for a period of not less than five years as set
20 forth below and in paragraphs 24-51 above and incorporated by this reference as though set forth
21 in full herein:

22 a. Respondent failed to maintain student High School diplomas or equivalent education
23 documents for Students 32A through 32U.

24 b. Respondent failed to provide and maintain BSHS Enrollment Agreements for
25 Students 32B through 32T.

26 c. Respondent failed to maintain Student 32H's previous transcripts from other
27 institutions.

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1 d. The documents provided by the whistleblowers for 21 students (Students 32A, 32C,
2 32D, 32G, 32H, 32I, 32J, 32K, 32L, 32M, 32O, and 32P) were not included in the student files
3 provided to the Bureau investigators by Respondent.

4 **TWENTIETH CAUSE FOR DISCIPLINE**

5 **(Compliance Inspection - Language of Enrollment Agreement)**

6 82. Respondent is subject to disciplinary action under Code section 94906 in that the
7 school's enrollment agreement was not written in language that is easily understood as set forth
8 below and in paragraphs 24-51 above and incorporated by this reference as though set forth in full
9 herein Respondent failed to maintain.

10 83. During the compliance inspection on April 19, 2016, Respondent did not have
11 enrollment agreements, catalogs or SPFS in the Chinese and Korean languages when the school
12 recruited and enrolled Chinese- and Korean-speaking students.

13 **TWENTY-FIRST CAUSE FOR DISCIPLINE**

14 **(Compliance Inspection - Failure to Maintain Records)**

15 84. Respondent is subject to disciplinary action under Code section 94900.5, in
16 conjunction with Code section 94900(a), in that Respondent failed to maintain a record of current
17 students enrolled in the BSIS program, as more fully set forth in paragraphs 24-51 above and
18 incorporated by this reference as though set forth herein.

19 **TWENTY-SECOND CAUSE FOR DISCIPLINE**

20 **(Compliance Inspection - Documentation of Performance Data)**

21 85. Respondent is subject to disciplinary action under Code section 94929.7 and title 5,
22 CCR, 74112(m), in that Respondent failed to maintain the information used to substantiate the
23 rates reported in the school's SPFS pursuant to Code sections 94929 and 94929.5 as more fully
24 set forth below and in paragraphs 24-51 above and incorporated by this reference as though set
25 forth herein.

26 86. During the compliance inspection on April 19, 2016, Respondent was unable to
27 provide any backup data to support the school's SPFS.

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PRAYER

WHEREFORE, Complainant requests that a hearing be held on the matters herein alleged, and that following the hearing, the Director of the Department of Consumer Affairs issue a decision:

1. Revoking or suspending Approval to Operate Number 3004561 issued to South Baylo University, dba South Baylo University School of Oriental Medicine;
2. Ordering South Baylo University, dba South Baylo University School of Oriental Medicine, to pay the Bureau for Private Postsecondary Education the reasonable costs of the investigation and enforcement of this case, pursuant to Business and Professions Code section 125.3 and Code section 94937(c); and,
3. Taking such other and further action as deemed necessary and proper.

DATED: 2/16/17 (b)(6)


Chief
Bureau for Private Postsecondary Education
Department of Consumer Affairs
State of California
Complainant

SD2016702333/81554710.doc

Case Name: *In the Matter of Accrediting Council for Independent Colleges and Schools*

Docket No.: 16-44-O

Filing Party: Respondent, Accrediting Council for Independent Colleges and Schools

Exhibit No.: B-O-145

AT-RISK INSTITUTIONS' GROUP (ARIG) EXTERNAL INFORMATION REVIEW APRIL 2018

Open External Information Review: 3 cases

Closed Reviews: 2 cases

Open External Information Review:

1. **California University of Management and Sciences – BPPE Settlement, Anaheim, CA**

In September 2017, the institution's president, Dr. David Park, informed ACICS that the Bureau of Private and Postsecondary Education ((BPPE) had formally filed an Accusation against the institution to which it was responding. Soon thereafter, after speaking with BPPE Agent, Karen Johnson about the Accusation, an onsite review was facilitated by Ms. Michelle Edwards, ACICS President, and Dr. Judee Timm, ACICS Commissioner. The team's report, which had no findings, was added as a supplement to the institution's outstanding compliance warning action for its renewal of accreditation review. Given that the court date was set for early 2018, the Council acted to continue the compliance warning action and request that the institution provide an update on the BPPE Accusation.

April 2018:

On February 14, 2018, the institution reached a Settlement with the BPPE, which in summary, was its admission of guilt on all allegations. While this admission resulted in the REVOCATION of the institution's license, the settlement resulted in a STAY of that decision with a 5-year probation and an extensive number of stipulations (copies provided).

In light of the current review of the institution's renewal of accreditation, guidance and a recommendation would be needed from the Business Practices Committee (BPC).

2. **American National University (formerly known as National College) - Kentucky Attorney General's Office**

Summary of Issues:

The Kentucky Attorney General's launched an investigation into Daymar Colleges in that state, citing misrepresentation, admission of students not meeting requirement, falsification of grades etc. They also launched an investigation into National College, citing misrepresentation of placement rates based on a calculation that National was using on their website. (2012)

December 2016 Status:

According to the update provided by American National University, discovery

disputes have slowed the process with both parties filing motions to compel. There was an original trial date set for October 10 – 17, 2016 but that had to be rescheduled as a result of the August 25, 2016 hearing during which the Court extended the discovery process. A status conference has been set for January 18, 2017 at which time the Court will evaluate the progress made to determine the need for continued discovery or to set a trial date. Finally, the Judge who considered the case on August 25 has since announced his retirement and a new judge has not yet been appointed.

April 2017 Status:

According to the update provided by American National University, the case is still in the discovery phase. The institution reported that at the January 18, 2017 status conference, additional discovery issues were discussed and an additional status conference was scheduled for May 31, 2017. A new judge was appointed to fill the vacancy which will be created by the August 2017 retirement of the current judge hearing the case. The necessity for the new judge to update themselves on the litigation will possibly delay the proceedings. The institution anticipates the trial date to be set in early to mid-2018.

August 2017 Status:

According to the update provided by American National University, the case is still in the discovery phase of the litigation and an extended deadline for discovery is not September 1, 2017. The parties are negotiating scheduling of additional depositions but the institution anticipates that there will be no further extensions of the discovery deadline; the trial is currently set for January 8, 2018. A hearing was held on July 19, 2017 to consider several pre-trial motions. One motion was granted with the effect of limiting damages and three others are pending the court's decision.

December 2017 Status:

According to the update provided by American National University, the case is scheduled for trial from January 8, 2018 – January 19, 2018. The institution noted that the Court has determined that the AG is not entitled to a jury trial in the matter so that it would be only be heard by the judge. Several additional motions are pending, including partial summary judgment which, if granted, would further alter the shape of the litigation at trial.

April 2018:

A summary of the proceedings along with a copy of the Court's decision was submitted to ACICS. The institution made note of the following conclusions by the Court concerning the allegations made by the AG:

1. Disclosed and published graduate Employment rates instead of job placement rates (with an explanation) was misleading and a violation of the Kentucky Consumer Protection Act (KCPA) but not willful or arising to the standard of inexcusable carelessness.

2. Use of outdated employment rates on its website was false and accordingly a violation of the KCPA but again, not willful or arising to the standard of inexcusable carelessness.

The Court determined that for the two findings above, the College HAD committed a willful violation and every day that the employment rates were on the website constituted a separate violation – totaling 1148 violations. Instead of the ruling in the AG's favor for the MAXIMUM penalty per violation (\$2000), the Court assessed a \$20/violation instead totally \$22960.

The institution had not yet made the decision to move the Court to reconsider its findings or appeal the Court's decision and will provide an update to ACICS as soon as it was available to share.

Conclusion: Continued monitoring of this matter. The corporation has a number of institutions accredited by ACICS, one of which (in Salem) recently withdrew its accreditation after successful transition to DEAC. Further, this institution (four campuses in KY) is currently under consideration by ABHES at its May 2018 meeting.

A number of SA show-cause directives have been taken or are recommended for a number of campuses. Financial review actions or discussions will also be noted as part of the monitoring process.

3. **Harris College of Business/Premiere Education Group – NY Times, Linwood, NJ**

Summary of Issue:

News media reports from February 2014 described litigation filed against Harris College of Business by former employees contending that school officials “routinely misled students about their career prospects, and falsified records to enroll them and keep them enrolled.” The complaint is an amended version of a qui tam / False Claims Act lawsuit brought by the same individuals in 2011 but undisclosed publicly. After formal investigations, both Federal and State prosecutors declined to prosecute the allegations under federal and state whistle blower statutes. The individuals then decided to pursue litigation through civil action, which prompted the public disclosure and coverage by the news media. (2014)

April 2016 Status:

Harris School of Business continues to contest the appeal of the former favorable court decision by the state of New Jersey. One of the key issues will be argued in front of the New Jersey Supreme Court in April. The institution noted that the state Department of Justice had declined to intervene in the matter after reviewing the allegations and numerous documents.

April 2017 Status:

The institution's response indicated that on February 11, 2017, the parties submitted supplemental briefs to the court, but no further action has been taken in the case by either party or the court.

April 2018 Status:

No follow up information has been received from the institution.

Conclusion: ARIG will continue to monitor the Harris College of Business/Premier Education Group case, taking into consideration other risk factors.

Closed Cases:

1. Career Education Corporation - NY & FL Offices of Attorneys General / USDOE

Summary of Issues:

While submitting documents for a subpoena issued by the New York Attorney General's office, Career Education Corporation (CEC) reported findings of improper placement practices at some of its campuses. They launched an internal investigation to try and discover how the practices affected their reported placement rates. Meanwhile, state investigations were also initiated in Florida and Illinois. All of the State Attorney General activity is based on verification that the schools have not violated various consumer protection laws in the state. The states have subpoenaed documents relating to marketing, advertising, recruitment, placement and student outcomes.

The state initiated investigations led to an inquiry from the Chicago/ Denver School Participation Team of the USDOE, requesting copies of all subpoenaed documents and all adverse information responses.

ACICS was notified that ACCSC opened adverse against their CEC schools and asked for a response to the issues. Subsequently, ten campuses of CEC were show-caused by ACCSC, citing the integrity of their placement practices and employment data.

See previous reports for the chronology of review

April 2017 Status:

The last campus (main in Tampa) accredited by ACICS will close on April 29, 2018. Consequently, the monitoring of this matter is closed.

2. Spencerian College - Attorney General of Kentucky, Louisville & Lexington

Summary of Issues:

The Attorney General of Kentucky has filed a lawsuit claiming that Spencerian College violated the Kentucky Consumer Protection Act, by providing unfair, false,

misleading and deceptive information to consumers about job placement rates, graduation success and Spencerian operations in general. Specifically, the complaint alleges discrepancies between placement rates reported to ACICS and those advertised by Spencerian. (2013)

Conclusion: The institution withdrew its ACICS accreditation on December 12, 2017. The matter is closed.

Appendix A

Summary of On-site Evaluations Initiated by ARIG in Winter 2018

School ID	Institution Name	Visit Location	Visit Start Date	Reason for Visit	Comment
00051218	iGlobal University	Vienna, VA	01.11.18	Investigation of complaint concerning the recruitment and admission of students from ACCT (closed in December)	<i>Institution withdrew its accreditation 04.06.18</i>
00019411	Stratford University	Falls Church, VA	01.11.18	Investigation of complaint concerning the recruitment and admission of students from ACCT (closed in December)	<i>None – there were no findings and the institution is not set for a review until 2019</i>
00010934	Fortis Institute	Irie, PA	01.18.18	Quality assurance review in lieu of a full renewal due the campus's planned 2018 closure.	<i>The institution was choosing to let its extended grant expire on 04.30.18 but is on the agenda with a request for reconsideration</i>

AT-RISK INSTITUTIONS' GROUP (ARIG) EXTERNAL INFORMATION REVIEW DECEMBER 2017

Open External Information Review: 5 cases
External Information Under Additional Review: 1 case

Open External Information Review:

1. Career Education Corporation - NY & FL Offices of Attorneys General / USDOE

Summary of Issues:

While submitting documents for a subpoena issued by the New York Attorney General's office, Career Education Corporation (CEC) reported findings of improper placement practices at some of its campuses. They launched an internal investigation to try and discover how the practices affected their reported placement rates. Meanwhile, state investigations were also initiated in Florida and Illinois. All of the State Attorney General activity is based on verification that the schools have not violated various consumer protection laws in the state. The states have subpoenaed documents relating to marketing, advertising, recruitment, placement and student outcomes.

The state initiated investigations led to an inquiry from the Chicago/ Denver School Participation Team of the USDOE, requesting copies of all subpoenaed documents and all adverse information responses.

ACCSC was notified that ACCSC opened adverse against their CEC schools and asked for a response to the issues. Subsequently, ten campuses of CEC were show-caused by ACCSC, citing the integrity of their placement practices and employment data.

December 2016 Status:

1. A summary of CEC's meeting with the representatives of the Multi-State AGs along with any communication from, and to, the AGs concerning the civil investigative demand of whether CEC and its schools have complied with certain state consumer protection laws.
2. Evidence that each CEC institution has applied for recertification with the USDOE SFA given their current provisional status. Further, given that the approval is currently provisional, a summary of the current teach-out schedule for the institutions must be provided along with a narrative on the contingency plan if the USDOE does not approve the recertification by December 31, 2016.

3. Additional information on the Federal Trade Commission's investigation into the institutions' advertising, marketing or sales. This should include any requests from the FTC and the institutions' response.

In its response to the request, the institution provided the following:

- 1. The Multi-State Attorney General Investigation:**

A copy of the except in its 10Q, for the quarter ending September 30th concerning the civil investigative demands and subpoenas of these 18 Attorney Generals with Connecticut serving as the lead in this investigation. The summary was very general and the same as was previously submitted to ACICS. However, a draft copy of a confidential settlement with the AGs, dated September 16, 2016, was also shared with ACICS to demonstrate the company's intent to resolve the matter in an expeditious manner.

- 2. Recertification Status with the U.S. Department of Education (USDOE):**

Evidence the campuses application for recertification with the USDOE SFA was submitted by the deadline along with affirmation (as outlined in the SFA Handbook) that the campuses will remain eligible for Title IV while the USDE completes its review of these applications. Hence it is not concerned about losing eligibility to participate. However, its contingency plan would include the consideration of self-funding, waiving tuition for remaining Title IV students, or appealing the Department's decision. According to the most current Teach-Out schedule provided (11.29.16), the last campuses would complete the teach-out in April 2018 and are Sanford-Brown College Seattle and Sanford-Brown College Tampa. ARIG confirmed the company's smooth and organized closure of a number of campuses to date and notes the good faith effort to ensure the best for students. Enrollment ceased in August 2015 upon announcement of the teach-out plan.

- 3. Federal Trade Commission Investigation (FTC):**

Since its original request in 2015, the FTC has not provided or contacted the corporation concerning its civil investigative demand. According to the institutional representatives, on a conference call and in its response, the only interaction with the FTC has been through legal counsel on the scope and timing of the request. A copy of the CID was provided to ACICS along with the public disclosure of this investigation in the company's 10Q.

April 2017 Status:

- 1. The Multi-State Attorney General Investigation:**

CEC provided its most recent public update on this investigation by submitting a portion of the Securities and Exchange Commission's "Form 10-K" for the year ending in December 31, 2016, that was filed with the Securities and Exchange Commission on February 23, 2017. There was no substantial updated information included

2. **Recertification Status with the U.S. Department of Education (USDOE):**
CEC's ten main campuses accredited by ACICS applied for approval of continued participation in Title IV programs (recertification) before the September 30, 2016, deadline. Since that time, two main campuses have completed teach-outs, leaving eight remaining campuses. CEC will not seek other accreditation for their ACICS-accredited campuses, as the teach out of these campus is expected to be completed prior to the June 12, 2018 expiration of the provisional participation agreements issued by the USDOE to ACICS-accredited institutions.
3. **Federal Trade Commission Investigation (FTC):**
CEC reported that there have been no meetings or discussions with the FTC since their last update provided to ACICS in December 2016. The only contact has been by CEC's outside counsel whose conversations have been limited to the scope, timing and order of providing the information requested.

August 2017 Status:

The institution provided updates regarding the following on-going adverse information; however, there have been no substantial updates:

1. **The Multi-State Attorney General Investigation:**
CEC provided its most recent public update on this investigation by submitting a portion of the Securities and Exchange Commission's "Form 10Q" for the quarter ending on March 31, 2017, that was filed with the Securities and Exchange Commission on May 3, 2017. There was no substantial updated information included
2. **Recertification Status with the U.S. Department of Education (USDOE):**
CEC's ten main campuses accredited by ACICS applied for approval of continued participation in Title IV programs (recertification) before the September 30, 2016, deadline. Since that time, four main campuses have completed teach-outs, leaving six remaining campuses. CEC will not seek other accreditation for their ACICS-accredited campuses, as the teach out of these campus is expected to be completed prior to the June 12, 2018 expiration of the provisional participation agreements issued by the USDOE to ACICS-accredited institutions.
3. **Federal Trade Commission Investigation (FTC):**
CEC reported that there have been no meetings or discussions with the FTC since their last substantial update provided to ACICS in December 2016.

December 2017 Status:

CEC provided a report regarding the following on-going adverse information; however, there have been no substantial updates. It is noted that the corporation has successful closed all its Le Cordon Bleu campuses and is finishing up the teach-out of the Sanford Brown brand.

1. **The Multi-State Attorney General Investigation:**

CEC provided its most recent public update on this investigation by submitting a portion of the Securities and Exchange Commission's "Form 10Q" for the quarter ending on September 30, 2017, that was filed with the Securities and Exchange Commission on November 2, 2017. There was no substantial information, apart from what has been previously provided, included in its report.

2. **Recertification Status with the U.S. Department of Education (USDOE):**
Only one main campus remains to complete its teach-out, which is anticipated to be concluded no later than June 12, 2018. All other ACICS-accredited institutions owned by CEC have closed.
3. **Federal Trade Commission Investigation (FTC):**
CEC reported that there have been no meetings or discussions with the FTC since their last substantial update provided to ACICS in December 2016.

2. **American National University (formerly known as National College) - Kentucky Attorney General's Office**

Summary of Issues:

The Kentucky Attorney General's launched an investigation into Daymar Colleges in that state, citing misrepresentation, admission of students not meeting requirement, falsification of grades etc. They also launched an investigation into National College, citing misrepresentation of placement rates based on a calculation that National was using on their website. (2012)

December 2016 Status:

According to the update provided by American National University, discovery disputes have slowed the process with both parties filing motions to compel. There was an original trial date set for October 10 – 17, 2016 but that had to be rescheduled as a result of the August 25, 2016 hearing during which the Court extended the discovery process. A status conference has been set for January 18, 2017 at which time the Court will evaluate the progress made to determine the need for continued discovery or to set a trial date. Finally, the Judge who considered the case on August 25 has since announced his retirement and a new judge has not yet been appointed.

April 2017 Status:

According to the update provided by American National University, the case is still in the discovery phase. The institution reported that at the January 18, 2017 status conference, additional discovery issues were discussed and an additional status conference was scheduled for May 31, 2017. A new judge was appointed to fill the vacancy which will be created by the August 2017 retirement of the current judge hearing the case. The necessity for the new judge to update themselves on the litigation will possibly delay the proceedings. The institution anticipates the trial date to be set in early to mid-2018.

August 2017 Status:

According to the update provided by American National University, the case is still in the discovery phase of the litigation and an extended deadline for discovery is not September 1, 2017. The parties are negotiating scheduling of additional depositions but the institution anticipates that there will be no further extensions of the discovery deadline; the trial is currently set for January 8, 2018. A hearing was held on July 19, 2017 to consider several pre-trial motions. One motion was granted with the effect of limiting damages and three others are pending the court's decision.

December 2017 Status:

According to the update provided by American National University, the case is scheduled for trial from January 8, 2018 – January 19, 2018. The institution noted that the Court has determined that the AG is not entitled to a jury trial in the matter so that it would be only be heard by the judge. Several additional motions are pending, including partial summary judgment which, if granted, would further alter the shape of the litigation at trial.

Conclusion: ARIG will continue to monitor the ANU case, requiring an immediate response following the trial, as soon as it becomes available.

3. Harris College of Business/Premiere Education Group – NY Times, Linwood, NJ

Summary of Issue:

News media reports from February 2014 described litigation filed against Harris College of Business by former employees contending that school officials “routinely misled students about their career prospects, and falsified records to enroll them and keep them enrolled.” The complaint is an amended version of a qui tam / False Claims Act lawsuit brought by the same individuals in 2011 but undisclosed publically. After formal investigations, both Federal and State prosecutors declined to prosecute the allegations under federal and state whistle blower statutes. The individuals then decided to pursue litigation through civil action, which prompted the public disclosure and coverage by the news media. (2014)

April 2016 Status:

Harris School of Business continues to contest the appeal of the former favorable court decision by the state of New Jersey. One of the key issues will be argued in front of the New Jersey Supreme Court in April. The institution noted that the state Department of Justice had declined to intervene in the matter after reviewing the allegations and numerous documents.

December 2016 Status:

A response from the institution's legal counsel outlined the current status of the case before the Courts.

April 2017 Status:

The institution's response indicated that on February 11, 2017, the parties submitted supplemental briefs to the court, but no further action has been taken in the case by either party or the court.

August 2017 Status:

The institution has not received any communication or deadlines from the court and is awaiting the court's decision regarding the supplemental briefings referenced in previous updates.

December 2017 Status:

No follow up information has been received from the institution.

Conclusion: ARIG will continue to monitor the Harris College of Business/Premier Education Group case, taking into consideration other risk factors.

4. Spencerian College - Attorney General of Kentucky, Louisville & Lexington

Summary of Issues:

The Attorney General of Kentucky has filed a lawsuit claiming that Spencerian College violated the Kentucky Consumer Protection Act, by providing unfair, false, misleading and deceptive information to consumers about job placement rates, graduation success and Spencerian operations in general. Specifically the complaint alleges discrepancies between placement rates reported to ACICS and those advertised by Spencerian. (2013)

April 2016 Status:

Litigation continues to be in the discovery stage. Spencerian College has submitted answers to Interrogatories and well over 100,000 documents in response to requests. Counsel for the College and the AG's Office continue discuss certain discovery issues with respect to the applicability of FERPA regulations to certain documents/data requested. The FERPA issues have been narrowed, and notifications have been sent to Spencerian graduates. There remain, however, additional discovery issues with FERPA implications which have not been resolved.

December 2016 Status:

In its letter dated November 28th to Mr. William's request for information on November 22nd, the institution asserts its resolve to defend the lawsuit and to deny the claims that it violated Consumer Protection laws. The communication was similar to the report previously submitted to ACICS concerning the information provided to the AG and the discovery stages of the litigation.

April 2017 Status:

The institution reported that there are no updates and the litigation against them is still in the discovery stage despite submitting over 100,000 documents in response to the Requests for Production of Documents filed by the Kentucky Attorney General.

August 2017 Status:

The campus stated that they have received no additional information or updates from the court.

December 2017 Status:

No follow up information has been received from the institution. However, ACICS received information from ABHES that the institution updated initial accreditation at its November 2017 meeting.

Conclusion: ARIG will continue to monitor the Spencerian College case, pending receipt of their formal notice of withdrawal.

5. Brightwood College – KGNS, Laredo, TX

Summary of Issues:

On July 24, 2017, news media outlet, KGNS reported in the form of a television news segment and an online article that Brightwood College's Laredo, Texas campus defrauded students and had a former employee and student attest to this in an interview. The former employee worked for campus in 2014 – 2015 when it was called Kaplan College and vacated his position prior to Kaplan College's change of ownership to Brightwood College. The segment and article also mentions a former student named (b)(6) who made claims that the campus did not help her find a job and stated that she is not working in her field credential. The campus responded by stating that they comply with state requirements and provide performance information to incoming students, along with providing documentation to the Texas Workforce Commission, and claims to the contrary are without merit.

Conclusion:

Following the review of the institution's response, it was determined that the media outlet failed to identify critical information about the student (b)(6) and the lack of assistance received from the institution in obtaining a job. Signed documentation was also provided to evidence (b)(6) was on a maternity placement waiver at the time of her graduation. The case has been closed.

External Information Under Additional Review:

- 1. California University of Management and Sciences – Former Staff Lawsuit, Anaheim, CA – Renewal of accreditation review took place in the winter 2017 cycle with 13 findings identified between the main campus in California and the branch in Virginia. The campus was placed on compliance warning and currently has 5 remaining findings.**
In September 2017, the institution's president, Dr. David Park, informed ACICS that the BPPE had formally filed an Accusation against the institution to which it was

responding. Soon thereafter, after speaking with BPPE Agent, Karen Johnson about the Accusation, an onsite review was facilitated by Ms. Michelle Edwards, ACICS President, and Dr. Judee Timm, ACICS Commissioner. The team's report, which had no findings, is being added as a supplement to the institution's outstanding compliance warning action for its renewal of accreditation review. The Accusation will be reviewed in court in January, as shared by Ms. Johnson.

Appendix A

Summary of On-site Evaluations Initiated by ARIG in Fall 2017

School ID	Institution Name	Visit Location	Visit Start Date	Reason for Visit	Current Status
00021311	California University of Management and Sciences	Anaheim, CA	10.10.17	Onsite investigation following receipt of formal Accusation from BPPE	Compliance Warning as a result of RA
00240224	PCCTI Healthcare	Oakbrook, IL	09.06.17	Council-directed because of a show-cause directive for failing to host the team in Spring 2017.	Institution withdrew its accreditation the day before the visit.
00012823	Branford Hall Career Institute	Windsor, CT	10.02.17	Quality assurance review in lieu of a full renewal due the campus's planned 2018 closure.	

BUSINESS PRACTICES COMMITTEE MINUTES

Tuesday, April 4, 2017

10:30 a.m. – 12:00 p.m.

COMMITTEE MEMBERS

Dr. Fardad Fateri, Chair
Ms. Julie Blake
Dr. Rafael Ramirez-Rivera
Dr. Edward Thomas
Dr. Judy Timm

STAFF LIAISONS

Ms. Perliter Walters-Gilliam – Primary Liaison
Ms. Jan A. Chambers – Secondary Liaison

OTHER

Ms. LaToya Boyd
Dr. Terron King
Ms. Cathy Kouko
Ms. Linda Lundberg
Ms. Katie Morrison
Mr. Maurice Wadlington
Ms. Karly Zeigler

I. CALL TO ORDER

Chair Fateri called the meeting to order at 11:36 a.m. on Tuesday, April 4, 2017.

II. OLD BUSINESS

1. AT-RISK INSTITUTION GROUP (ARIG) / REPORT ON ADVERSE INFORMATION

*Staff Walters-Gilliam provided a brief overview of the purpose of ARIG, along with its current membership (consisting of staff Jan Chambers, Steven Gelfound, Terron King, Perliter Walters-Gilliam, Roger Williams, and Karly Zeigler). Staff Walters-Gilliam provided updates for current open adverse cases. There are four open adverse cases, along with five institutions that we are currently monitoring due to external information (refer to **Appendix A**).*

2. SPECIAL VISIT UPDATE /REPORT ON COMPLAINTS

*Staff Chambers identified 25 campuses that received unannounced visits during the Winter 2017 travel cycle, as directed by ARIG (refer to **Appendix B**). Staff Chambers reviewed the reason for each evaluation visit, along with a brief overview of any findings identified during the visit. Staff Chambers also briefly summarized the complaint activity for the year-to-date seen below.*

Average Processing Time: January 1, 2017 – April 4, 2017

Complaint 19 days

Percentage Closed and Open: January 1, 2017 – April 4, 2017

Of the 31 issues opened, 13 were closed: 42%

Total number of complaints: January 1, 2017 – April 4, 2017

Plaintiff's lawsuit	1
Student	6
Former Student	15
Faculty	2
Former Faculty	3
Administrator	4
Total	31

III. NEW BUSINESS

1. UNANNOUNCED VISIT FEES – BPC/4.17/1

ISSUE:

The current version of the Accreditation Criteria states that there is no fee assessed for an unannounced visit and that the institution will be billed for expenses. This has proven to be cumbersome, especially when it comes to trying to collect expenses in order to invoice the school in a timely manner.

OVERVIEW:

Over the past year, there has been an increased use of unannounced visits. This has made apparent the need to have a more manageable procedure for covering the cost of expenses incurred.

At the February Policy Meeting, Council directed staff to make the language consistent between the scheduled visit fees criterion and those for unannounced. Therefore, proposed modifications to 2-1-405 are also outlined below.

CRITERIA:

2-1-405. Expenses Fees. Visit expenses for all team members, including the ACICS staff member who accompanies the team, shall be paid by the institution. Expenses include an honorarium for members of the team. A fee will be assessed for this visit. Failure to remit payment for the visit fee may result in an adverse action.

Appendix B (in Criteria)

Expenses Fees

A flat fee will ~~not~~ be assessed for this visit, ~~but each institution will be billed for expenses incurred during the visit.~~ Failure to remit payment for expenses this fee may result in a ~~directive to show cause why the accreditation of the institution should not be withdrawn.~~ an adverse action.

Staff Zeigler presented proposed Criteria changes regarding unannounced visit fees. Commissioner Ramirez-Rivera asked for clarification for the purpose of replacing the term “flat fee” with “fee”. Staff Walters-Gilliam and Zeigler stated that a “fee” is more broad than a “flat fee”, as a “fee” can change dependent upon the amount of team members and days needed for an on-site visit.

MOTION: Approve the proposed policy presented and publish it in the Memorandum to the Field.
MOVED: Thomas
SECONDED: Ramirez-Rivera
ABSTENTION: None
ACTION: Passed

2. COUNCIL HEARING PROCEDURES – BPC/4.17/2

ISSUE/OBJECTIVE:

The Council moved at the December 2016 meeting to adjust the *Criteria* to require all show cause hearings to be in writing, unless an in-person hearing is desired by the Council. Therefore, all show-causes will require a response from the institution/campus which is reviewed by a panel of Commissioners, and “hearing” is no longer an accurate depiction of the review held. The ACICS staff recommend that the language referring to the Council “[allowing] a hearing in person” should be adjusted so that schools are not misled to believe they can request a hearing in person.

An institution would not need to send a notification of acceptance of an in-writing hearing, as the submittal of their response (and fee) alone would be confirmation of the understanding of its show-cause status.

The expenses of a court reporter for a hearing should also be covered by the participating institution, so that language has been modified accordingly.

Lastly, staff found that the language in 2-3-500(c) (now proposed (b)) which indicates that the institution may present only evidence not already considered is not procedurally correct for show-cause hearings/reviews – specific requests for information are made in a show-cause letter, which may require the institution to submit new evidence. It is only after a denial or withdrawal by suspension action that new evidence will not be considered in a Review Board hearing. This is covered in the *Criteria* on the Review Board appeal process.

CRITERIA:

2-3-230. Show-cause Directive.

...The issuance of a show-cause directive may be considered the basis for an institutional review or hearing in person, at the discretion of the Council, as defined in Section 2-3-500. A suspension order or denial action may be issued by ACICS as the result of ~~this hearing~~ the Council's review of the institution's response or the hearing, and such action is considered a final action which may only be appealed to the Review Board of Appeals as described in Section 2-3-600. All institutions that are issued a show-cause directive by the Council will be directed to submit a school closure plan and may be required to submit a teach-out agreement as described in Section 2-2-303 of the *Accreditation Criteria*.

2-3-500 – COUNCIL HEARING-REVIEW OR HEARING PROCEDURES

All institutional reviews~~hearings~~ will be in writing unless the Council exercises its sole discretion to require ~~allow~~ a hearing in person before the Council. The following procedures will govern reviews to be conducted by and ~~hearings to be held before the Council~~:

- (a) ~~The acceptance of a hearing must be made by a date determined by the Council, which will not be less than 10 days from the date of receipt of the letter of notification of the show-cause directive. The acceptance of a hearing must be in writing and signed by the chief executive officer of the institution. Upon receipt of the acceptance of a hearing, the Council will notify the institution of the procedures to follow to prepare for the hearing.~~
- (b) (a) The institution shall have the right to respond with evidence and facts concerning the areas of noncompliance with which it has been charged, to raise all reasonable questions, and to present evidence in opposition to or extenuation of the charges of noncompliance. Such written evidence must be submitted by the date prescribed by the Council unless the institution can show that such information was not available before the submission date and that failure to make a timely submission was outside of the institution's control.
- (c) (b) In the event that the Council requires a hearing in person, the acceptance of an in-person hearing must be made by a date determined by the Council, which will not be less than ten (10) days from the date of receipt of the letter of notification of show-cause directive. The acceptance of the in-person hearing must be in writing and signed by the chief executive officer of the institution. Upon receipt of the acceptance of the hearing, the Council will notify the institution of the procedures to follow to prepare for the hearing. In the event that the Council allows a hearing in person, the institution may present only evidence not already considered. The institution may send one or more representatives, including legal or financial counsel, to present its argument in opposition to or extenuation of the Council action. The Council transcribes all such hearings for its records. A copy of the transcript is available to the institution upon request.

2-3-501. Institutional Review or Hearing Format. Institutional reviews conducted by and hearings before the Council resulting from a show-cause directive and involving areas of noncompliance other than or in addition to financial concerns will take place before a panel of commissioners.

A review or hearing panel of at least three commissioners will be designated by the Council to review the written response and hear the presentation of the institution, if applicable. The panel will present its findings and its recommended action to the full Council, which will make the final decision within the time frames specified in Title II, Chapter 3.

2-3-502. *Financial Reviews or Hearings.* All reviews conducted by or hearings before the Council for financial concerns only will be deliberated or heard by a panel of at least three commissioners, which will include at least one representative of the Financial Review Committee. The panel will present its findings and its recommended action to the full Council, which will make the final decision within the time frames specified in Title II, Chapter 3.

Staff Morrison presented the above proposed Criteria changes regarding council hearing procedures with no objection.

MOTION: Approve the proposed policy presented and publish it in the Memorandum to the Field.
MOVED: Thomas
SECONDED: Ramirez-Rivera
ABSTENTION: None
ACTION: Passed

3. NOTIFICATION OF PROGRAM TEACH-OUT – BPC/4.17/3

ISSUE/OBJECTIVE:

The *Criteria* does not currently indicate that the Council should be notified of a program-level teach-out prior to the start of a teach-out, as a campus would do with a standard campus-level teach-out.

CRITERIA:

2-2-503. *Termination of Programs.* The withdrawal of approval for a program following the issuance of program show-cause or compliance warning or a decision by an institution to terminate any program voluntarily must be appropriately communicated to all interested publics prior to the start of a program-level teach-out. These publics include, but are not limited to, students, governmental agencies, the local community, and ACICS.

All institutions subject to the withdrawal of approval for a program or who voluntarily terminate an approved program will be directed to submit, also prior to the start of a teach-out, a program termination application~~plan~~ that conforms to the following requirements. New students may not be enrolled in any program which cannot be completed prior to the termination date for which public notice has been given. Moreover, the institution is obligated to continue to offer appropriate courses, including prerequisites, so that currently enrolled students will be able to complete the program and receive the credential which was their designated educational objective. For this purpose, the period of time need not extend beyond sufficient time for students already enrolled and maintaining normal academic process to complete the program...

Staff Morrison presented the above proposed Criteria changes regarding notification of program teach-outs with no objection.

MOTION: Approve the proposed policy presented and publish it in the Memorandum to the Field.
MOVED: Thomas
SECONDED: Blake
ABSTENTION: None
ACTION: Passed

4. REVISION OF CHANGE OF OWNERSHIP/CONTROL ACTION – BPC/4.17/4

ISSUE:

The heading for the Criteria as currently written does not include denial actions for change of ownership.

OVERVIEW:

This information was presented during the February 2017 Policy Meeting and was asked to be brought back with revisions to the April 2017 Council Meeting.

CRITERIA:

2-3-302. Denial of Renewal of Accreditation or Denial of Reinstatement of Accreditation Following Change of Ownership/Control. An institution that objects to a Council decision to deny an application for a renewal of accreditation or reinstatement of accreditation following a change of ownership or control has the right to appeal the decision to the Review Board of Appeals pursuant to the procedures described in 2-3-604.

Staff King presented the above proposed Criteria change, which will include additional language in the title of standard 2-3-302, with no objection.

MOTION: Approve the proposed policy presented and publish it in the Memorandum to the Field.
MOVED: Thomas
SECONDED: Ramirez-Rivera
ABSTENTION: None
ACTION: Passed

IV. FUTURE AGENDA/ADDITIONAL COMMENTARY

- Staff Morrison informed the committee that staff will be revising the Program Termination Application in the near future. The changes to the application are procedural and will not need to be presented to the Council for approval.

V. ADJOURNMENT

Chair Fateri motioned for adjournment which was seconded by Commissioner Blake. The Committee adjourned the meeting at 12:08 p.m.

AT-RISK INSTITUTIONS' GROUP (ARIG) EXTERNAL INFORMATION REVIEW APRIL 2017

Current Statistics:

<u>Open External Informaton Review:</u>	4 cases
<u>External Information Under Additional Review:</u>	5 cases

Open External Informaton Review:

1. Career Education Corporation - NY & FL Offices of Attorneys General / USDOE

Summary of Issues:

While submitting documents for a subpoena issued by the New York Attorney General's office, Career Education Corporation (CEC) reported findings of improper placement practices at some of its campuses. They launched an internal investigation to try and discover how the practices affected their reported placement rates. Meanwhile, state investigations were also initiated in Florida and Illinois. All of the State Attorney General activity is based on verification that the schools have not violated various consumer protection laws in the state. The states have subpoenaed documents relating to marketing, advertising, recruitment, placement and student outcomes.

The state initiated investigations led to an inquiry from the Chicago/ Denver School Participation Team of the USDOE, requesting copies of all subpoenaed documents and all adverse information responses.

ACICS was notified that ACCSC opened adverse against their CEC schools and asked for a response to the issues. Subsequently, ten campuses of CEC were show-caused by ACCSC, citing the integrity of their placement practices and employment data.

August 2016 Status:

CEC indicates that the office of the Attorney General of the State of Connecticut continues as the lead agency for a multi-state civil investigative demand of whether "CEC and its schools have complied with certain state consumer protection laws, and generally focus on the Company's practices relating to the recruitment of students, graduate placement statistics, graduate certification and licensing results and student lending activities, among other matters." CEC indicates it continues to cooperate with a view towards resolving these inquiries "as promptly as possible." CEC has met with representatives of the Multi-State AGs and engaged in a dialogue towards a resolution of these inquiries.

In a recent disclosure to share owners and the Securities and Exchange Commission (SEC), CEC has indicated "At the conclusion of any of these matters, the Company or certain of its schools may be subject to claims of failure to comply with state laws or regulations and may be required to pay significant financial penalties and/or curtail or modify their operations. Other state attorneys general may also initiate inquiries into the Company or its schools."

CEC's participation in federal student aid programs is provisional currently and extends through December 31, 2016. Each CEC institution must apply for recertification by September 30, 2016 in order to continue its eligibility to participate in Title IV Programs. CEC acknowledges that it "cannot predict whether, or to what extent, any of these inquiries or future resolutions of these inquiries might impact our Title IV eligibility. Depending on the circumstances of any resolution of these inquiries, ED may revoke, limit, suspend, delay or deny the institution's or all of the Company's institutions' Title IV eligibility, or impose fines. If any of the foregoing occurs, our business, reputation, financial position, cash flows and results of operations could be materially adversely affected."

The institution further indicated that it "cannot reasonably estimate a range of potential monetary or nonmonetary impact these investigations might have on the Company because it is uncertain what remedies, if any, these regulators might ultimately seek in connection with these investigations."

In addition, the institution has acknowledged that it continues to receive "informal requests from state Attorneys General and other government agencies relating to specific complaints they have received from students or former students which seek information about the student, our programs, and other matters relating to our activities in the relevant state. These requests can be broad and time consuming to respond to, and there is a risk that they could expand and/or lead to a formal inquiry or investigation into our practices in a particular state."

Regarding the Federal Trade Commission (FTC) issue, the institution indicates the investigation into its advertising, marketing or sales regarding "deceptive or unfair acts or practices" is in its early stages; that CEC continues to cooperate with the inquiry in order to resolve the issues promptly; and that it cannot estimate potential monetary or non-monetary impact on the company's ongoing operations.

December 2016 Status:

The following information was requested from the institution concerning its last response to ACICS:

1. A summary of CEC's meeting with the representatives of the Multi-State AGs along with any communication from, and to, the AGs concerning the civil investigative demand of whether CEC and its schools have complied with certain state consumer protection laws.
2. Evidence that each CEC institution has applied for recertification with the USDOE SFA given their current provisional status. Further, given that the approval is currently provisional, a summary of the current teach-out schedule for the institutions must be provided along with a narrative on the contingency plan if the USDOE does not approve the recertification by December 31, 2016.

3. Additional information on the Federal Trade Commission's investigation into the institutions' advertising, marketing or sales. This should include any requests from the FTC and the institutions' response.

In its response to the request, the institution provided the following:

1. A copy of the except in its 10Q, for the quarter ending September 30th concerning the civil investigative demands and subpoenas of these 18 Attorney Generals with Connecticut serving as the lead in this investigation. The summary was very general and the same as was previously submitted to ACICS. However, a draft copy of a confidential settlement with the AGs, dated September 16, 2016, was also shared with ACICS to demonstrate the company's intent to resolve the matter in an expeditious manner.
2. Evidence the campuses application for recertification with the USDOE SFA was submitted by the deadline along with affirmation (as outlined in the SFA Handbook) that the campuses will remain eligible for Title IV while the USDE completes its review of these applications. Hence it is not concerned about losing eligibility to participate. However, its contingency plan would include the consideration of self-funding, waiving tuition for remaining Title IV students, or appealing the Department's decision. According to the most current Teach-Out schedule provided (11.29.16), the last campuses would complete the teach-out in April 2018 and are Sanford-Brown College Seattle and Sanford-Brown College Tampa. ARIG confirmed the company's smooth and organized closure of a number of campuses to date and notes the good faith effort to ensure the best for students. Enrollment ceased in August 2015 upon announcement of the teach-out plan.
3. Since its original request in 2015, the FTC has not provided or contacted the corporation concerning its civil investigative demand. According to the institutional representatives, on a conference call and in its response, the only interaction with the FTC has been through legal counsel on the scope and timing of the request. A copy of the CID was provided to ACICS along with the public disclosure of this investigation in the company's 10Q.

April 2017 Status:

The institution provided updates regarding the following on-going adverse information:

1. **The Multi-State Attorney General Investigation:**
CEC provided its most recent public update on this investigation by submitting a portion of the Securities and Exchange Commission's "Form 10-K" for the year ending in December 31, 2016, that was filed with the Securities and Exchange Commission on February 23, 2017. There was no substantial updated information included
2. **Recertification Status with the U.S. Department of Education (USDOE):**
CEC's ten main campuses accredited by ACICS applied for approval of continued participation in Title IV programs (recertification) before the September 30, 2016, deadline. Since that time, two main campuses have completed teachouts, leaving

eight remaining campuses. CEC will not seek other accreditation for their ACICS-accredited campuses, as the teach out of these campus is expected to be completed prior to the June 12, 2018 expiration of the provisional participation participation agreements issued by the USDOE to ACICS-accredited institutions.

3. Federal Trade Commission Investigation (FTC):

CEC reported that there have been no meetings or discussions with the FTC since their last update provided to ACICS in December 2016. The only contact has been by CEC's outside counsel whose conversations have been limited to the scope, timing and order of providing the information requested.

Conclusion: This case will remain open but will be monitored through ARIG's monthly meetings and based on a collective review of all risk factors to determine what additional investigative actions needed.

2. National College - Kentucky Attorney General's Office

Summary of Issues:

The Kentucky Attorney General's launched an investigation into Daymar Colleges in that state, citing misrepresentation, admission of students not meeting requirement, falsification of grades etc. They also launched an investigation into National College, citing misrepresentation of placement rates based on a calculation that National was using on their website. (2012)

December 2016 Status:

According to the update provided by American National University, discovery disputes have slowed the process with both parties filing motions to compel. There was an original trial date set for October 10 - 17, 2016 but that had to be rescheduled as a result of the August 25, 2016 hearing during which the Court extended the discovery process. A status conference has been set for January 18, 2017 at which time the Court will evaluate the progress made to determine the need for continued discovery or to set a trial date. Finally, the Judge who considered the case on August 25 has since announced his retirement and a new judge has not yet been appointed.

April 2017 Status:

According to the update provided by American National University, the case is still in the discovery phase. The institution reported that at the January 18, 2017 status conference, additional discovery issues were discussed and an additional status conference was scheduled for May 31, 2017. A new judge was appointed to fill the vacancy which will be created by the August 2017 retirement of the current judge hearing the case. The necessity for the new judge to update themselves on the litigation will possibly delay the proceedings. The institution anticipates the trial date to be set in early to mid-2018.

Conclusion: ARIG will continue to monitor the ANU case.

3. Harris College of Business/Premiere Education Group – NY Times, Linwood, NJ

Summary of Issue:

News media reports from February 2014 described litigation filed against Harris College of Business by former employees contending that school officials “routinely misled students about their career prospects, and falsified records to enroll them and keep them enrolled.” The complaint is an amended version of a qui tam / False Claims Act lawsuit brought by the same individuals in 2011 but undisclosed publically. After formal investigations, both Federal and State prosecutors declined to prosecute the allegations under federal and state whistle blower statutes. The individuals then decided to pursue litigation through civil action, which prompted the public disclosure and coverage by the news media. (2014)

April 2016 Status:

Harris School of Business continues to contest the appeal of the former favorable court decision by the state of New Jersey. One of the key issues will be argued in front of the New Jersey Supreme Court in April. The institution noted that the state Department of Justice had declined to intervene in the matter after reviewing the allegations and numerous documents.

December 2016 Status:

A response from the institution’s legal counsel outlined the current status of the case before the Courts.

April 2017 Status:

The institution’s response indicated that on February 11, 2017, the parties submitted supplemental briefs to the court, but no further action has been taken in the case by either party or the court.

Conclusion: ARIG will continue to monitor the ANU case.

4. Spencerian College - Attorney General of Kentucky, Louisville & Lexington

Summary of Issues:

The Attorney General of Kentucky has filed a lawsuit claiming that Spencerian College violated the Kentucky Consumer Protection Act, by providing unfair, false, misleading and deceptive information to consumers about job placement rates, graduation success and Spencerian operations in general. Specifically the complaint alleges discrepancies between placement rates reported to ACICS and those advertised by Spencerian. (2013)

April 2016 Status:

Litigation continues to be in the discovery stage. Spencerian College has submitted answers to Interrogatories and well over 100,000 documents in response to requests. Counsel for the College and the AG’s Office continue discuss certain discovery issues with respect to the applicability of FERPA regulations to certain documents/data requested. The FERPA issues have been narrowed, and notifications have been sent to Spencerian graduates. There remain, however, additional discovery issues with FERPA implications which have not been resolved.

December 2016 Status:

In its letter dated November 28th to Mr. William's request for information on November 22nd, the institution asserts its resolve to defend the lawsuit and to deny the claims that it violated Consumer Protection laws. The communication was similar to the report previously submitted to ACICS concerning the information provided to the the AG and the discovery stages of the litigation.

April 2017 Status:

The institution reported that there are no updates and the litigation against them is still in the discovery stage despite submitting over 100,000 documents in response to the Requests for Production of Documents filed by the Kentucky Attorney General.

Conclusion: Through the ARIG process, this case will be monitored to include the review of other elements of risk which may trigger more active investigation by ACICS.

External Information Under Additional Review:

- 1. American College of Commerce and Technology (ACCT), Falls Church, VA –** *Continued Show-Cause to the August 2017 meeting along with renewal reports during the spring 2017 visit cycle. The institution provided an update stating that they received a notice of "Conditional Certification" on December 12, 2016 from SCHEV, expiring on October 14, 2017. Due to ACICS losing recognition, SCHEV requires ACCT to report bi-monthly on the status of actions to achieve alternative accreditation by June 18, 2018. The first report has been submitted. ACCT and SCHEV are expecting a Hearing Officer decision no later than April 3, 2017 on the issue of SCHEV's recommendation to terminate ACCT certification to operate based on three allegations of non-compliance.*
- 2. California University of Management and Sciences – Former Staff Lawsuit, Anaheim, CA –** *Renewal of accreditation review took place in the winter 2017 cycle with 13 findings identified between the main campus in California and the branch in Virginia.*
- 3. Computer Systems Institute, Chicago, IL –** *The Council's remand action following the withdrawal by suspension order was to continue the show-cause directive originally initiated in February 2016, as a result of low 2016 student achievement results. The institution was also scheduled to undergo a renewal of accreditation review in the winter cycle but decided, at the last minute, to not continue with the renewal of application process. The continued show-cause directive will be considered at the April meeting.*
- 4. Globe University and Minnesota School of Business, Minneapolis, MN –** *A show-cause directive was issued following notice that the Minnesota Office of Higher Education (MOHE) was moving forward to revoke the institutions' license to operate in the state. The day before the scheduled hearing before the Council, the institutions' received notice that the USDE acted to deny their application for recertification to participate in Financial Aid programs and their current approval would expire on December 31, 2016. In lieu of an in-person hearing so that the institution could work with its constituents, a*

conference call was held with the institutions' leadership and the hearing panel to discuss its plans in light of this new information. The Council acted to continue the show-cause directive as the institutions work on teaching out and transferring out its current students at the campuses in the state of Minnesota.

5. **Herguan University, Sunnyvale, CA – SEVP/ICE** – *institution is on continued show-cause following the review of its response to the original directive during the December 2016 review cycle. The institution was contesting the decision of SEVP to terminate its access to SEVIS and not allow, after January 11, 2017, its continued participation in the program.*

Appendix B

InstitutionName	VisitCity	VisitStatusCode	Visit State	VisitStart Date	InstMasterC ustomerId	ApprovalProcess Description
Art Institute of Salt Lake City	Draper	CONFIRMED	UT	2/7/2017	00032150	Special Visit
Branford Hall Career Institute	Springfield	CONFIRMED	MA	3/16/2017	00018785	Special Visit
Brown Mackie College - Akron	Akron	COMPLETED	OH	2/1/2017	00011239	Special Visit
Brown Mackie College - Atlanta	Atlanta	CONFIRMED	GA	2/2/2017	00020239	Special Visit
Brown Mackie College - Cincinnati	Cincinnati	COMPLETED	OH	1/13/2017	00010572	Special Visit
Brown Mackie College - Findlay	Findlay	COMPLETED	OH	2/2/2017	00010165	Special Visit
Brown Mackie College - Fort Wayne	Fort Wayne	COMPLETED	IN	1/19/2017	00010218	Special Visit
Brown Mackie College - Greenville	Greenville	COMPLETED	SC	1/30/2017	00024800	Special Visit
Brown Mackie College - Indianapolis	Indianapolis	COMPLETED	IN	2/10/2017	00023533	Special Visit
Brown Mackie College - Louisville	Louisville	COMPLETED	KY	2/10/2017	00020244	Special Visit
Brown Mackie College - San Antonio	San Antonio	CONFIRMED	TX	1/20/2017	00041546	Special Visit
Brown Mackie College - South Bend	South Bend	COMPLETED	IN	1/19/2017	00010695	Special Visit
Brown Mackie College - St. Louis	Fenton	COMPLETED	MO	2/13/2017	00029631	Special Visit
Brown Mackie College - Tucson	Tucson	CONFIRMED	AZ	1/25/2017	00011136	Special Visit
Brown Mackie College - Tulsa	Tulsa	CONFIRMED	OK	2/3/2017	00024239	Special Visit
Gallipolis Career College	Gallipolis	COMPLETED	OH	1/30/2017	00011098	Special Visit
Harris School of Business	Cherry Hill	COMPLETED	NJ	3/2/2017	00010547	Special Visit
McCann School of Business & Technology	Carlisle	COMPLETED	PA	1/19/2017	00029269	Special Visit
McCann School of Business & Technology	Dickson City	COMPLETED	PA	1/18/2017	00020097	Special Visit
Miami-Jacobs Career College	Troy	CONFIRMED	OH	2/9/2017	00023417	Special Visit
Miami-Jacobs Career College	Springboro	CONFIRMED	OH	2/10/2017	00022116	Special Visit
Miami-Jacobs Career College	Dayton	CONFIRMED	OH	1/31/2017	00010254	Special Visit
Miller-Motte Technical College	Gulfport	CONFIRMED	MS	2/13/2017	00048170	Special Visit
New York Institute of English and Business	New York	COMPLETED	NY	1/25/2017	00011328	Special Visit
Northwestern Polytechnic University	Fremont	COMPLETED	CA	2/16/2017	00015527	Special Visit

BUSINESS PRACTICES COMMITTEE MINUTES

Tuesday, December 6, 2016

10:30AM – 12:00PM

COMMITTEE MEMBERS

Mr. Luis Llerena, Chair

Mr. Richard Bennett

Dr. Fardad Fateri

Mr. Jay Fund

Dr. Ruth Shafer

Dr. Edward Thomas

STAFF LIAISONS

Ms. Perliter Walters-Gilliam – Primary Liaison

Ms. Jan A. Chambers – Secondary Liaison

OTHER

Ms. Karly Zeigler

Ms. Katie Morrison

Ms. Linda Lundberg

Mr. Maurice Wadlington

Mr. Quentin Dean

Mr. Roger Williams

Mr. Ian Harazduk (observer/former ACICS Staff)

Ms. Judee Tim (observer)

Commissioner Deborah Jones

I. CALL TO ORDER

Chair Llerena called the meeting to order at 12:32pm on Tuesday, December 06, 2016.

II. OLD BUSINESS

1. LEARNING SITE DEFINITIONS/PROCEDURES – BPC/12.16/1

ISSUE

Learning sites with located in different marketing areas, impacts the ability of ACICS and the school to adequately report student outcomes from that specific location.

OVERVIEW

The current definition of a learning site does not restrict distance from the managing campus or the percent of a program to be offered at the learning site. Currently learning sites have been approved in states and even other countries separate and apart from the managing campus with a full program of study and administrative staff services provided via online methods.

Accountability: *Is there sufficient accountability of student achievement and financial outcomes when students of programs that are offered at a learning site are rolled-up into the managing campuses rates?*

Expectations: *Are member institution's meeting residential student expectations if the support services are offered via online or remotely through a kiosk format? Can expectations be met if member institutions are required to fully disclose how each administrative support role would be made available to a prospect student prior to enrollment and in the catalog?*

The Council moved to accept the proposed policy at the August 2016 (remote) EEE meeting and publish it in the September Memo to the Field.

CRITERIA

1-3-103. Learning Site. A learning site is an extension of a main ~~campus~~ or branch campus that is ~~apart from the managing location within a five mile radius of the managing campus; offers less than 50% of a program of study; and maintains academic quality by is capable of providing~~ providing sufficient academic and administrative oversight ~~providing and~~ access to all student services and instructional resources.; ~~and maintaining required to academic quality.~~ Learning sites that are greater than five miles from the managing campus and offer student transportation to the managing campus; or are used for delivery of distance education activity or collaborative arrangements with other entities for specific on-site educational activity must be approved by the Council on a case-by-case basis and are subject to a quality assurance visit as specified by the Council. All learning sites are subject to an onsite evaluation visit during the managing campus renewal of accreditation evaluation visit.

Staff Zeigler presented the most recent learning site definition, previously brought before the Education Enhancement and Evaluation (EEE) Committee and accepted by the full Council August 2016; the definition will take effect on January 1, 2017. The Call for Comment survey completed by member institutions in response to the September 2016 Learning Site Definition Memo to the Field was also provided by Staff Zeigler (**Appendix A**). BPC discussed the relevance of the distance from the learning site to the oversight campus and determined that the Executive Committee will review, on a case-by-case basis, any application submitted for a new learning site beyond a 5 mile radius from the oversight campus. Campuses currently with learning sites farther than 5 miles from the oversight campus must comply with the proposed Criteria by January 1, 2018. Another memo will be sent to the field informing institutions of the additional January 2018 date.

PPG Technical Institute sent a letter on December 6, 2016 requesting clarification from the Council regarding the learning site definition (**Appendix B**). The institution applied for a learning site and was previously denied. The letter made note of the Executive Committee's

decision to approve a learning site for another member institution (Computer Systems Institute) in September 2016 which was 900 miles away from its oversight campus. The committee and staff discussed the factors involving the approval of the learning site approval and resolved that the contexts for that particular approval were not standard, but were under mitigating circumstances.

- MOTION: Accept the proposed policy and publish it in the *Accreditation Criteria* effective January 1, 2017; furthermore, allowing institutions with current learning sites until January 1, 2018 to comply with the new standard.
- MOVED: Bennett
- SECONDED: Schafer
- ABSTENTION: None
- ACTION: Passed

2. AT-RISK INSTITUTION GROUP (ARIG) REPORT

Staff Walters-Gilliam provided an overview of the current ARIG membership (consisting of Staff Chambers, Dean, Gelfound, King, Walters-Gilliam, Williams, and Zeigler). Over the projector, Staff Walters-Gilliam displayed the spreadsheet ARIG uses to track the progress of member institutions, along with Unannounced/At-Risk/Special visits directed by the group.

3. REPORT ON COMPLAINTS

Staff Chambers briefly summarized the complaint activity for the year and quarter, stating that former students of member institutions filed the most complaints, stated the average complaint processing time for the quarter was 14 days and an average of 32 days for the year. Commissioner Llerena suggested that a chart comparing open vs. closed complaints be provided as was provided in previous meetings.

Average Processing Time: August 1, 2016 - December 6, 2016

Complaint	14 days
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Average Processing Time: January 1, 2016 - December 6, 2016

Complaint	32 days
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Total number of complaints: August 1, 2016 - December 6, 2016

State Regulatory Agency	4
Student	18
Former Student	28
Faculty	3
Former Faculty	8
Anonymous	1
Other	6
Total	68

Total number of complaints: January 1, 2016 - December 5, 2016

State Regulatory Agency	4
Federal	1
Student	65
Former Student	92
Faculty	13
Former Faculty	42
Parent	2
Administrator	4
Anonymous	2
Other	21
Total	246

4. REPORT ON ADVERSE INFORMATION

Staff Walters-Gilliam presented the Report on Adverse Information and provided updates for all open adverse cases (**Appendix C**). There are currently 14 open adverse cases. Staff Walters-Gilliam also shared that Globe University's main campus received a letter from the Department of Education on December 6, 2016 informing them that they will not recertify the institution's Title IV.

ADD REPORT ON ADVERSE NOTES HERE

III. NEW BUSINESS

• FAILURE TO SUBMIT A RENEWAL APPLICATION – TAKING A REVOCATION ACTION

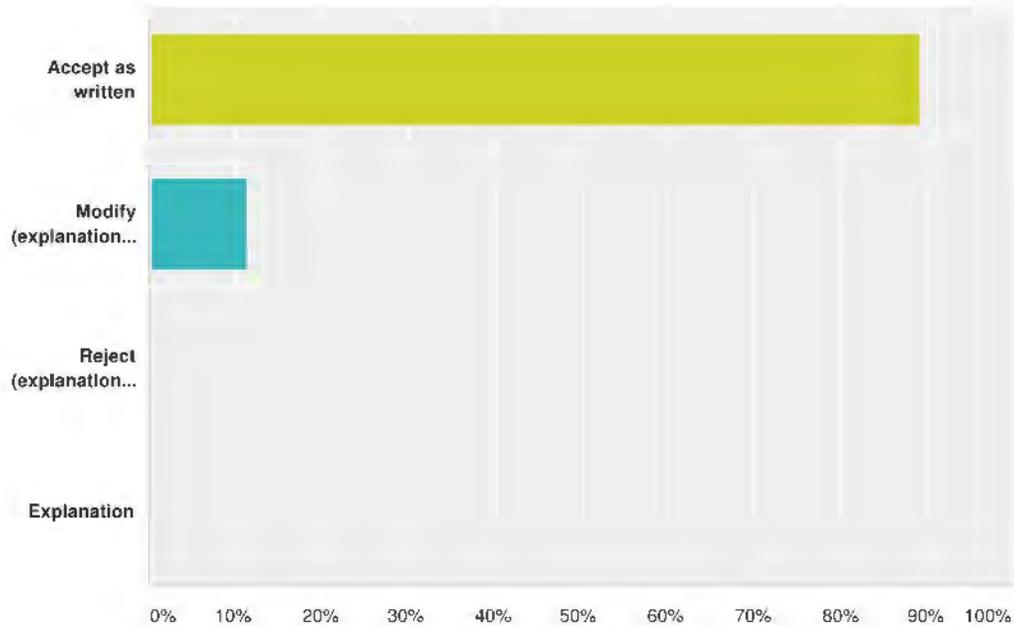
Staff Walters-Gilliam provided information that Silicon Valley University and New York Institute of English and Business had not yet submitted a 2016 CAR or Self-Study despite several conversations and reminders provided by staff. Staff Walters-Gilliam recommended a suspension action based upon Section 2-3-402 in the Criteria. The committee challenged the recommendation and decided to recommend sending another letter to the campuses providing 10 days for them to take action (submit the renewal application and self-study, give notice of withdrawal, etc.). If no response is provided by the campuses, it is recommended that the Executive Committee suspend the campuses' grant of accreditation.

IV. ADJOURNMENT

Chair Llerena motioned for adjournment which was seconded by Commissioner Fateri. The Committee adjourned the meeting at 1:50pm.

Q14 Learning Site Definition: The Council proposes including a definitive requirement for the distance from which a learning site may be geographically separated from its managing campus. This distance is a radius of five miles. For any learning site that is currently or proposed to be further than five miles from its oversight campus, the Council will review the arrangement and determine on a case-by-case basis whether it is appropriate. All learning sites are subject to an on-site evaluation visit.

Answered: 9 Skipped: 15



Answer Choices	Responses
Accept as written	88.89% 8
Modify (explanation needed)	11.11% 1
Reject (explanation needed)	0.00% 0
Explanation	0.00% 0
Total	9

#	Explanation	Date
	There are no responses.	



December 6, 2016

ACICS Council

Dear Commissioners:

By this letter, PPG Technical College is respectfully requesting clarification of the current criterion Section 1-3-103 which defines a learning site as a "... classroom extension of a main campus or branch campus that is apart from the managing location and is capable of providing sufficient academic and administrative oversight, providing access to all student services and instructional resources and maintaining academic quality." Based on the definition in this criterion, my institution, seeking to serve students in Ponce and Mayaguez, submitted an application for a learning site on August 18, 2016. This application was completed based on explicit guidance from ACICS leadership at that time along with the institution's understanding of 1-2-103 as well as 1-2-102 (branch campus definition). The application was denied and therein is the basis for this request for clarification.

As a small, family-owned institution that joined the ranks of ACICS- accredited institutions in 2014, PPG has been diligent in its compliance with all ACICS standards, seeking guidance directly from ACICS leadership to ensure alignment with agency expectations and to avoid any misunderstanding of any procedure. Hence, we were disappointed and confused when the application was denied, first with no explanation and then "... based on the distance between the learning site and the oversight campus...", being told that we misunderstand "... the interpretation of the current *Accreditation Criteria*."

While we understand that some subjective judgment must sometimes be employed during the application review process, we are concerned that inconsistent interpretation and enforcement by the Council undermine the intent of the written standards. Having reviewed the September 2016 Memo to the Field, we understand that the Council would *like* 1-2-103 to include a distance limit. However, at the time of our application submission, the Council had not yet heard from the field on this proposal nor taken a final action about the change. Yet, PPG is being held to that new, *proposed* standard, which is unfair to say the least. This is similar to the intent of the Council to retroactively apply its proposed changes to the Council Action Process to the 2016 CAR (page 14 of the Memo). The 2016 CAR has already been submitted and the changes have not yet been approved.

While the Council has the authority to use its judgement on actions taken, that judgment should be consistent. Concerning the Council's application of judgment on the learning site standard, there are many currently accredited institutions with learning sites more than 5 miles from the managing campus; some sites far outside of the managing campuses' states and some outside of the country. More specifically, the Council recently, on September 7th, approved a learning site

for CSI more than 900 miles from the oversight location; the PPG site is 40 miles away. The CSI application was submitted after that of PPG, yet with diametrically opposite decisions.

It is clear from the Council's first denial letter that it wants PPG to establish a branch campus and subsequent comments from current ACICS leadership reiterated that point. What is not clear is why PPG must be forced into that choice when, like other member institutions, it has the right to make such major administrative decisions for itself. What is not clear is why it should be forced to commit to substantial financial investment for a permanent location in an area that it has not had the opportunity to test for long-term viability of student enrollment. What is not clear is why PPG is not being allowed to avail itself of the provisions of 1-2-103, which it clearly satisfies, when other institutions are doing so.

PPG is not asking for special favors but we are asking for consistent application of accreditation criteria currently in effect.

Sincerely,

(b)(6)

Ruth Marcano
President
PPG Technical College

(b)(6)

Rogena Kyles
Compliance Advisor

Appendix C

AT-RISK INSTITUTIONS' GROUP (ARIG) EXTERNAL INFORMATION REVIEW DECEMBER 2016

Current Statistics:

Open External Information Review: 14 cases

Closed External Information Review: 5 cases (2 of which as a result of the campus closing)

American College of Commerce and Technology (ACCT)

Location: Fall Church, VA

Summary of Issues:

ACCT has been found deficient in its compliance with a number of Virginia State post-secondary education requirements and regulations, based on a site audit earlier this year. The 13 deficiencies include those regarding instructor qualifications, admissions policy, student records maintenance, program quality, on-line programs, fidelity to refund policy and other matters. In addition, the State Council for Higher Education for Virginia (SCHEV) has cited ACCT for two items of concern: 1) The institution may be in violation of federal law regarding its practices for admitting F-1 Visa international students; 2) the Institution has ties to an institution ordered closed by SCHEV (University of Northern Virginia). The organization has been afforded the opportunity by SCHEV to respond to and address the findings in writing. (February 2016)

ARIG Review:

A limited-announced special visit was conducted in June 2016 with 13 findings identified for the campus's response. The Council, at its August 2016 meeting, having considered the findings (9 of which were not resolved), the state's concerns, and the state's subsequent decision to revoke the institution's license to operate in the state of Virginia, directed a show-cause directive to the institution which included special full onsite evaluation visits to the main campus in Virginia and the new branch location in California during the fall 2016 cycle.

The teams' assessments during these visits will be included in the Council's consideration of the institution's response to the show-cause directive. The hearing is scheduled for Wednesday, December 7, 2016 and the panel's recommendation will be presented to the Council at the conclusion of the meeting.

Brown Mackie Colleges, EDMC – Arizona Board of Nursing

Location: Tucson and Phoenix, AZ

Summary of Issues:

The nursing education programs at EDMC's Brown Mackie Colleges in Arizona were under escalated scrutiny and sanctions by the Arizona State Board of Nursing (ABON).

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Information about the adverse actions taken by ABON came to the attention of ACICS through the news media.

Specifically, the Practical Nursing Program at the Tucson campus was subject to a consent agreement for violating the Nurse Practices Act. The agreement requires Brown Mackie Tucson to cease enrolling new nursing students; and to teach-out members of three nursing cohorts. The institution's approval to offer nursing education in Arizona terminates upon the graduation of the last student.

ARIG Review

Brown Mackie College – Phoenix agreed to sign a Consent Agreement with Arizona State Board for Private Post-Secondary Education and paid a civil penalty of \$1000.

Brown Mackie College – Tucson has taught out the nursing program, the conclusion of which will result in the termination of its approval by the Board.

Conclusion: The case is now closed.

California University of Management and Sciences – Former Staff Lawsuit

Location: Anaheim, CA

Summary of Issues:

A former employee of the institution filed a lawsuit in September alleging that students' grades have been altered inappropriately and that the institution has been acting as a diploma mill. The allegations came to the attention of ACICS through online media, and the institution was asked to respond.

April 2016 Status:

The Plaintiff in the case has continued an appeal of the previous judgement which was entered in favor of Dr. David Park. A new trial date has been set for August 2016, pending resolution of the appeal.

ARIG Review

ACICS has since received a complaint concerning the same allegations of the lawsuit, the contents of which are difficult to investigate. However, the institution will be hosting an onsite evaluation team during its accreditation renewal cycle in January/February 2017. The external information, along with the new complaint, will be incorporated as sources of information.

Conclusion: Any findings as a result of these allegations will be reviewed as part of the evaluation visit and not through this process.

Appendix C

Career Education Corporation - NY & FL Offices of Attorneys General / USDOE

Location: Various

Summary of Issues:

While submitting documents for a subpoena issued by the New York Attorney General's office, Career Education Corporation (CEC) reported findings of improper placement practices at some of its campuses. They launched an internal investigation to try and discover how the practices affected their reported placement rates. Meanwhile, state investigations were also initiated in Florida and Illinois. All of the State Attorney General activity is based on verification that the schools have not violated various consumer protection laws in the state. The states have subpoenaed documents relating to marketing, advertising, recruitment, placement and student outcomes.

The state initiated investigations led to an inquiry from the Chicago/ Denver School Participation Team of the USDOE, requesting copies of all subpoenaed documents and all adverse information responses.

ACICS was notified that ACCSC opened adverse against their CEC schools and asked for a response to the issues. Subsequently, ten campuses of CEC were show-caused by ACCSC, citing the integrity of their placement practices and employment data.

August 2016 Status:

CEC indicates that the office of the Attorney General of the State of Connecticut continues as the lead agency for a multi-state civil investigative demand of whether "CEC and its schools have complied with certain state consumer protection laws, and generally focus on the Company's practices relating to the recruitment of students, graduate placement statistics, graduate certification and licensing results and student lending activities, among other matters." CEC indicates it continues to cooperate with a view towards resolving these inquiries "as promptly as possible." CEC has met with representatives of the Multi-State AGs and engaged in a dialogue towards a resolution of these inquiries.

In a recent disclosure to share owners and the Securities and Exchange Commission (SEC), CEC has indicated "At the conclusion of any of these matters, the Company or certain of its schools may be subject to claims of failure to comply with state laws or regulations and may be required to pay significant financial penalties and/or curtail or modify their operations. Other state attorneys general may also initiate inquiries into the Company or its schools."

CEC's participation in federal student aid programs is provisional currently and extends through December 31, 2016. Each CEC institution must apply for recertification by September 30, 2016 in order to continue its eligibility to participate in Title IV Programs. CEC acknowledges that it "cannot predict whether, or to what extent, any of these inquiries or future resolutions of these inquiries might impact our Title IV eligibility. Depending on the circumstances of any resolution of these inquiries, ED may revoke, limit, suspend, delay

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or deny the institution's or all of the Company's institutions' Title IV eligibility, or impose fines. If any of the foregoing occurs, our business, reputation, financial position, cash flows and results of operations could be materially adversely affected."

The institution further indicated that it "cannot reasonably estimate a range of potential monetary or nonmonetary impact these investigations might have on the Company because it is uncertain what remedies, if any, these regulators might ultimately seek in connection with these investigations."

In addition, the institution has acknowledged that it continues to receive "informal requests from state Attorneys General and other government agencies relating to specific complaints they have received from students or former students which seek information about the student, our programs, and other matters relating to our activities in the relevant state. These requests can be broad and time consuming to respond to, and there is a risk that they could expand and/or lead to a formal inquiry or investigation into our practices in a particular state."

Regarding the Federal Trade Commission (FTC) issue, the institution indicates the investigation into its advertising, marketing or sales regarding "deceptive or unfair acts or practices" is in its early stages; that CEC continues to cooperate with the inquiry in order to resolve the issues promptly; and that it cannot estimate potential monetary or non-monetary impact on the company's ongoing operations.

ARIG Review:

The following information was requested from the institution concerning its last response to ACICS:

1. A summary of CEC's meeting with the representatives of the Multi-State AGs along with any communication from, and to, the AGs concerning the civil investigative demand of whether CEC and its schools have complied with certain state consumer protection laws.
2. Evidence that each CEC institution has applied for recertification with the USDOE SFA given their current provisional status. Further, given that the approval is currently provisional, a summary of the current teach-out schedule for the institutions must be provided along with a narrative on the contingency plan if the USDOE does not approve the recertification by December 31, 2016.
3. Additional information on the Federal Trade Commission's investigation into the institutions' advertising, marketing or sales. This should include any requests from the FTC and the institutions' response.

In its response to the request, the institution provided the following:

1. A copy of the except in its 10Q, for the quarter ending September 30th concerning the civil investigative demands and subpoenas of these 18 Attorney Generals with

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Connecticut serving as the lead in this investigation. The summary was very general and the same as was previously submitted to ACICS. However, a draft copy of a confidential settlement with the AGs, dated September 16, 2016, was also shared with ACICS to demonstrate the company's intent to resolve the matter in an expeditious manner.

2. Evidence the campuses application for recertification with the USDOE SFA was submitted by the deadline along with affirmation (as outlined in the SFA Handbook) that the campuses will remain eligible for Title IV while the USDE completes its review of these applications. Hence it is not concerned about losing eligibility to participate. However, its contingency plan would include the consideration of self-funding, waiving tuition for remaining Title IV students, or appealing the Department's decision. According to the most current Teach-Out schedule provided (11.29.16), the last campuses would complete the teach-out in April 2018 and are Sanford-Brown College Seattle and Sanford-Brown College Tampa. ARIG confirmed the company's smooth and organized closure of a number of campuses to date and notes the good faith effort to ensure the best for students. Enrollment ceased in August 2015 upon announcement of the teach-out plan.
3. Since its original request in 2015, the FTC has not provided or contacted the corporation concerning its civil investigative demand. According to the institutional representatives, on a conference call and in its response, the only interaction with the FTC has been through legal counsel on the scope and timing of the request. A copy of the CID was provided to ACICS along with the public disclosure of this investigation in the company's 10Q.

Conclusion: This case will remain open but will be monitored through ARIG's monthly meetings and based on a collective review of all risk factors to determine what additional investigative actions needed.

Computer Systems Institute

Location: Chicago

Summary of Issues:

On January 29th, 2016, the Department (ED.Gov) took the action to decertify CSI's participation in federal student aid programs based on a series of inquiries by the Office of the Inspector General. The findings of the OIG include placement data integrity and other issues regarding the sufficiency of CSI's capacity to administer federal student aid. As a result of the Department's action, ACICS directed the institution to show-cause and provide information relative to this adverse report, on February 1, 2016. This letter from the Council included a request for a number of items including the actions taken by the institution to mitigate the loss of Title IV; actions taken to remedy deficiencies in collecting, tracking, and reliable placement data; an independent placement verification of 2011 and

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2012 data; current placement data in 2016 to be verified by the ACICS Placement Verification Program (PVP); removal of references to ACICS on its placement disclosures; its plan for sharing information with its students on its current circumstances; and a teach-out plan. Consequently, on February 3rd, the Illinois Board of Higher Education (IBHE) also acted to issue a “Cease and Desist” order against the institution as a result of this action by the USDE. The institution was directed to immediately cease enrolling new students and to provide certain disclosures. The IBHE, on March 2nd, rescinded that order.

During a quality monitoring review by ACICS on February 16 and 17 to two campuses (Skokie and Chicago), a generalist was included on the team to evaluate overall institutional effectiveness to include an assessment of placement information. This review identified concerns with the quality of the placement data maintained by the institution.

The institution chose to respond to the show-cause directive via an in-person hearing at the Council’s April 2016 meeting. Following its deliberations, the Council acted to withdraw the institution’s accreditation by suspension, in light of the unresolved concerns with the integrity of the administration and the misrepresentation of its performance (placement) disclosures.

The institution appealed this decision to the ACICS Review Board which convened on September 23rd, 2016 with a four-member panel. The Review Board acted to remand the decision back to the Council and recommend that a number of items be requested from the institution including third-party verification of the 2016 CAR placement data, survey of graduate and employer satisfaction for the 2016 CAR cohort who were placed, evidence that the campuses have appropriate career services personnel to effectively serve its students; and the status of two campuses, Elgin and Gurnee, identified as “inactive” by the institution during its testimony. It should be noted that the Gurnee location is the main campus of the institution.

Chosen by the Council, the institution is working with Auxicent for the third-party verification and graduate/employer satisfaction review. This process is underway and a full report may not be available by the conclusion of the Council’s meeting. However, staff is working with Auxicent to ensure that a significant percentage of the data has been reviewed to allow the Council to make an informed decision at its December 2016 meeting.

ARIG Review

The institution is tentatively scheduled for its renewal of accreditation visits in the Winter 2017 travel (April 2017 review) cycle.

Conclusion: Final Council decision on remand action.

Daymar College/ National College - Kentucky Attorney General’s Office

Location: Kentucky

Summary of Issues:

Appendix C

The Kentucky Attorney General's launched an investigation into Daymar Colleges in that state, citing misrepresentation, admission of students not meeting requirement, falsification of grades etc. They also launched an investigation into National College, citing misrepresentation of placement rates based on a calculation that National was using on their website. (2012)

ARIG Review

Daymar has settled its dispute with the Kentucky Office of the Attorney General. While a copy was not provided to ACICS, in a May 10, 2016 letter to Secretary King concerning the recognition action against ACICS, Daymar provided an explanation of that settlement. According to the institution and a copy of the consent agreement provided, the AG "...voluntarily settled its claim against the institution without dispute or adjudication of any issue of fact of law."

According to the update provided by American National University, discovery disputes have slowed the process with both parties filing motions to compel. There was an original trial date set for October 10 - 17, 2016 but that had to be rescheduled as a result of the August 25, 2016 hearing during which the Court extended the discovery process. A status conference has been set for January 18, 2017 at which time the Court will evaluate the progress made to determine the need for continued discovery or to set a trial date. Finally, the Judge who considered the case on August 25 has since announced his retirement and a new judge has not yet been appointed.

Conclusion: ARIG will continue to monitor the ANU case.

Globe University and Minnesota School of Business

Location: Minneapolis, MN

Summary of Issues:

The Minnesota Attorney General has issued a Civil Investigative Demand (CID) derived from lawsuits filed by former employees of the institutions. The critical issues are the academic and placement practices of the institution, specifically in the Criminal Justice program. (2013)

After years of litigation and appeals, on Thursday, September 8, 2016, a Hennepin County judge found Globe University and the Minnesota School of Business to have violated the Consumer Fraud Act and the Deceptive Trade Practices Act in the recruitment of students for their Criminal Justice programs. The judged order the school to stop using fraudulent recruiting practices. The next stage of the trial would determine restitution for impacted students and other injunctive relief.

ARIG Review

As a result of this decision, ACICS held discussions with the Minnesota Office of Higher Education (MOHE) and was informed that the Office planned to move forward with a

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revocation action based on language they have in their statute regarding the adjudication of fraud. The State was resolute in its belief that the judge has made this determination and that their statutory language was clear. Based on serious concerns about the institutions' continued authorization to operate in the State, the Council issued a show-cause directive against the institution on September 14, 2016. The institution received the revocation order from the MOHE on September 15th. Subsequently, on October 3rd, the USDE, Student Financial Aid division placed the institutions on Heightened Cash Monitoring 2 (HCM2).

Conclusion: The institutions' hearing before the Council is scheduled for Wednesday, December 7th from 1pm – 5pm.

Action to be taken by the Council following hearing on Friday, December 9th. This matter will not longer be monitored through ARIG but other institutional risk factors will be kept under review.

Harris College of Business / Premiere Education Group – NY Times

Location: Linwood, New Jersey

Summary of Issue:

News media reports from February 2014 described litigation filed against Harris College of Business by former employees contending that school officials “routinely misled students about their career prospects, and falsified records to enroll them and keep them enrolled.” The complaint is an amended version of a qui tam / False Claims Act lawsuit brought by the same individuals in 2011 but undisclosed publically. After formal investigations, both Federal and State prosecutors declined to prosecute the allegations under federal and state whistle blower statutes. The individuals then decided to pursue litigation through civil action, which prompted the public disclosure and coverage by the news media. (2014)

April 2016 Status:

Harris School of Business continues to contest the appeal of the former favorable court decision by the state of New Jersey. One of the key issues will be argued in front of the New Jersey Supreme Court in April. The institution noted that the state Department of Justice had declined to intervene in the matter after reviewing the allegations and numerous documents.

ARIG REVIEW:

A response from the institution's legal counsel outlined the current status of the case before the Courts. The ARIG will continue to monitor this case.

Herguan University, Sunnyvale, CA – SEVP/ICE

Location: Sunnyvale, CA

Summary of Issues:

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The former chief executive of Herguan University (HU), Mr. Jerry Wang, pleaded guilty to visa fraud in the U.S. District Court, for "submitting nearly 100 false documents to the Department of Homeland Security." To address those issues, HU was requested to demonstrate that the systemic and familial relationship issues derived from the Court finding have been remedied. As a result of the plea, ACICS debarred Mr. Wang for 10 years at its December 2015 meeting.

In addition, HU's eligibility to participate in the admission and enrollment of foreign national students has been put on hold by the federal Student and Visitor Exchange Program (SEVP) of Immigration and Custom Enforcement (ICE) as a result of the court finding against the former CEO.

ARIG Review

In October, the Council was informed by Ms. Joanne Wenzel, Bureau Chief at the Bureau for Private Postsecondary Education (BPPE) that the institution's access to the Student and Exchange Visitor Information System (SEVIS) has been terminated. ARIG also reviewed the report published in Inside Higher Ed on October 7, 2016, and the School Alert Announcement on the Immigration and Customs Enforcement (ICE) web page of the US Department of Homeland Security web site and confirmed that the institution' access to SEVIS will terminate on January 11, 2017 and, effective October 6, 2016, the institution can no longer issue any new Form I-20s. Finally, for students in Initial status who have not yet entered the United States, they will not be admitted into the United States with the Herguan-issued Form I-20 or a visa issued for them to enroll at Herguan University.

This action by the U.S. Immigration and Customs Enforcement raises serious concerns about the institution's ability to continue to provide educational services, given that more than 95 percent of its students are international and on F1 visas. As a result, the Council has directed the institution's to show-cause why its accreditation should not be withdrawn by suspension or otherwise conditioned during the December 2016 review cycle.

Conclusion: The in-writing review (hearing) took place on November 30th, 2016 and a recommendation will be made to the full Council concerning its decision on the show-cause. This matter will not longer be monitored through ARIG but other institutional risk factors will be kept under review.

SAE Institute - ACCSC Concerns with Placement Data

Location: New York, NY

Summary of Issues:

Over a period of several years two programs at the New York campus fell short of placement standards set by SAE's former accreditor. On that basis, the programs were directed to cease enrollment and to demonstrate a capacity to meet placement standards before resuming operation. Those conditions were intact when the campus withdrew its accreditation from the previous agency and established accreditation under ACICS.

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April 2016 Status:

As required by the previous accreditor, SAE had suspended enrollment for the two programs in question. It has also provided evidence to ACICS that at the time of its withdrawal of accreditation, the campus was in good standing. (April 2016)

ARIG Review

Given that the institution is no longer subject to the placement standards of the former accreditor, and given that ACICS has no serious concern with the placement reported by the institution via its PVP submission. However, the 2016 CAR data will be analyzed in the Institutional Effectiveness Committee (IEC), along with other risk factors to evaluate the need for any investigative action in the future.

Conclusion: Case is closed

Spencerian College - Attorney General of Kentucky

Location: Louisville and Lexington, KY

Summary of Issues:

The Attorney General of Kentucky has filed a lawsuit claiming that Spencerian College violated the Kentucky Consumer Protection Act, by providing unfair, false, misleading and deceptive information to consumers about job placement rates, graduation success and Spencerian operations in general. Specifically the complaint alleges discrepancies between placement rates reported to ACICS and those advertised by Spencerian. (2013)

April 2016 Status:

Litigation continues to be in the discovery stage. Spencerian College has submitted answers to Interrogatories and well over 100,000 documents in response to requests. Counsel for the College and the AG's Office continue discuss certain discovery issues with respect to the applicability of FERPA regulations to certain documents/data requested. The FERPA issues have been narrowed, and notifications have been sent to Spencerian graduates. There remain, however, additional discovery issues with FERPA implications which have not been resolved.

ARIG Review

In its letter dated November 28th to Mr. William's request for information on November 22nd, the institution asserts its resolve to defend the lawsuit and to deny the claims that it violated Consumer Protection laws. The communication was similar to the report previously submitted to ACICS concerning the information provided to the the AG and the discovery stages of the litigation.

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Conclusion: Through the ARIG process, this case will be monitored to include the review of other elements of risk which may trigger more active investigation by ACICS.

Everest College – Audit Findings by the State Council of Higher Education of Virginia (SCHEV)

Location: Chesapeake, VA

Summary of Issues:

Based on an audit by the staff of SCHEV in January 2016, the institution was found to be out of compliance with nine requirements of the state of Virginia. Those issues related to catalogue disclosures, course work completed in residence, faculty qualifications, administrator availability, and fidelity to enrollment agreements.

April 2016 status:

Information provided in writing by Everest College to SCHEV in February was deemed sufficient to address all of the issues raised in the audit. Everest was notified of its satisfactory resolution of the findings on March 23, 2016; SCHEV required no further action.

ARIG Review: Case has been closed since no further action was required.

Case Name: *In the Matter of* Accrediting Council for Independent Colleges and Schools

Docket No.: 16-44-O

Filing Party: Respondent, Accrediting Council for Independent Colleges and Schools

Exhibit No.: B-O-146



ARIG Meeting Minutes

Call to order

A meeting of At-Risk Institutional Group was held at 10:00am on **February 7, 2017**.

Attendees

Attendees included:

Jan Chambers
Terron King
Perliter Walters-Gilliam
Roger Williams
Karly Zeigler (via telephone)

Members not in attendance

Members not in attendance included Steve Gelfound.

Old Business

None

New Business

1. Three campuses owned by premier group, Harris School of Business, Cherry Hill, NJ; Branford Hall, Springfield, CT; and Branford Hall, Windsor, CT all received a complaint between November 2016 and February 2017. Harris School of Business, Cherry Hill, NJ and Branford Hall, Springfield, CT will both receive unannounced/limited-announced QAV visits in February 2017. These two campuses had similar complaints against them including monies owed to vendors, lack of materials and supplies for student and faculty usage, and unkempt facilities. Perliter Walters-Gilliam will conduct the visit to Harris School of Business and Katie Morrison will conduct the visit to Branford Hall, Springfield.



2. Jan Chambers will draft and send a letter via email to Silicon Valley University (SVU) requesting information regarding the OPT STEM extensions and their international student population. ACICS received many phone calls from Northwestern Polytechnic Institute (NPU) and SVU students informing us that they lost their STEM extensions/visas. We were also forwarded an email on January 26, 2017 from an individual that provided a link to an online petition electronically signed by over 16,000 international students/graduates currently on STEM extensions, many whom were identified as NPU and SVU students. The petition was regarding their inability to maintain their work/study permits to stay in the US. ACICS evaluation teams are already scheduled to visit both campuses the week of February 6, 2017. These issues will be explored on-site as well.
3. On January 3, 2017 ACICS received a letter from legal counsel for Ms. (b)(6) former student at Hondros College of Nursing, West Chester, OH, informing that she will take legal action against the campus if she is unable to complete the nursing program in which she initially enrolled. The campus later informed students, via disclosure, that if they were to fail a course, they would not be able to complete the original program. We required to campus to update us on correspondence and actions taken toward rectifying this situation. The campus offered to enroll Ms. (b)(6) in the most recently revised nursing program, with no additional charge. Ms. (b)(6) legal counsel rejected the offer because the newest program will not allow her to graduate her originally anticipated graduation date. We requested additional information from the campus.
4. We received an anonymous letter from someone claiming to be a student of California International Business University. The letter contained 32 allegations that will be investigated on-site during an already scheduled full-team evaluation visit to the campus the week of February 6, 2017.



ARIG Meeting Minutes

Call to order

A meeting of At-Risk Institutional Group was held at 10:00am on **February 22, 2017**.

Attendees

Attendees included:

Staff Jan Chambers
Staff Steve Gelfound
Staff Terron King
Staff Perliter Walters-Gilliam
Staff Roger Williams
Staff Karly Zeigler
Ms. Michelle Edwards (**observer and ACICS Council Chair**)

Old Business

1. Premier Education Group

Staff Katie Morrison is visiting Branford Hall Career Institute, Springfield, CT and Staff Perliter Walters-Gilliam is visiting Harris School of Business after the March 6-10, 2017 IRC meeting. They will conduct unannounced visits due to the recent complaints against these campuses. The campuses had similar complaints against them including monies owed to vendors, lack of materials and supplies for student and faculty usage, and unkempt facilities.

2. Silicon Valley University & Northwestern Polytechnic University

On February 9, 2017, Staff Jan Chambers sent a letter to Silicon Valley University (SVU) requesting information regarding the OPT STEM extensions and their international student population due to numerous inquiries received by ACICS from their students/recent graduates. The campus did not reply by the February 16, 2017 due date included in the letter. Staff Roger Williams will send an email to SEVIS informing them



of the numerous visa status inquiries from Northwestern Polytechnic University and SVU international students/graduates.

3. Hondros College of Nursing, West Chester, OH

Perlter Walters-Gilliam followed up with Hondros College of Nursing regarding the status of the ongoing complaint against the campus from former student, Ms. (b)(6). In February 2017, Ms. (b)(6) legal counsel rejected the campus' offer to enroll her in a new practical nursing (PN) program, at no additional charge because the newest program will not allow her to graduate her originally anticipated graduation date. Additional concerns posed by Staff Walters-Gilliam was that other students may be in a similar circumstance as Ms. (b)(6) and asked the campus to identify students currently enrolled in the original (PN) program, along with their academic progress. The campus did not supply the names of the students and cited possible FERPA violations as their reasoning not to. Staff Walters-Gilliam sought guidance from ACICS' legal counsel and was informed that provided student information to an accreditor is not against FERPA standards. Staff Roger Williams suggested Staff Walters-Gilliam provide the campus with a deadline to provide the requested information otherwise face possible further action taken against them by ACICS. Additional unresolved issues from the complaint and campus' response were further discussed.

4. California International Business University, San Diego, CA

Staff Perlter Walters-Gilliam provided an update on the investigation of 32 allegations mailed to ACICS in the form of an anonymous complaint against CIBU. The allegations were investigated on-site during a scheduled full-team evaluation visit to the campus on February 8-9, 2017. The evaluation team found no evidence to substantiate any of the allegations and therefore, the complaint is now closed.

New Business

1. Minneapolis Media Institute

Staff Jan Chambers provided a brief explanation of a complaint received against Minneapolis Media Institute, received in December 2016. The complainant Mr. (b)(6) made several allegations against the campus regarding his displeasure with the quality of the education he received from the campus, along with him allegedly not being aware of the campus' transfer credit policy. The campus provided documentation to



counter Mr. (b)(6) allegations and the complaint was closed. The campus informed Staff Chambers that Mr. (b)(6) also submitted a complaint to the Minnesota Attorney's General (AG) office, which also required a response from the campus. The campus submitted to the AG's office the complaint closure letter they received from Staff Chambers. Staff Chambers also stated that the (b)(6) informed her that he plans to take legal action against the campus.



ARIG Meeting Minutes

Call to order

A meeting of At-Risk Institutional Group was held at 9:30am on **March 9, 2017**.

Attendees

Attendees included:

Staff Jan Chambers
Staff Terron King
Staff Perliter Walters-Gilliam
Staff Roger Williams

Old Business

1. Premier Education Group

Staff Perliter Walters-Gilliam conducted an unannounced visit to Harris School of Business on March 9, 2017. The unannounced visit was conducted due to the recent complaints against the campus and the Branford Hall Institute, Springfield, CT, which will be visited in March 2017 by Staff Katie Morrison. The campuses had similar complaints against them including lack of materials and supplies for student and faculty usage, and unkempt facilities. Upon interview with students, faculty, and staff at Harris School of Business, Staff Walters-Gilliam confirmed that the allegations outlined in the complaint were accurate. At the time of the visit, staff also identified that the campus could not provide documentation to evidence several faculty members' qualifications to teach courses currently assigned to them.

2. Hondros College of Nursing, West Chester, OH

In February 2017, Ms. (b)(6) legal counsel rejected the campus' offer to enroll her in a new practical nursing (PN) curriculum, at no additional charge because the newest curriculum will not allow her to graduate her originally anticipated graduation date. The campus was required to submit additional documentation to address concerns regarding other students who could potentially be in the same circumstance stance as Ms.



(b)(6) The documentation was submitted by the campus on March 8, 2016. Staff Roger Williams asked Staff Jan Chambers to review the additional response from the campus. Staff Walters-Gilliam stated that IRC will also aid in reviewing the response.

New Business

1. American University of Health Sciences

Staff Chambers and Walters-Gilliam provided brief explanations of complaints received against American University of Health Sciences (AUHS). One former faculty member and the dean of nursing both submitted complaints on February 12, 2017. Staff Chambers stated that she received an email from the dean of nursing acknowledging that she lied to the visit ACICS team during the campus' Fall 2016 renewal of accreditation visit and stated that she wanted to rectify the situation. Staff Chambers & Walters-Gilliam also informed the group that the complaints were combined and sent to the campus on-site administrator for a response which is due on March 28, 2017. The campus' overall retention and placement rates were also provided by Staff Terron King.

It was decided that the complaint and response will be added to the campus' deferral file which will be reviewed by Council during its April 2017 meeting. The Council will advise if the complaint was satisfied or if further actions should be taken.

2. Complaint Procedures

Staff Chambers asked about complaint outcome procedures. It was confirmed that a compliance warning status, not a deferral, should be the minimum outcome given by the Council if a campus received an special/unannounced visit due to a complaint and the campus was unable to clear the findings reported in the subsequent visit report.



ARIG Meeting Minutes

Call to order

A meeting of At-Risk Institutional Group (ARIG) was held at 9:00am on April 13, 2017. Below is a summary of the discussion and decisions made during this meeting.

Attendees

Staff Jan Chambers
Staff Steve Gelfound
Staff Terron King
Staff Perliter Walters-Gilliam
Staff Roger Williams

Old Business

1. Premier Education Group

Staff discussed the unannounced visits to Harris School of Business, Cherry Hill, NJ and Branford Hall Career Institute, Springfield, CT in March 2017. The unannounced visits were conducted due to the recent similar complaints against both campuses discussed in the March 2017 ARIG meeting. Upon further interview with students, faculty, and staff confirmed that the allegations outlined in the complaints were accurate.

Staff also discussed both campuses receiving a Compliance Warning status from the Council during its April 2017 meeting, as neither campus satisfactorily addressed the findings identified in the team reports.

Further Staff Chambers informed the group of two telephone calls received from students attending the Branford Hall Career Institute, Windsor, CT on Monday, April 10, 2017. The students stated that they were informed that the campus was no longer enrolling students and would be closing. On Wednesday, April 12th, Staff Chambers spoke with corporate officer, Mr. Tim James and he indicated that he was already aware of this situation and that there are no plans to close the campus. Mr. James stated that the recently terminated campus president sent text messages to multiple students and staff members providing them with the incorrect information, and that a corporate officer was



sent to the campus on the afternoon of April 10th in an attempt to remedy the situation. He also stated that the campus is not currently admitting new students due to the vacant campus president role and current multiple vacancies in the admissions department. Staff Williams and Walters-Gilliam asked Staff Chambers to send an email to Mr. James, recapping their conversation, in an effort to have it documented for the record.

The Windsor, CT campus is also undergoing a renewal of accreditation visit in the Spring 2017 cycle.

2. Hondros College of Nursing, West Chester, OH

Staff Chambers informed the group that she and Commissioner Tibby Loveman will conduct an unannounced visit to the campus, as previously discussed in the March 2017 ARIG meeting. The visit will take place on May 2, 2017 and will investigate procedures regarding the transitioning of students into a “new” LPN curriculum from the “old” curriculum.

3. American University of Health Sciences (AUHS)

Staff Chambers and Walters-Gilliam discussed the closure of the February 12, 2017 AUHS complaints. The campus provided extensive documentation to contests the allegations included in the complaints. Further, the Council considered the complaint as a part of its deferral renew of accreditation file review of the campus during the April 2017 Council meeting.

Staff reviewed two draft letters to be sent to the complaints and provided revisions for Staff Chambers to include.

4. Complaint Procedures

Staff Williams asked that a procedural outline is drafted and presented in the next Policy Meeting to formally inform the Council that an automatic Compliance Warning status should be given to campuses that that received unannounced visits due to a complaint, and did not satisfy findings in their initial response to the campus. Staff affirmed that the decision to approve and not approve a campus response is solely up to the Council and recommendation by the IRC and not staff’s decision. However, visits stemming from a complaint should not receive a deferral status.

New Business

1. Lincoln Technical Institute, Lincoln, RI (00012784)



Staff Chambers informed the group that an attorney for student, Ms. (b)(6) sent a letter to the office stating that her client was not properly informed of the requirements needed to pass the exit exam in the practical nursing program in which she enrolled. She stated that her client was not informed in advance that she needed to score a 68% to pass the examination; however claims that this information is not stated in any documentation provided by the campus. Staff read the complaint and discussed the fact that no actual passing score is included the campus catalog located on the campus' website. Staff Williams stated that campus would benefit from including this information and should be advised of this. Staff reviewed the complainant's transcripts, along with the failing scores she received upon each of her four attempts at passing the exit exam. Staff also reviewed the campus' 2014-2015 and 2015-2016 practical nursing licensure pass rates. Staff will revisit this issue upon receipt of the campus's complaint response, due on May 1, 2017.

Staff Williams asked Staff Chambers to send the campus a follow-up email asking that they also provide in their response the number of students in Ms. (b)(6) cohort that did not pass the exit exam. Staff Williams also requested that Staff Chambers ask Commissioner Loveman if it is common for campuses to not include the score needed to pass an practical nursing/nursing exit exam in their publications.

2. South Baylo University (SBU) – Adverse Information

Staff briefly discussed a letter forwarded by the Accreditation Commission for Acupuncture and Oriental Medicine (ACAOM), SBU's current institutional accreditor. According to the letter, SBU is show-caused; ACAOM will revoke their accreditation if the institution is not able to demonstrate its compliance with ACAOM's standard (Criterion 4.4: Integrity) regarding institutional integrity and unethical behavior by March 27, 2018.

Furthermore ACAOM stated in its letter that it received a copy of a February 16, 2017 formal *Accusation* against SBU, filed by the California Department of Consumer Affairs (DCA) Bureau for Private Postsecondary Education (BPPE).

3. Additional Items:

Complaints sent in through the complaint portal are automatically saved onto ACICS letter head. Staff Williams asked that Staff Gelfound adjust this feature, as it may be confusing to the recipients of the letter (campus administration).



ARIG Meeting Minutes

Call to order

A meeting of At-Risk Institutional Group (ARIG) was held at 9:00am on May 18, 2017. Below is a summary of the discussion and decisions made during this meeting.

Attendees

Staff Jan Chambers
Staff Steve Gelfound
Staff Terron King
Staff Perliter Walters-Gilliam
Staff Roger Williams

Old Business

- **Hondros College of Nursing, West Chester, OH**

Staff Chambers provided the group with an update regarding the May 2, 2017, unannounced visit to Hondros College, West Chester, Ohio, which was prompted by a complaint filed against the campus by Ms. (b)(6) and her legal counsel. While on-site, Staff Chambers and Commissioner Tibby Loveman investigated procedures regarding the transitioning of students into the “new” LPN and RN curriculums from the “old” curriculums. In addition, campus administration was able to effectively explain why Ms. (b)(6) was required to transition into the new curriculum. Staff Chambers reported that the team discovered no areas of concern

- **Lincoln Technical Institute, Lincoln, RI (00012784)**

Staff Chambers provided an update regarding a complaint filed by Ms. (b)(6) (b)(6) and her legal counsel against Lincoln Technical Institute, Lincoln, Rhode Island. The campus confirmed that Ms. (b)(6) failed at each of her four attempts at taking the required practical nursing exit examination, and therefore was unable to graduate. Staff Chambers also informed the group that the campus stated that Ms. (b)(6) did not follow



the campus' appeal policy. They reached out to her on May 11, 2017 via mail providing her with appeal procedure instructions and are awaiting her response which is due by May 22, 2017. Staff Chambers will reach out to the campus on May 23rd for an additional update.

New Business

- **Branford Hall Career Institute, Springfield, MA (00018785)**

Staff Chambers informed the group that she received a call on May 17th from current student, Ms. (b)(6) stating that she and 11 of her classmates had not yet been provided an externship opportunity. Ms. (b)(6) stated that their externships were supposed to start two week prior.

An evaluation visit was being conducted at the campus on May 17, 2017 and the staff Chambers reached out to the evaluation team provided them with details for an on-site investigation of the issues.



ARIG Meeting Minutes

Call to order

A meeting of At-Risk Institutional Group (ARIG) was held at 9:37am on June 8, 2017. Below is a summary of the discussion and decisions made during this meeting.

Attendees

Staff Jan Chambers
Staff Perliter Walters-Gilliam
Staff Roger Williams

Old Business

1. Lincoln Technical Institute, Lincoln, RI (00012784)

Staff Chambers provided an update regarding a complaint filed by Ms. (b)(6) (b)(6) and her legal counsel against Lincoln Technical Institute, Lincoln, Rhode Island. The campus confirmed that Ms. (b)(6) attended a meeting with the campus' appeal committee on June 6, 2017 to determine if she will be granted re-entry to complete the PN program. The campus will provide the complainant with an official decision within one week of the meeting. Staff Chambers stated that she will follow up with the campus on their decision on June 19th.

2. Branford Hall Career Institute, Springfield, MA (00018785)

On May 17, 2017, Ms. (b)(6) current student at the Springfield campus, called stating that she and 11 of her classmates had not been provided an externship opportunity. Ms. (b)(6) stated that their externships were supposed to start two week prior. Ms. (b)(6) was advised to submit a detailed official complaint through the ACICS website; however, to date, the complaint has yet to be submitted. An evaluation team that was already on-site investigated the issue. The campus was able to provide evidence that the complainant had actually been provided with an externship but was let go the day prior to calling ACICS. The team also confirmed that the individuals identified by the complainant were supposed to be placed in an externship



one week prior, not two weeks prior to the complainant's phone call. The campus informed the team that the individual responsible for placing students in externships had recently taken a leave of absence due to a medical emergency and the campus has not yet been able to place these students. The team included this information in their evaluation report along with adding it as finding.

New Business

- No new business was discussed.



ARIG Meeting Minutes

Call to order

A meeting of the At-Risk Institutional Group (ARIG) was held at 3:35 pm on August 10, 2017. Below is a summary of the discussion and decisions made during this meeting.

Attendees

Jan Chambers
Michelle Edwards
Steve Gelfound
Terron King
Katie Morrison
Perliter Walters-Gilliam

New Business

1. Florida Career College, Pembroke Pines, FL (00018781)

Four student complaints were submitted by soon-to-be graduates alleging that the changes were recently made to the nursing program's graduation requirements, but students were not properly informed of the changes. The students alleged that the nursing student handbook and catalog do not indicate the inclusion of successfully passing two HESI specialty exams as graduation requirements. Staff Chambers will submit the complaints to the campus and require a response that requires them to evidence its compliance with *Criteria* regarding published graduation requirements.

2. Virginia College, Birmingham, AL (00010582)

A current student submitted a complaint stating that the campus is requiring that students enrolled in the respiratory program sign a disclosure indicating that at the time of enrollment they were made aware that ACICS lost its recognition by the US Department of Education. However, the complainant stated that when she enrolled in November 2016 she was not aware of the ACICS' status with the Department of Education. The complainant provided a copy of the form and additional documentation in an effort to



support her claims. Chambers will submit the complaint to the campus and require a response from them.

3. US Colleges, San Diego, CA (00265110)

A complaint was submitted by a parent of a student questioning the qualifications of a current instructor. The complainant alleges the instructor is a current student and is not qualified to teach a phlebotomy course; however, the complainant provided very little detail. In order to move forward in the complaint investigation, Chambers will reach out to the complainant and request additional information.

4. Florida Technical College, Kissimmee, FL (00049470)

A former student submitted a complaint alleging that the campus enrolled him in the criminal justice program in 2015 with a high school diploma earned from El Redentor Education Center. The complainant stated that he was informed in January 2017 that the campus no longer accepts high school diplomas from that institution and that he would have to earn his GED in order to remain enrolled at the campus. The complaint states that the complainant was withdrawn from classes close to graduation and he utilized Pell grants and loans in order to pay for the program.

The group discussed the situation and determined that it seems that the campus may now consider El Redentor Education Center a diploma mill. If the complainant was in fact enrolled in the program with a high school diploma from there and he paid tuition, then the campus should provide him with a refund. Chambers will reach out to the campus with the complaint and request a response and evidence that demonstrates this issue has been appropriately resolved.

Old Business

1. Sanford-Brown College, Seattle, WA (00021569)

Upon review of the complaint submitted by Mr. (b)(6) to the Washington State Attorney General's office, the actions of staff and ACICS legal counsel in the handling the complaint, and the institution's response to the complaint, the Executive Committee determined that the complaint has no merit. Management will submit a reply to the AG's office.

Meeting adjourned at 3:53pm

Case Name: *In the Matter of* Accrediting Council for Independent Colleges and Schools

Docket No.: 16-44-O

Filing Party: Respondent, Accrediting Council for Independent Colleges and Schools

Exhibit No.: B-O-147

REPORT QUESTIONS

Note to reviewers: Previously a check “Yes” implied documentation had been reviewed. Now we will be specific in describing the documentation reviewed for “Yes” responses. If a narrative response indicates a campus does not meet a criterion/criteria, you will list the section number(s) and explain, even if there is not a “No” box associated with the finding. (The Chair will delete this note when preparing the full report.)

CRITERIA	QUESTIONS
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4. RELATIONS WITH STUDENTS

3-1-400–RELATIONS WITH STUDENTS

Each institution should strive to ensure that its relations with students always reflect the highest ethical standards and conform to all applicable laws and regulations. Each institution also is required to develop a program of student services that is consistent with its stated mission, including services provided for students attending branch campuses and learning sites. Such services should support the educational program and reflect the institution’s concern for the welfare of the student.

FOR ALL PROGRAMS

4.01 How many student files were reviewed during the evaluation?

4.02 How does the campus ensure that its student relations reflect high ethical standards?

If student relations do not reflect high ethical standards, insert the section number in parentheses and explain:

3-1-410–ADMISSIONS AND RECRUITMENT

It is up to an institution to establish its own admissions criteria. It is the responsibility of ACICS to ensure that all who are enrolled are accorded equal educational opportunity.

The ultimate responsibility for the monitoring of the activities of an institution’s employees, vendors, contractors, or agents in the referral, recruiting, evaluation, and admissions processes is the responsibility of the institution. The activities of these individuals must be supervised by the institution. An institution may not delegate these activities to anyone whose economic incentives are to recruit prospects through means that are unethical or subject to public criticism or to admit ill-prepared applicants. The institution may not contract, directly or indirectly, with third parties who are generally unfamiliar with the institution. “Non-employees” are independent contractors who are not considered “employees” under the Internal Revenue Code.

Institutions participating in Title IV programs must be aware of regulations imposed by the U.S. Department of Education as they apply to recruiting practices.

3-6-600–ADMISSIONS

3-6-601. Enrollment Prerequisites. The threshold admission requirement to a master’s degree program is a baccalaureate

4.03 Describe the admissions criteria.

Is the admissions process appropriate?
 Yes No

If *No*, insert the section number in parentheses and explain:

4.04 What evidence is there to document that admissions criteria are applied consistently to all students admitted under the same version of the admissions criteria (e.g., that students admitted into specific programs for the same start date are admitted under the same admissions criteria)?

CRITERIA	QUESTIONS
<p>degree.</p> <p>3-6-602. Evaluation of Applicants. Institutions should use appropriate techniques to evaluate applicants and to determine whether they have the academic qualifications to benefit from graduate study.</p>	<p>If the admissions criteria are not applied consistently, insert the section number in parentheses, list student names, and explain: <input type="text"/></p> <p>4.05 Does the campus contract with third parties for admissions and recruiting purposes? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If <i>Yes</i>, what evidence is there to demonstrate that these parties are supervised by and familiar with the campus? <input type="text"/></p> <p>If the parties are not supervised by and familiar with the campus, insert the section number in parentheses and explain: <input type="text"/></p>
<p>3-1-411. Admissions. The admissions policy shall conform to the institution's mission, shall be publicly stated, and shall be administered as written. The following minimums apply:</p> <ul style="list-style-type: none"> (a) The requirements for students admitted to programs leading to a certificate, diploma, or degree shall include graduation from high school or its equivalent, or demonstration of the student's ability to complete the program, as provided for by governing laws. (b) It is the responsibility of the institution to maintain student records which reflect the requirements for admission of all students. (c) Institutions are not precluded from admitting, under different requirements, students who are beyond the age of compulsory school attendance or who may be otherwise specially circumstanced, such as: <ul style="list-style-type: none"> i. having financial sponsorship through contractual arrangements with public or private organizations; ii. having identifiable needs requiring remedial instruction as a supplement to the regular curriculums; iii. participating in innovative postsecondary programs specially described to ACICS; or iv. being enrolled in individual courses not leading to an academic credential. <p>3-1-414. Enrollment Agreements. All institutions must use an enrollment agreement for each enrolled student which clearly outlines the financial obligations of both the institution and the student. The agreement must outline all program related tuition and fees as well as the scheduled month and year of expected graduation, must be signed by the student and the appropriate</p>	<p>4.06 Does the admissions policy conform to the campus's mission? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If <i>No</i>, insert the section number in parentheses and explain: <input type="text"/></p> <p>4.07 Is the admissions policy publicly stated? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If <i>No</i>, insert the section number in parentheses and explain: <input type="text"/></p> <p>4.08 Is the admissions policy administered as written? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If <i>No</i>, insert the section number in parentheses and explain: <input type="text"/></p> <p>4.09 Does the campus use an enrollment agreement for each</p>

CRITERIA	QUESTIONS
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school representative, and a copy provided to the student.

3-6-604. Conformance to Institutional Objectives. Admissions procedures, transfer policies, and requirements for graduation shall be consistent with the overall philosophy and objectives of the institution.

enrolled student that:

(a) Clearly outlines the financial obligations of both the institution and the student?

Yes No

(b) Outlines all program-related tuition and fees?

Yes No

(c) Includes the scheduled month and year of expected graduation?

Yes No

(d) Has a signature of the student and the appropriate school representative?

Yes No

If *No* for any item, insert the section number in parentheses and explain:

How does the campus evidence that a copy of the agreement has been provided to the student?

If there is no evidence that a copy has been provided to the student, insert the section number in parentheses and explain:

3-1-412. Recruitment. Recruiting shall be ethical and compatible with the educational objectives of the institution. The allocation of an institution's financial resources for purposes of recruitment shall be consistent with the stated mission of the institution. The following minimums apply:

- (a) An institution shall ensure that any person or entity engaged in admissions or recruitment activities on its behalf is communicating current and accurate information regarding courses and programs, student achievement disclosures (see Section 3-1-704), services, tuition, terms, and operating policies. The institution must maintain documentation that demonstrates that it systematically monitors its recruitment activities.
- (b) No prospective student names obtained as a result of a survey, canvass, promise of future employment or income while a student, or other marketing activity by an institution may be used for recruitment purposes unless the name of that institution is clearly identified and purposes of such activity are communicated to the respondent. This does not preclude the use of surveys or other studies to determine the employment needs and the educational desires of the local community.

4.10 Describe the recruiting process for new students.

Based on interviews, observations, and a review of recruitment materials, is the process compatible with the educational objectives for the campus?

Yes No

If *No*, insert the section number in parentheses and explain:

4.11 Are individuals engaged in admissions or recruitment activities communicating current and accurate information regarding the following:

(a) Courses and programs?

CRITERIA	QUESTIONS
	<input type="checkbox"/> Yes <input type="checkbox"/> No (b) Student achievement disclosures? <input type="checkbox"/> Yes <input type="checkbox"/> No (c) Services? <input type="checkbox"/> Yes <input type="checkbox"/> No (d) Tuition? <input type="checkbox"/> Yes <input type="checkbox"/> No (e) Terms? <input type="checkbox"/> Yes <input type="checkbox"/> No (f) Operating policies? <input type="checkbox"/> Yes <input type="checkbox"/> No If <i>Yes</i> , describe how communication to students of the above items is documented: _____ If <i>No</i> for any item, insert the section number in parentheses and explain: _____
4.12	Who is responsible for oversight of recruitment activities at the campus? _____
4.13	Describe the documentation that the campus maintains to demonstrate that it systematically monitors its recruitment activities for compliance with all applicable standards (i.e. recorded calls, secret shopper results, training materials, remediation efforts, etc.). _____ If the campus does not maintain this documentation, insert the section number in parentheses and explain: _____
4.14	Does the campus use prospective student names obtained as a result of a survey, canvass, or promise of future employment or income while a student, or as a result of other marketing activity? <input type="checkbox"/> Yes <input type="checkbox"/> No If <i>Yes</i> , is the name of the campus clearly identified, and is there evidence that the reason for usage of the name has

CRITERIA	QUESTIONS
	<p>been communicated to the student? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If <i>No</i>, there is no name of the campus or there is no evidence, insert the section number in parentheses, list student names, and explain: <input type="text"/></p>
<p>(c) An institution shall conform to the laws and regulations of each of the states in which it operates and shall ensure that each of its representatives is properly licensed or registered as required by the laws of that state.</p> <p>(d) Representatives of an institution shall use only those titles which accurately reflect their actual duties and responsibilities. Recruitment and enrollment personnel may not be designated as counselors or advisors and may not make final decisions regarding financial aid eligibility, packaging, awarding, and disbursement.</p> <p>(e) Referrals are permitted, and the referrer may be paid a fee so long as the referrer provides full disclosure and does not misrepresent the purposes of soliciting a prospective referral and such payments do not violate state or federal laws.</p> <p>(f) All recruiters must be supervised by the institution's administration to ensure that their activities are in compliance with all applicable standards.</p>	<p>4.15 Does the state in which the campus operates require representatives to be licensed or registered? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If <i>Yes</i>, is evidence of licensure or registration on file? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If <i>No</i>, (evidence of licensure or registration is not on file), insert the section number in parentheses, list representative names, and explain: <input type="text"/></p> <p>4.16 Are the titles of recruitment and enrollment personnel appropriate? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If <i>No</i>, insert the section number in parentheses and explain: <input type="text"/></p>
<p>3-1-413. Transfer of Credit. An institution shall evaluate and consider awarding proper academic credit for credits earned at institutions accredited by agencies recognized by the United States Department of Education. The institution shall establish and adhere to a systematic method for evaluating and awarding academic credit for those courses that satisfy current program course requirements. Written policies and procedures must clearly outline the process by which transfer of academic credit is awarded. The institution shall make public its policies on transfer of credit, including a statement of the criteria established by the institution by which a determination is made with regard to accepting credits from another institution and if applicable, a list of institutions with which the institution has established articulation agreements.</p> <p>In addition, the institution must provide notification to students as to these articulation agreements and the transferability of the credits in the programs that are offered.</p>	<p>4.17 Describe the policies and procedures for evaluating and accepting transfer credit and the evidence reviewed to support their consistent application: <input type="text"/></p> <p>If there are no written policies and procedures, insert the section number in parentheses and explain: <input type="text"/></p> <p>4.18 Does the campus disclose in its catalog its transfer of credit policies, including policies related to accepting transfer credit from another campus? <input type="checkbox"/> Yes <input type="checkbox"/> No</p>

CRITERIA

QUESTIONS

If *No*, insert the section number in parentheses and explain:

- 4.19 Has the campus established articulation agreements with other institutions?

Yes No (If *No*, skip to 4.20 for Master's Degree Programs or 4.21 for all programs.)

If *Yes*, describe the location of the published list, the names of the institutions, and the nature of the agreement:

If the campus does not provide notification to students as to these articulation agreements and the transferability of the credits in the programs that are offered, insert the section number in parentheses and explain:

3-6-603. Transfer of Credit. Transfer of credit for appropriate master's-level course work from another institution may be granted according to the policy established by the institution. No more than one-half of the credits required for the master's degree may be transferred from another institution.

FOR MASTER'S DEGREE PROGRAMS ONLY

- 4.20 What is the maximum permissible number of transfer credits into the program?

If it is not limited to 50 percent or less of the credits, insert the section number in parentheses and explain:

3-1-420 – Standards of Satisfactory Progress

Each institution shall establish and administer measures of satisfactory academic progress for all students as referenced in Appendix D.

3-1-421. **Compliance.** The institution complies with the requirements of Appendix D.

3-1-422. **Documenting Compliance.** The institution documents compliance with its Satisfactory Academic Progress policy.

3-1-423. **Oversight.** The institution encourages and assists students who are experiencing difficulty in progressing

FOR ALL PROGRAMS

- 4.21 Is the standards of satisfactory academic progress (SAP) policy, as one comprehensive policy, published in the catalog?

Yes No

If *Yes*, state the page number(s) where the standards of SAP policy is published.

CRITERIA	QUESTIONS
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satisfactorily in their programs.

APPENDIX D—Standards of Satisfactory Progress

An essential element in providing appropriate instruction and support services to students is monitoring their satisfactory academic progress (SAP). The Council requires all institutions to develop a policy of satisfactory academic progress that measures whether students are maintaining satisfactory academic progress in their educational program.

Institutions located outside the United States, which serve students not participating in the U. S. Title IV student financial assistance programs, are required to publish in the catalog an SAP policy and systematically monitor academic progress of their students. At a minimum, the SAP policy must address the following elements: (a) minimum qualitative standards, such as a grade point average, which must be achieved by the end of each academic year or at 50% of the normal program length if the program is less than one academic year; (b) maximum time frame in which the educational objectives must be successfully completed; (c) a rationale if the maximum time frame for program completion exceeds 150% of the normal program length; (d) institutional procedures for a systematic monitoring of each student’s progress in meeting the SAP policy; (e) a description of actions that must be taken by the institution if the student fails to make satisfactory academic progress; and (f) a minimum cumulative grade-point average of 2.0 or C or equivalent that must be achieved by each student upon graduation.

The Council has determined that the institutional policy must include the following requirements, which are consistent with the regulations specified by the U.S. Department of Education for student eligibility for receiving Federal Title IV financial assistance.

1. The institution has written standards and a schedule of satisfactory academic progress for all students, which are published in the catalog and in appropriate institutional literature, and are consistently applied to all students.
2. The institution strictly adheres to its published standards of satisfactory academic progress, monitors whether a student meets the minimum qualitative and quantitative components of the standards, and notifies students when satisfactory academic progress is not being made.
3. The standards of satisfactory academic progress provide for minimum qualitative standards, such as a grade point average or completion of work projects, which can be measured against a norm.
4. The policy defines a maximum time frame, not to exceed 150% of the normal program length, as defined by the institution, for all programs, in which the educational objective must be successfully completed (e.g., number of academic years, credit hours attempted, clock hours completed, months/weeks, terms or modules, etc. as appropriate), as opposed to simply setting a time limit on eligibility.
5. The institution has provisions for an evaluation point at least by the end of each academic year (or at 50% of the normal program length if the program is one academic year or less) that determine whether the student has met the qualitative and quantitative components of the standards.



If *No*, insert the section number in parentheses and explain:



- 4.22 Does the standards of SAP policy published in the catalog contain the following:
- (a) A definition of the maximum time frame allowed for students to complete a program as 1.5 times the normal program length?
 Yes No
 - (b) A schedule that designates the minimum percentage of work that a student must successfully complete at the end of each evaluation increment to complete the program within the maximum time frame?
 Yes No
 - (c) Minimum qualitative standards, such as a grade point average or completion of work projects, which can be measured against a norm.
 Yes No
 - (d) Procedures for re-establishing satisfactory academic progress?
 Yes No
 - (e) A definition of the effects of the following on the CGPA and successful course-completion percentage:
 - Withdrawals?
 Yes No
 - Incomplete grades?
 Yes No
 - Repeated courses?
 Yes No
 - Non-punitive grades?
 Yes No Not Applicable (not offered)
 - Non-credit or remedial courses?
 Yes No Not Applicable (not offered)
 - A warning status?
 Yes No Not Applicable (not used)
 - A probationary period?
 Yes No
 - An appeal process?
 Yes No
 - An extended-enrollment status?

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|---|---|
| <p>6. The institution has provisions for utilizing and publishing a schedule designating the minimum percentage or amount of work that a student must successfully complete at the end of each increment to complete the educational program within the maximum time frame.</p> | <p><input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable (not offered)
The effect when a student changes programs?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable (The campus offers only one program of study.)
The effect when a student seeks to earn an additional credential?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable (The campus offers only one program.)
The implications of transfer credit?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> |
| <p>7. The institution has provisions for determining at the end of each increment whether the student has met the qualitative and quantitative components of the standards. The qualitative and quantitative standards must be cumulative and must include all periods of the student's enrollment regardless of whether or not the student receives federal financial aid.</p> | |
| <p>8. The institution's policies define the effect on satisfactory academic progress of course withdrawals, incomplete grades, repeated courses, and non-punitive grades. The institution's policies define the effect of non-credit or remedial courses on satisfactory academic progress.</p> | |
| <p>9. The institution has provisions for an evaluation at the end of the second academic year and at the end of each subsequent academic year(s) where the student must have a minimum cumulative grade point average (CGPA) of 2.0 on a scale of 4.0, C, or its equivalent, or has academic standing consistent with the institution's requirements for graduation. A student receiving federal financial aid who does not meet the CGPA standards at the end of the second year will no longer be eligible for financial aid, may not be placed on probation, and must be dismissed, unless the student wishes to continue without being eligible for federal financial aid. However, a student not meeting the CGPA standards at the end of the second year may remain as an enrolled student who is eligible for federal financial aid if there are documented mitigating circumstances (i.e., death in the family, sickness of the student, etc.).</p> | |
| <p>10. If the institution places students on warning, or on probation, as defined in sections 11 and 12 below, the institution's policy must describe these statuses.</p> | |
| <p>11. An institution that evaluates academic progress at the end of each payment period may assign warning status to a student who fails to make satisfactory academic progress. A student may be assigned to warning status without an appeal or other action by the student. For institutions awarding U.S. Department of Education Federal Financial Aid, a student on warning may continue to receive assistance under federal financial aid programs for one payment period despite a determination that the student is not making satisfactory academic progress.</p> | |
| <p>12. The institution must have an appeal process for students who do not meet the requirements of the institution's satisfactory academic progress policy. When an institution grants a student's appeal for mitigating circumstances, the student will be placed on probation for a specified period of time and considered to be making regular satisfactory progress. While a student is on probation, the institution may require the student to fulfill specific terms and conditions such as taking a reduced course load or enrolling in specific courses.</p> | |

If *No* for any item, insert the section number in parentheses and explain:

4.23 Describe the evidence that demonstrates that the campus applies its SAP standards consistently to all students.

If there is no evidence to support the consistent application of SAP standards, insert the section number in parentheses, list student names, and explain:

4.24 Are students who are not making satisfactory academic progress properly notified?
 Yes No Not Applicable (No students are in violation of SAP)

If *No*, insert the section number in parentheses, list student names, and explain:

4.25 Is SAP evaluated at the end of each academic year or at 50 percent of the normal program length if the program is one academic year in length or shorter?
 Yes No

If *No*, insert the section number in parentheses, list student names, and explain:

4.26 Is SAP evaluated at the end of the second academic year

If a student is not making satisfactory academic progress, the institution may place the student in an

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<p>extended enrollment status. However, all credits attempted count toward the 150% of the normal program length even if the student is on extended enrollment. Grades may be replaced if that is the institution's written policy. At the discretion of the institution, a student with an approved appeal who exceeds one and one-half times the standard time frame as defined by the institution either as a regular student or in an extended enrollment status may receive the original academic credential for which he or she enrolled, provided that there are no additional financial obligations to the student.</p>	<p>and at the end of each subsequent academic year where students must have a minimum CGPA of 2.0 on a scale of 4.0 or its equivalent, or have academic standing consistent with the institution's requirements for graduation? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable (All programs are less than two years.)</p> <p>If <i>No</i>, insert the section number in parentheses, list student names, and explain: <input type="checkbox"/></p>
<p>For institutions awarding U.S. Department of Education Federal Financial Aid Only: A student on probation will have their eligibility for financial aid reinstated. A student on probation may receive federal financial aid funds for one payment period. At the end of one payment period on probation, the student must meet the institution's satisfactory academic progress standards or meet the requirements of the academic plan developed by the institution and the student to qualify for further federal financial aid funds. A student placed in an extended enrollment status is not eligible for financial aid.</p>	<p>4.27 Is there evidence that students who are not making satisfactory academic progress at the end of the second year are dismissed or allowed to continue without being eligible for Federal financial aid? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable (All programs are less than two years.)</p> <p>If <i>No</i>, insert the section number in parentheses, list student names, and explain: <input type="checkbox"/></p>
<p>13. The institution must have clearly defined procedures for re-establishing satisfactory academic progress.</p> <p>14. The institution has rules for students who change programs, as well as for students who seek to earn additional credentials. For instance, an institution may have a policy that for a student who changes programs it will include in the determination of a student's satisfactory academic progress standing the credits attempted and grades earned that count toward the student's new program of study. Such a policy must be part of the institution's written policy.</p>	<p>4.28 Are qualitative and quantitative components evaluated cumulatively for all periods of a student's enrollment? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If <i>No</i>, insert the section number in parentheses, list student names, and explain: <input type="checkbox"/></p>
<p>15. The institution must have a policy that addresses the implications of transfer of credit on satisfactory academic progress.</p> <p>16. The institution has provisions that the student must have a minimum CGPA of 2.0, C, for undergraduate programs and 3.0, B for graduate programs or their equivalent upon graduation. For approved professional graduate programs, which require attainment of specified competencies and a licensure or certification, the institution has published and consistently follows an appropriate SAP policy.</p>	<p>4.29 Are students allowed to remain on financial aid while under warning or probation status? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable (The campus does not participate in financial aid.)</p> <p>If <i>Yes</i>, is the student informed of this policy? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If <i>No</i> (the student is not informed), insert the section number in parentheses, list student names, and explain: <input type="checkbox"/></p>
<p>17. If the institution is approved to offer direct assessment competency-based program(s), the institution must demonstrate that it has implemented appropriate policies that describe how it will measure whether a student enrolled in a competency-based program is making satisfactory academic progress. Policies and procedures must be implemented to identify in a timely manner when a student enrolled in such a program has withdrawn or changed enrollment status. The institution must maintain for Council review evidence that financial aid officers and others assigned to monitor satisfactory academic progress have been trained and are adequately monitored for</p>	<p>4.30 Are students whose appeals are granted due to mitigating circumstances placed on probation, have eligibility for</p>

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implementing policies affecting competency-based programs.	<p>financial aid reinstated, and considered to be making satisfactory academic progress? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable (There are no such students.)</p> <p>If <i>No</i>, insert the section number in parentheses, list student names, and explain: [REDACTED]</p>
	<p>4.31 Are students who are placed in an extended-enrollment status denied eligibility for federal financial aid (unless there are mitigating circumstances)? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable (The campus does not have extended enrollment and/or does not participate in financial aid. <i>Skip to 4.33.</i>)</p> <p>If <i>No</i>, insert the section number in parentheses, list student names, and explain: [REDACTED]</p>
	<p>4.32 Do credits attempted during the extended-enrollment status count toward the 1.5 times of normal program length? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable (The campus does not have extended enrollment.)</p> <p>If <i>No</i>, insert the section number in parentheses, list student names, and explain: [REDACTED]</p>
	<p>4.33 For students who have exceeded one and one-half times the standard time frame and were awarded the original credential, were any additional financial obligations waived? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable (There is no such student and/or the campus does not have such a policy.)</p> <p>If <i>No</i>, insert the section number in parentheses, list student names, and explain: [REDACTED]</p>
	<p>4.34 Are students required to have a minimum CGPA of 2.0 (3.0 for graduate programs) or its equivalent upon</p>

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	<p>graduation from all programs? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If <i>No</i>, insert the section number in parentheses and explain: <input type="text"/></p>
<p>4.35</p>	<p>Who is responsible for the administration of satisfactory academic progress? <input type="text"/></p> <p>Based on interviews and reviews of SAP implementation and monitoring documents, is it evident that the individual assigned is providing sufficient oversight of this process? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If <i>No</i>, insert the section number in parentheses and explain: <input type="text"/></p>
<p>4.36</p>	<p>How does the campus encourage and assist students who are experiencing difficulty in progressing satisfactorily in their programs? <input type="text"/></p> <p>Are these mechanisms appropriate and do they demonstrate the campus's commitment to assisting students? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If <i>No</i>, insert the section number of parentheses and explain: <input type="text"/></p>
<p>3-1-430 – Tuition and Fees</p> <p>3-1-431. Institutionally Financed Grants, Scholarships and Loans. The Council recognizes that most accredited institutions offer or administer grants, scholarships and loans for students. Institutions must meet appropriate guidelines for such programs in order to ensure their legitimacy. Participation in ethical institutional grant (See Appendix E, "Guidelines for Institutionally Funded Student Aid"), institutional loan, and scholarship programs requires adherence to the following:</p> <p>(a) In addition to administering federal or state student</p>	<p>4.37 Does the campus finance any of the following: (Mark all that apply.)</p> <p>(a) <input type="checkbox"/> Scholarships? (b) <input type="checkbox"/> Grants? (c) <input type="checkbox"/> Loans? (d) <input type="checkbox"/> The campus does not offer scholarships, grants, and/or loans. (<i>Skip to 4.39.</i>)</p>

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<p>aid programs, institutions may offer the following types of student financial aid:</p> <ul style="list-style-type: none"> i. grants funded by the institution and awarded to all students within a qualifying category or to all students who demonstrate a need in accordance with published standards; ii. scholarships funded by the institution or a third-party and administered by the institution to provide aid to students who demonstrate academic achievement in accordance with published standards; iii. loans funded by the institution and available equally to all students. 	<p>If <i>Yes</i> for any item, does the campus properly identify all scholarship, grant, and loan programs? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If <i>No</i> (the campus does not properly identify these programs), insert the section number in parentheses and explain: <input type="text"/></p>
<ul style="list-style-type: none"> (b) Institutionally financed or administered grants, scholarships and loans must be described in the current catalog with a description of the criteria for the award, the application procedures and deadlines, and amounts that may be awarded. All information must avoid false, misleading or exaggerated statements. (c) Institutionally financed loans may vary in amount depending on the student's need. The terms and conditions for loans, including forbearance and repayment, must be described in the current catalog. All institutionally financed loans must be collected in accordance with sound and aggressive business practices for the collection of student loans. Institutions must counsel students concerning their loan repayment obligations. 	<p>4.38 Does the campus fully disclose the terms, conditions, and application procedures regarding campus loan, scholarship, and grant programs in its catalog? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If <i>No</i> for any applicable item, insert the section number in parentheses and explain: <input type="text"/></p>
<p>3-1-432. Tuition and Charges. Institutions may charge varying amounts of tuition and fees for different programs. All charges should be consistent for similarly circumstanced students enrolling at the same time and in the same programs, however, and detailed financial records should indicate at all times the financial obligation of the student to the institution. The following are minimum expectations:</p> <ul style="list-style-type: none"> (a) The tuition and other charges, including the period for which the student is financially obligated, shall be clearly stated in the catalog of the institution. The existence of any separate or comparable publication containing tuition rates must be referenced specifically in the catalog. The schedule of charges must be uniformly administered to similarly circumstanced students. 	<p>4.39 Are all similarly circumstanced students who enrolled at the same time and in the same programs charged the same tuition and fees? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If <i>No</i>, insert the section number in parentheses, list student names, and explain: <input type="text"/></p> <p>4.40 Are tuition and fees clearly stated in the catalog? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If <i>No</i>, insert the section number in parentheses and explain: <input type="text"/></p> <p>If <i>Yes</i>, have students confirmed receiving a copy of the catalog? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable</p>

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If *No*, insert the section number in parentheses, list student names, and explain:

(b) The financial records of the students shall clearly show the charges and dates for the posting of tuition, fees, and other charges; the payments and dates of payment; and the balance after each transaction.

4.41 Do the financial records of students clearly show the following:

- (a) Tuition charges?
 Yes No
- (b) Dates for the posting of tuition?
 Yes No
- (c) Fees?
 Yes No
- (d) Other charges?
 Yes No
- (e) Payments?
 Yes No
- (f) Dates of payment?
 Yes No
- (g) The balance after each transaction?
 Yes No

If *No* for any item, insert the section number in parentheses and explain with specific references:

(c) Announcements of changes in tuition or fees must state the effective date of the change and be uniformly administered.
 (d) Terms of payment may be varied by the institution so long as the tuition charges are uniformly administered.

4.42 Is the effective date listed on announcements of changes in tuition and fees?

- Yes No Not Applicable (The campus has not changed tuition or fees since the last catalog publication.)

If *No*, insert the section number in parentheses and explain:

3-1-433. *Refund Policy.* The institution must have a fair and equitable refund policy that is applicable to all students and that is published in the institution's catalog. Specific federal or state policies may apply.

4.43 Is the campus's refund policy published in the catalog?

- Yes No

If *No*, insert the section number in parentheses and

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	<p>explain: <div style="background-color: #cccccc; width: 50px; height: 15px; margin: 5px 0;"></div> </p>
<p>4.44</p>	<p>Is the refund policy fair, equitable, and applicable to all students? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If <i>No</i>, insert the section number in parentheses and explain: <div style="background-color: #cccccc; width: 50px; height: 15px; margin: 5px 0;"></div> </p>
<p>4.45</p>	<p>Describe the documentation to evidence that the campus is following its stated refund policy. <div style="background-color: #cccccc; width: 50px; height: 15px; margin: 5px 0;"></div> </p> <p>If there is no evidence to support the implementation and consistent application of the policy, insert the section number in parentheses and explain: <div style="background-color: #cccccc; width: 50px; height: 15px; margin: 5px 0;"></div> </p>
<p>3-1-434. Administration of Student Financial Aid. Participation in state or federal student financial aid programs requires serious administrative responsibility. The Council expects all institutions participating in such programs to be knowledgeable of and in compliance with applicable laws and regulations. The following requirements govern how such activities are evaluated by ACICS:</p> <p>(a) An institution participating in student financial aid programs shall designate at least one competent person at the site to administer student financial aid. The extent of this activity and the personnel needed shall be governed by the size and classification of the institution. The person who determines the amount of student awards cannot be responsible for disbursing those awards.</p> <p>(b) The person or persons assigned to administer student financial aid programs must in all cases be a part of the administration. Administrative personnel involved in student recruitment as their major activity shall not have the final decision-making authority in the approval or awarding of student financial aid.</p>	<p>4.46 Does the campus participate in Title IV financial aid? <input type="checkbox"/> Yes <input type="checkbox"/> No (<i>Skip to 4.51.</i>)</p> <p>4.47 Who makes the final decisions regarding financial aid eligibility, packaging, awarding, and disbursement, and what is their experience? <div style="background-color: #cccccc; width: 50px; height: 15px; margin: 5px 0;"></div> <p>Is this person someone other than recruitment and enrollment personnel? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable (The campus does not participate in financial aid.)</p> <p>If <i>No</i>, insert the section number in parentheses and explain: <div style="background-color: #cccccc; width: 50px; height: 15px; margin: 5px 0;"></div> </p> <p>If the same individual determines and disburses the award, insert the section number in parentheses and explain: <div style="background-color: #cccccc; width: 50px; height: 15px; margin: 5px 0;"></div> </p> </p>
<p>4.48</p>	<p>Who is responsible on site for administering student financial aid, and explain how this person (or persons)</p>

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has been trained to administer financial aid?

- (c) There shall be professional awareness on the part of the financial aid administrator as shown by membership and participation in state, regional, or national financial aid associations and by other educational activities designed to keep the administrator up to date on procedures and changes in the field.

- 4.49 Is the financial aid administrator a member of a state, regional, or national financial aid association and up to date on procedures and changes in the field?
 Yes No

If *Yes*, list the names of the financial aid administrators and their affiliations:

If *No*, insert the section number in parentheses and explain:

- 4.50 Describe the educational activities, including membership **and** participation in state, regional, or national financial aid associations and other professional organizations that evidence the financial aid administrator and financial aid office stay up to date on procedures and changes in the field.

(h) 2-2-500 – Programs of Study Regulations

2-2-501. Evaluation of Programs for Purposes of Federal Financial Aid. As part of its evaluation of an institution for initial accreditation or renewal of accreditation, ACICS will review the institution's policies and procedures for determining credit hour assignments for purposes of awarding federal financial aid. ACICS will evaluate the reliability and accuracy of the institution's assignment of credit hours, as defined by federal requirements, to courses and programs and will determine whether this assignment conforms to commonly accepted practice in higher education.

- (a) *Credit Hours for Credit-Hour Programs.* The evaluation of credit hour programs, as defined by federal requirements, for purposes of financial aid is based on the following federal definition of a credit hour:
 Except as provided in federal regulations, a credit hour is an amount of work represented in intended learning outcomes and verified by evidence of student achievement that is an institutionally established equivalency that reasonably approximates not less than—(1) One hour of classroom or direct faculty instruction and a minimum of two hours of out of class student work each week for approximately fifteen weeks for one

- 4.51 Does the campus have a written policy that accurately reflects the U.S. Department of Education's definition of a credit hour for credit hour programs and/or clock-to-credit hour programs, including conversion ratios?
 Yes No Not Applicable (clock hour programs only)

If *No*, insert the section number in parentheses and explain:

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semester or trimester hour of credit, or ten to twelve weeks for one quarter hour of credit, or the equivalent amount of work over a different amount of time; or (2) At least an equivalent amount of work as required in paragraph (1) of this definition for other academic activities as established by the institution including laboratory work, internships, practica, studio work, and other academic work leading to the award of credit hours.

- (b) *Credit Hours for Programs that are neither Credit Hour nor Clock-Hour Programs.* Clock hour programs as defined in federal regulations may not assign credit hours for the purpose of awarding federal financial aid. However, undergraduate degree programs of less than two years in length and non-degree programs that are not fully transferrable to degree programs of at least two years in length (with at least two graduates) at the same institution are eligible to convert clock hours to credit hours for purposes of awarding federal financial aid. In doing so, these programs may seek to combine a minimum number of hours in a range of hours of student work outside of class with a required minimum number hours of instruction alone to meet or exceed a total number of clock hours of instruction. The evaluation of these clock-to-credit hour programs is based upon the following federal conversion formulas:
The institution's student work outside of class combined with the clock hours of instruction meet or exceed the following numeric requirements:

- i. A semester hour must include at least 37.5 clock hours of instruction;
 - ii. A trimester hour must include at least 37.5 clock hours of instruction; and
 - iii. A quarter hour must include at least 25 clock hours of instruction; and
- The clock hours of instruction alone meet or exceed the following numeric requirements:
- (A) A semester hour must include at least 30 clock hours of instruction;
 - (B) A trimester hour must include at least 30 clock hours of instruction; and
 - (C) A quarter hour must include a least 20 hours of instruction.

3-1-435. Cash Discounts. Any institution providing discounts for cash received in advance of the normal payment schedule must have a written policy. That policy must be provided in writing to all student applicants prior to enrollment.

The institution must demonstrate that the policy:

- (a) is available to all students at the institution; and
- (b) bases the size of the discount on the financial benefit the institution receives from the payment of cash earlier than otherwise would be required under the institution's normal tuition payment schedule or applicable retail installment contract.

4.52 Does the campus provide discounts for cash received in advance of the normal payment schedule?

Yes No (*Skip to 4.53.*)

If *Yes*, is there evidence that the campus provides a copy of the written policy to all student applicants prior to enrollment?

Yes No

If *No* (there is no such evidence), insert the section number in parentheses and explain:



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	<p>If <i>Yes</i>, is the size of the discount based on the financial benefit that the campus receives from the payment of cash earlier than would be required under the normal tuition payment schedule?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable</p> <p>If <i>No</i>, insert the section number in parentheses and explain: <div style="background-color: #cccccc; height: 15px; width: 100%;"></div> </p>
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3-1-203. Data Integrity. All data reported to ACICS for any purpose is expected to reflect an accurate and verifiable portrayal of institutional performance and is subject to review for integrity, accuracy, and completeness.

See also Appendix L.

3-1-440–Student Services

3-1-441. Counseling and Guidance. Each institution shall designate at least one person on staff experienced in counseling students on personal or academic problems and employment opportunities. The extent of such activity, and the personnel assigned to it, shall be determined by the size, classification, and admissions standards of the institution, the characteristics and location of students, and the means of communication with them. Orientation activities shall assist new students in adapting to the institution. The following are minimum expectations:

- (a) A system of educational, occupational, and personal advising shall be available to students and shall be provided on a periodic basis to ability-to-benefit students enrolled pursuant to Section 3-1-303(b).
- (b) Institutions shall emphasize retention and program completion for all students through activities that take into account their academic and socioeconomic characteristics.
- (c) Institutions shall provide employment assistance and document activity. An institution shall not guarantee employment or the starting salary of its graduates. Follow-up studies on graduates and employer satisfaction shall be conducted by all institutions at specific measuring points following placement of the graduate. All institutions that use placement percentages or salary projections as part of their recruiting activities shall maintain data on all graduates, including the percentage receiving jobs and the percentage receiving jobs in the career field for which they were trained. Institutions also should keep data on students who do not graduate but who become employed on their own or with the institution's assistance.

An institution is encouraged to provide placement assistance, when requested, to graduates of other ACICS-accredited institutions who are relocating to a new community.

	<p>4.53 Was the team able to verify the retention rate for the campus and for each program as reported on the Campus Accountability Report (CAR) last submitted to the Council?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable</p> <p>If <i>No</i>, insert “Section 3-1-203 and Appendix L” in parentheses and explain: <div style="background-color: #cccccc; height: 15px; width: 100%;"></div> </p>
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	<p>4.54 Was the team able to verify the graduates reported as unavailable for placement on the campus’s most recent CAR?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable</p> <p>If <i>No</i>, insert “Section 3-1-203 and Appendix L” in parentheses and explain: <div style="background-color: #cccccc; height: 15px; width: 100%;"></div> </p>
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	<p>4.55 Describe the process by which students who receive financial aid are counseled concerning their student loan repayment obligations.</p> <p><input type="checkbox"/> Not Applicable (The campus does not participate in financial aid.)</p> <div style="background-color: #cccccc; height: 15px; width: 100%;"></div>
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If students do not receive counseling regarding student loan repayment obligations, insert the section number in parentheses and explain:

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(d) Institutions shall document that students are counseled concerning their student loan repayment obligations.

3-6-600 – ADMISSIONS

3-6-601. Enrollment Prerequisites. The threshold admission requirement to a master’s degree program is a baccalaureate degree.

If admission to a professional program is granted without a baccalaureate degree, the burden is on the institution to demonstrate and justify that the alternate admission requirement is accepted by a recognized licensing or specialized accrediting agency and is common practice among accredited institutions of higher education. In such cases, admission may be granted only to eligible students who have completed, at a minimum, an associate’s degree or equivalent.

If the institution chooses to award a suitable baccalaureate degree upon completion of specified requirements or concurrently with the award of the professional master’s degree, the baccalaureate degree curriculum must be approved by the Council.

3-6-602. Evaluation of Applicants. Institutions should use appropriate techniques to evaluate applicants and to determine whether they have the academic qualifications to benefit from graduate study.

FOR MASTER’S DEGREES ONLY

4.56 Do all students enrolled in master’s degree programs possess a bachelor’s degree?
 Yes No

If *No*, describe the alternate admissions requirement that is accepted by a recognized licensing or specialized agency:
 [REDACTED]

If there is no acceptance by a recognized agency or evidence that this is common practice, insert the section number in parentheses, list student names, and explain:
 [REDACTED]

4.57 Describe the techniques used by the institution to evaluate applicants’ qualifications to benefit from graduate study.
 [REDACTED]

Are these techniques appropriate?
 Yes No

If *No*, insert the section number in parentheses and explain:
 [REDACTED]

GENERAL COMMENTS:
 [REDACTED]

COMMENDATIONS:
 [REDACTED]

RECOMMENDATIONS:
 [REDACTED]

Case Name: *In the Matter of* Accrediting Council for Independent Colleges and Schools

Docket No.: 16-44-O

Filing Party: Respondent, Accrediting Council for Independent Colleges and Schools

Exhibit No.: B-O-148

Institutional Cohort Default Rate (CDR) Review

Upon receipt of the most recent three-year CDR data from the US Department of Education, staff conducted an analysis of the results (Attachment A) based on the following procedures, as outlined in its Policies and Procedures:

- Institutions with a cohort default rate (CDR) equal to or greater than 25% for one year will be required to submit a Default Rate Improvement Plan. A closure plan is not required.
- Institutions with a CDR greater than or equal to 25% for two or more consecutive years are *required* to submit an updated Default Rate Improvement Plan. A closure plan is not required.
- Institutions with a CDR greater than or equal to 25% for three or more consecutive years are *required* to submit a Default Rate Improvement Plan and an institutional closure plan.
- Institutions with a CDR greater than or equal to 40% for one year are required to submit a Default Rate Improvement Plan and an institutional closure plan.

The Committee discussed the relevance of the previous policy that was better aligned with the former CDR review process and determined that that monitoring procedures should be revised as follows:

- Institutions with a cohort default rate (CDR) equal to or greater than 28% for one year will be notified of the monitoring of their rates and advised that a plan should be developed.
- Institutions with a CDR greater than or equal to 30% for one year are *required* to submit a Default Rate Improvement Plan (DRIP).
- Institutions with a CDR greater than or equal to 30% for two or more consecutive years will be required to show cause why its accreditation should not be withdrawn by suspension and provide an institutional closure plan.

- Institutions with a CDR greater than or equal to 40% for one year will be required to show cause why its accreditation should not be withdrawn by suspension and provide an institutional closure plan.

Consequently, the recommended actions were revised and updated to reflect these new procedures which will be updated in the Policies and Procedures Manual.

Recommendation

Based on the revised policy, no monitoring action is necessary at this time.

Case Name: *In the Matter of* Accrediting Council for Independent Colleges and Schools

Docket No.: 16-44-O

Filing Party: Respondent, Accrediting Council for Independent Colleges and Schools

Exhibit No.: B-O-149

**THREE-YEAR COHORT DEFAULT RATES
2012 - 2014**

CAMPUS ID	NAME	CITY	STATE	2014	2013	2012	Required Action	Notes
00010770	Fortis College	Norfolk	VA	24.8	18.6	11.3	Level 1	
00011098	Gallipolis Career College	Gallipolis	OH	28.7	21.7	22.3	Level 1	Closing 12.31.17
00011107	Elmira Business Institute	Elmira	NY	25.5	23.2	19.6	Level 1	
00011179	Brightwood Career Institute	Harrisburg	PA	23.5	20.2	25	Level 1	
00070534	Pittsburgh Career Institute	Pittsburgh	PA	30	23.5	22.3	Level 1	
00028284	SAE Institute of Technology	Los Angeles	CA	26.4	8.3	0	Level 1	
00032108	SAE Institute of Technology	North Miami Beach	FL	26.9	12.5	0	Level 1	
00171010	Brightwood College	San Antonio	TX	27	21.7	20.1	Level 1	
00235508	Brightwood College	Baltimore	MD	29.1	20.7	22.1	Level 1	
00235912	Brightwood College	Dayton	OH	24.8	19.3	20.4	Level 1	
00010544	Cheryl Fell's School of Business	Niagara Falls	NY	22.6	32.4	26.8		
00011105	National Latino Education Institute	Chicago	IL	20.5	26.5	25		
00011334	Everest University - Tampa	Tampa	FL	31.9	26.8	21.2	Level 2	
00020720	Southern Technical College	Orlando	FL	29.3	25.3	20	Level 2	
00031581	North American University	Stafford	TX	26.4	24.5	16.6	Level 2	Grant expires 12.31.17
00010547	Harris School of Business	Cherry Hill	NJ	25.6	26.5	19	Level 2	
00011256	Brightwood Career Institute	Pittsburgh	PA	27.8	22.3	26.3	Level 1	**Two years, but not consecutive.
00010306	Daymar College	Owensboro	KY	25.8	26.7	26.3	Level 3	Closing 12.17.17
00011217	Daymar College	Clarksville	TN	29.1	25.6	25	Level 3	

Level 1--25% or more. One year. Default Rate Improvement Plan.

Level 2--25% or more. Two or more consecutive years. Updated Default Rate Improvement Plan.

Level 3--25% or more. Three or more consecutive years. Improvement Plan/Closure Plan.

Level 4--40% or more. One year. Default Rate Improvement Plan/Closure Plan.