

Of the ninety-eight applications, sixty-one applications made a program cost and nature of loans allegation. The narrative of the allegations include: (i) the promise of grants; (ii) the promise that the tuition included all books, scrubs and everything needed to complete the program; and (iii) that Brookline College representatives never explained the actual cost of the program to the borrower. Although the allegations asserted may be relevant to Borrower Defense, the borrowers fail to provide any supporting evidence and FSA is not otherwise in possession of evidence to establish a pattern or practice of this type of misconduct.

Transferring Credits

Of the ninety-eight applications, thirty-nine applications made a transferring of credits allegation. The narrative of the allegations include: (i) the promise that any credits obtain at Brookline will be able to transfer to any school; and (ii) Brookline College representatives told the borrower that the school was accredited. Although the allegations asserted may be relevant to Borrower Defense, the borrowers fail to provide any supporting evidence and FSA is not otherwise in possession of evidence to establish a pattern or practice of this type of misconduct.

Career Services

Of the ninety-eight applications, sixty-five applications made a career services allegation. The narrative of the allegations include: (i) the promise of job placement; (ii) that Brookline would find the borrower a job; and (iii) that job placement was guaranteed. Although the allegation asserted may be relevant to Borrower Defense, the borrowers fail to provide any supporting evidence and FSA is not otherwise in possession of evidence to establish a pattern or practice of this type of misconduct.

Education Services

Of the ninety-eight applications, sixty applications made an education services allegation. The narrative of the allegations include: (i) the promise of externships; (ii) that the program would prepare them for them to become certified and sit for the state exam; and (iii) that Brookline College representatives told the borrower that they were affiliated with hospitals and would get them an externship there. Although the allegation asserted may be relevant to Borrower Defense, the borrowers fail to provide any supporting evidence and FSA is not otherwise in possession of evidence to establish a pattern or practice of this type of misconduct.

Admissions and Urgency to Enroll



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	<p>Of the ninety-eight applications, fifty-eight applications made an admissions and urgency to enroll allegation. The narrative of the allegations include: (i) the promise of grants; (ii) the promise that the tuition included all books, scrubs and everything needed to complete the program; and (iii) that Brookline College representatives never explained the actual cost of the program to the borrower. Although the allegation asserted may be relevant to Borrower Defense, the borrowers fail to provide any supporting evidence and FSA is not otherwise in possession of evidence to establish a pattern or practice of this type of misconduct.</p> <p style="text-align: center;"><u>Other</u></p> <p>Of the ninety-eight applications, fifty-eight applications made an other allegation. The narrative of the allegations include: (i) statements about the school closing; (ii) complaints about the lectures and curriculum taught at Brookline College; and (iii) statements about violating customer protection laws. These claims are not the type that would warrant Borrower Defense relief absent a misrepresentation.</p>
Recommended Next Steps	Based on our search for public information (including public records, news articles, court documents and filings), Department of Education internal resources (FRPDs, AASG, and OIG investigations), and the sampling of claims, there is insufficient evidence of widespread misconduct by Brookline College are to warrant further investigation. As such, it is recommended the cases be adjudicated.
Recommended Focus Area(s)	
APPROVED BY:	Linda Reid
DATE:	8/18/2020

Recommended Next Steps	Based on our search for public information (including public records, news articles, court documents and filings) and Department of Education internal resources (FRPDs, AASG, and OIG investigations), there is insufficient evidence of widespread misconduct Brookline College to warrant further investigation. If additional evidence is discovered or received in the future, these claims may be revisited as warranted. As such, it is recommended the cases be adjudicated. Additionally, as there is no evidence of widespread misconduct, notice to the school on these claims is not required.
Recommended Focus Area(s)	
APPROVED BY:	Linda Reid



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DATE: 8/18/2020 (Updated 11/22/2020/0)

Evidence Considered	<input type="checkbox"/> Attorney Submission <input type="checkbox"/> Borrower Submission <input type="checkbox"/> Consumer Protection Financial Bureau (CPFB) <input type="checkbox"/> Department of Education-Office of Investigator General (OIG) <input type="checkbox"/> Documents Submitted by the school in response to your application <input type="checkbox"/> Evidence Obtained by the Department in conjunction with its regular oversight activities <input type="checkbox"/> Federal Trade Commission (FTC) <input type="checkbox"/> Department of Justice (DOJ) <input type="checkbox"/> U.S. Securities and Exchange (SEC) <input type="checkbox"/> Attorney General _____ (state) <input type="checkbox"/> Other <input checked="" type="checkbox"/> No Other Evidence Considered
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Advanced Letter Requests	<input type="checkbox"/> Standard Letter <input type="checkbox"/> Standard Letter Plus:
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Links: In this section please provide the Sharepoint links to working documents and evidence reviewed. Example of items to provide links for below.

- Advanced Letter (if applicable)
- Salesforce Allegation Report
- Program Review Report

DOE00010297-DOE00010298



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Initial Review of Mid-Size Batch Applications

BACKGROUND

Name of Institution and OPEID	Business Industrial Resources 03448300
Open or Closed	Closed (7/31/2018)
Date Advanced Letter Sent	N/A
Additional Locations • Add closure date if applicable	N/A
Corporate Owner(s)	Irene Zakron; Business Industrial Resources
Total Number of Applications	As of August 5, 2020, there are 25 applications already adjudicated and 12 applications awaiting adjudication.
Internal ED Investigation(s) • PC, AAASG, OIG	<p><u>Program Compliance</u> Program reviews were conducted in April 2008, February 2013 and February 2015. None of the findings were relevant to borrower defense.</p> <p><u>AAASG and OIG Investigations</u> Borrower Defense found no past or pending AAASG or OIG investigations.</p> <p><u>OGC/DOJ</u> Borrower Defense found no past or pending OGC/DOJ investigations.</p>
Internal Contact(s) for Further Investigation	N/A
External Investigations (AG), Evidence or Litigation Related to BORROWER DEFENSE	A review of publicly available information found no evidence related to Borrower Defense.
External Contact(s) for Further Investigation	N/A
Name of Reviewer	Serena Anand
Date Review Completed	8/5/2020

Recommended Next Steps	Based on our search for public information (including public records, news articles, court documents and filings) and Department of Education internal resources (FRPDs, AASG, and OIG investigations), there is insufficient evidence of widespread misconduct by Business Industrial Resources to warrant further investigation. If additional evidence is discovered or received
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	in the future, these claims may be revisited as warranted. As such, it is recommended the cases be adjudicated.
Recommended Focus Area(s)	
APPROVED BY:	Linda Reid
DATE:	8/5/2020

Evidence Considered	<input type="checkbox"/> Attorney Submission <input type="checkbox"/> Borrower Submission <input type="checkbox"/> Consumer Protection Financial Bureau (CPFB) <input type="checkbox"/> Department of Education-Office of Investigator General (OIG) <input type="checkbox"/> Documents Submitted by the school in response to your application <input checked="" type="checkbox"/> Evidence Obtained by the Department in conjunction with its regular oversight activities <input type="checkbox"/> Federal Trade Commission (FTC) <input type="checkbox"/> Department of Justice (DOJ) <input type="checkbox"/> U.S. Securities and Exchange (SEC) <input type="checkbox"/> Attorney General _____ (state) <input type="checkbox"/> Other <input checked="" type="checkbox"/> No Other Evidence Considered
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Advanced Letter Requests	<input type="checkbox"/> Standard Letter <input type="checkbox"/> Standard Letter Plus: •
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DOE00010339-DOE00010340

Initial Review of Medium Batch Applications**BACKGROUND**

Name of Institution	Career Institute of Health and Technology
Corporate Owner(s)	Computer Career Center, Inc.
Open or Closed	Closed
Total Number of Applications	51
Patterns of Alleged Misconduct	Inability to find employment, school closure.
Evidence/Litigation	None found.
Name of Reviewer	Kathy Ludunge
Date Review Completed	8/8/19

SUMMARY APPLICATION OVERVIEW

BD Case Number	School/Campus listed on App	Program(s)	Year of Enrollment	Nature of Allegation(s)	Evidence
01603554	Career Institute Of Health And Technology - (Brooklyn, NY)	Medical Assistant (Certificate)	2007	Employment Prospects, Program Cost, Educational Services, Career Services, Admissions	None
01262984	Career Institute Of Health And Technology - NY	Automotive Repair (Certificate)	2011	Employment Prospects, Program Cost, Educational Services, Career Services, Admissions, Other	None
01280698	Career Institute Of Health And Technology - (Brooklyn, NY)	Medical Assistant (Certificate)	2011	Employment Prospects, Program Cost, Educational Services, Career Services, Admissions,	None
01368438	Career Institute Of Health And Technology - (Brooklyn, NY)	Medical Assistant (Diploma)	2012	Employment Prospects	None
01378873	Career Institute Of Health And Technology - (Brooklyn, NY)	Medical Assistant (Certificate)	2009	Employment Prospects, Program Cost, Educational Services, Career Services, Admissions, Transferring Credits, Other	None
01416194	Career Institute Of Health And Technology - (Brooklyn, NY)	Medical Assistant (Certificate)	2010	Employment Prospects	None
01422971	Career Institute Of Health And Technology - (Brooklyn, NY)	Medical Assistant (Certificate)	2012	Other	None
01432599	Career Institute	Microsoft	2010	Employment Prospects,	None

	Of Health And Technology - (Brooklyn, NY)	Certified Systems Engineer Nt (Certificate)		Career Services, Admissions, Other	
01498552	Career Institute Of Health And Technology - (Brooklyn, NY)	Medical Assistant (Diploma)	2008	Employment Prospects, Educational Services, Career Services, Admissions, Transferring Credits	None
01582925	Career Institute Of Health And Technology - (Brooklyn, NY)	Medical Assistant (Certificate)	2013	Other	None

RECOMMENDATION:

Majority of claims are substantially similar to those seen in other JPR reviews and do not contain evidentiary support, so do not appear to be "self-approving". Generally, the claims do not reveal any specific pattern within the 10 claims sampled, except to the extent that most had multiple allegations.

Recommend review of all claims since there is no evidence of borrower litigation associated with this school and no evidence indicating the need for further investigation.

APPROVED BY: John Stephenson

DATE: 8/9/2019

DOE00010341-DOE00010345

Initial Review of Mid-Size Batch Applications

BACKGROUND

Name of Institution and OPEID	Career Point College 02591100
Open or Closed	Closed October 16, 2016
Date Advanced Letter Sent	N/A
Additional Locations • Add closure date if applicable	02591101 Career Point College- Tulsa, OK 02591102 Career Point College- San Antonio, TX 02591103 Career Point College- Austin, TX
Corporate Owner(s)	Dickinson College of San Antonio, Incorporated dba Career Point, A Closely Held Corporation
Total Number of Applications	As of August 25, 2020, there are 437 applications.
Patterns of Alleged Misconduct	Career Point College does not have any current litigation pending. Based on a sample of 30 applications, the borrowers do not present evidence that indicate Career Point College committed overt or repetitive misconduct, fraud, or misrepresentations. The application narratives provide individual experiences, frustrations, or issues encountered as a customer of Career Point College. Additionally, although some of the allegations asserted may be relevant to Borrower Defense, the borrowers fail to provide any supporting evidence and FSA is not otherwise in possession of evidence to establish a pattern or practice of this type of misconduct.
Internal ED Investigation(s) • PC, AAASG, OIG	<u>Program Compliance</u> Program reviews were conducted on March 24, 2014 and November 16, 1992, however, none of the findings were relevant to borrower defense. <u>AAASG and OIG Investigations</u> Borrower Defense found no past or pending AAASG or OIG investigations. <u>OGC/DOJ</u> Borrower Defense found no past or pending OGC/DOJ investigations.
Internal Contact(s) for Further Investigation	N/A
External Investigations (AG), Evidence or Litigation Related to BORROWER DEFENSE	Kinna, et al. v Dickinson of San Antonio, Inc et al. Students filed a complaint against Career Point College alleging that the school engaged in false, misleading, and deceptive acts by representing to Plaintiffs that they would be eligible to obtain education service. The case is noted as

	disposed in the Bexar County Court records. ¹ There is no publicly available information regarding the disposition of the action.
External Contact(s) for Further Investigation	N/A
External Investigations, Evidence or Litigation NOT related to BORROWER DEFENSE	In re Dickinson of San Antonio, Inc., No. 16-52492-RBK, 2020 WL 3443920, at *1 (Bankr. W.D. Tex. June 23, 2020) Suit by Career Point College alleging that a loan servicer engaged in a scheme to bypass federal student aid rules and defraud the college and the government. The College won the case and trustee for the college was awarded \$8 million.
News Articles/Media	52 Students Sue Career Point College for More than \$1 million Students filed a complaint against the school after its closure. There were no further actions in that litigation after the filing of the complaint. Former Career Point College Owner Settled Fraud Allegations Plaintiffs alleged that they were able to identify at least \$3.5 million in “improper dividends” paid to the school’s owners over the four years prior to the college’s bankruptcy filing. The owners settled the case and denied all of the allegations raised in the lawsuit. Career Point College filed for Bankruptcy The school filed for bankruptcy in October 2016 reported assets of less than \$50,000 and liabilities ranging from \$1 million to \$10 million in the emergency Chapter 11 petition filed in U.S. Bankruptcy Court in San Antonio.
Name of Reviewer	Conor Kruger
Date Review Completed	8/25/2020

SUMMARY OF ALLEGATIONS AND RECOMMENDATION

Summary of Allegations Reviewed	<p style="text-align: center;"><u>Summary of Allegations</u></p> <p>Borrower Defense reviewed a sample of 30 applications to identify potential trends and/or salient information provided by the applicant pool. The enrollment dates for the applicant pool range from June 1, 1989 through November 3, 2019, with the majority of applicants having enrollment dates between 2006 and 2012. The narrative allegations include complaints relating to: (i) the length of the course; (ii) the quality of the instructors; and (iii) the ability to obtain certification.</p>
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¹ https://search.bexar.org/Case/CaseDetail?r=b834437f-9b4b-4119-a5d9-e26d9a685941&st=l&l=kinna&fn=christopher&m=&&p=2_2016Cl18306++++DC0000100000

Admissions and Urgency to Enroll

Of the 437 applications, 195 made allegations regarding Admissions and Urgency to Enroll. Of the 30 allegations in sampled applications, two are of the type that might warrant Borrower Defense relief, if supported by evidence. The borrowers allege that representatives misled them regarding scholarships and job placement during admissions interviews. Although the allegations asserted may be relevant to Borrower Defense, the borrowers fail to provide any supporting evidence and FSA is not otherwise in possession of evidence to establish a pattern or practice of this type of misconduct.

Career Services

Of the 437 applications, 240 raise a career services allegation. Of the 30 allegations in sampled applications, ten are of the type that might warrant Borrower Defense relief, if supported by evidence. The borrowers in the sampled applications allege that they were guaranteed job placement, assistance with job placement, or that they would receive a certain job. Although the allegations asserted may be relevant to Borrower Defense, the borrowers fail to provide any supporting evidence and FSA is not otherwise in possession of evidence to establish a pattern or practice of this type of misconduct.

Educational Services

Of the 437 applications, 180 raise an educational services allegation. Of the 30 allegations in sampled applications, ten are of the type that might warrant Borrower Defense relief, if supported by evidence. The borrowers' allegations discuss their issues with the misrepresentation of program length and instructor qualifications. Although the allegations asserted are of the type that might warrant Borrower Defense relief, borrowers failed to provide relevant supporting evidence with their claims and FSA is not otherwise in possession of evidence to establish a pattern or practice of this type of misconduct occurring at Career Point College.

Employment Prospects

Of the 437 applications, 298 raise an employment allegation. Of the 30 allegations in sampled applications, 13 are of the type that might warrant Borrower Defense relief, if supported by evidence. The borrowers allege that representatives lied about job placement assistance, employment outcomes, and guaranteed salaries. Although the allegations asserted may be relevant to Borrower Defense, the borrowers fail to provide any supporting evidence and FSA is not otherwise in possession of evidence to establish a pattern or practice of this type of misconduct.

Other

Of the 437 applications, 337 raise an "other" allegation. Of the 30 allegations in sampled applications, one is of the type that might warrant

	<p>Borrower Defense relief, if supported by evidence. Most of the borrowers provided explanatory narratives relevant to the closure of the school and litigation involving the school. Borrowers have used this “other” section to echo allegations made in other sections regarding accreditation, certification, and fees associated with the school. In the sole allegation of the type that might warrant relief, the borrower alleges that they were misled about job placement assistance. Although the allegation asserted is of the type that might warrant Borrower Defense relief, the borrower failed to provide relevant supporting evidence with their claim and FSA is not otherwise in possession of evidence to establish a pattern or practice of this type of misconduct occurring at Career Point College.</p> <p style="text-align: center;"><u>Program Cost and Nature of Loans</u></p> <p>Of the 437 applications, 277 raise a program cost allegation. Of the 30 allegations in sampled applications, two are of the type that might warrant Borrower Defense relief, if supported by evidence. Most of the claims allege the school lied about the cost of attendance, did not properly explain the cost of attendance, or misled them regarding the amount of financial assistance a borrower would receive. Although the allegations asserted are of the type that might warrant Borrower Defense relief, borrowers failed to provide relevant supporting evidence with their claims and FSA is not otherwise in possession of evidence to establish a pattern or practice of this type of misconduct occurring at Career Point College.</p> <p style="text-align: center;"><u>Transferring Credits</u></p> <p>Of the 437 applications, 201 raise a transfer of credits allegation. Of the 30 allegations in sampled applications; 15 are of the type that might warrant Borrower Defense relief, if supported by evidence. In the allegations that might warrant Borrower Defense relief, borrowers allege that they were misled as to the transferability of credits, and the accreditation of the school. Although the allegations asserted are of the type that might warrant Borrower Defense relief, borrowers failed to provide relevant supporting evidence.</p>
Recommended Next Steps	Based on our search for public information (including public records, news articles, court documents and filings), Department of Education internal resources (FRPDs, AASG, and OIG investigations), and the sampling of claims, there is insufficient evidence of widespread misconduct Career Point College to warrant further investigation. If additional evidence is discovered or received in the future, these claims may be revisited as warranted. As such, it is recommended the cases be adjudicated.
Recommended Focus Area(s)	N/A
APPROVED BY:	Sarah Angilello
DATE:	08/31/2020

<p>Evidence Considered</p>	<p> <input type="checkbox"/> Attorney Submission <input type="checkbox"/> Borrower Submission <input type="checkbox"/> Consumer Protection Financial Bureau (CPFB) <input type="checkbox"/> Department of Education-Office of Investigator General (OIG) <input type="checkbox"/> Documents Submitted by the school in response to your application <input checked="" type="checkbox"/> Evidence Obtained by the Department in conjunction with its regular oversight activities <input type="checkbox"/> Federal Trade Commission (FTC) <input type="checkbox"/> Department of Justice (DOJ) <input type="checkbox"/> U.S. Securities and Exchange (SEC) <input type="checkbox"/> Attorney General _____ (state) <input type="checkbox"/> Other <input type="checkbox"/> No Other Evidence Considered </p>
<p>Advanced Letter Requests</p>	<p> <input type="checkbox"/> Standard Letter <input type="checkbox"/> Standard Letter Plus: <ul style="list-style-type: none"> • </p>

Links: In this section please provide the Sharepoint links to working documents and evidence reviewed. Example of items to provide links for below.

- [Salesforce Allegation Report](#)

DOE00010364-DOE00010367

Initial Review of Mid-Size Batch Applications

BACKGROUND

Name of Institution and OPEID	Carrington College 00974800; 02100600; 02218000; 03042500
Open or Closed	Open
Date Advanced Letter Sent	N/A No approvals
Additional Locations • Add closure date if applicable	See Carrington College – Additional Locations
Corporate Owner(s)	San Joaquin Valley College, Inc.
Total Number of Applications	As of March 31, 2020, there are 375 applications.
Patterns of Alleged Misconduct	The most common allegations concern promises of job placement or job placement assistance upon graduation.
Internal ED Investigation(s) • PC, AAASG, OIG	A program review was conducted at Carrington College Phoenix during the 2012-2013 and 2013-2014 award years, and found job placement misrepresentations involving 7 borrowers out of a sample of 30. The job placement representations were made in violation since graduates were either not employed in the field, not employed in the location listed in the graduate's file, or the placement was an externship and not a paid job. Carrington College addressed and resolved the discrepancies in their records and no additional action was taken against the school. Another program review was conducted at Carrington College California during the 2012-2013 and 2013-2014 award years, however, none of the findings were relevant to borrower defense.
Internal Contact(s) for Further Investigation	None.
External Investigations (AG), Evidence or Litigation Related to BD	None.
External Contact(s) for Further Investigation	None.
External Investigations, Evidence or Litigation NOT related to BD	None.
News Articles/Media	In 2018, an article highlighted an alleged situation where Carrington College submitted paperwork for a federal Parent Plus loan on behalf of a student despite the student and parent claiming they never signed for it.

Name of Reviewer	Ashley Bykerk
Date Review Completed	3/31/2020

SUMMARY OF ALLEGATIONS AND RECOMMENDATION

Summary of Allegations Reviewed	<p><u>Allegation Type: Employment Prospects:</u> 315 out of 375 applications make allegations regarding employment prospects. Of the allegations sampled, the most common allegations concern promises of job placement or job placement assistance at the end of the program. A few allege they were promised to have jobs within 6 months of graduating from their programs with other borrowers allege representations made by the school regarding a job placement rate ranging from 90% to 98%. Although the allegations asserted may be relevant to Borrower Defense, the borrowers fail to provide any supporting evidence and FSA is not otherwise in possession of evidence to establish a pattern or practice of this type of misconduct.</p> <p><u>Allegation Type: Program Costs and Nature of Loans:</u> 221 out of 375 applications make allegations regarding program costs and nature of loans. Of the allegations sampled, the most common allege that the school represented a specific price for the program but charged more than was initially discussed. Borrowers also make general allegations about the school's failure to explain how loans work and loan payments being too high. Although the allegations asserted may be relevant to Borrower Defense, the borrowers fail to provide any supporting evidence and FSA is not otherwise in possession of evidence to establish a pattern or practice of this type of misconduct.</p> <p><u>Allegation Type: Transferring Credits:</u> 176 out of 375 applications make allegations regarding transfer of credits. Of the allegations sampled, the most common allege that the school represented that credits earned would be transferable to other colleges and universities even though borrowers later found out that credits would not transfer. Other borrowers allege that the school made omissions when it came to the transferability of credits or their accreditation type. Although the allegations asserted may be relevant to Borrower Defense, the borrowers fail to provide any supporting evidence and FSA is not otherwise in possession of evidence to establish a pattern or practice of this type of misconduct.</p> <p><u>Allegation Type: Career Services:</u> 275 out of 375 applications make allegations regarding career services. Of the allegations sampled, the most common allegations allege that borrowers were promised job placement or job placement assistance but never received any help from the school. A borrower also alleged that he was told</p>
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	<p>their felony conviction would not be an issue in obtaining a job in his field even though this found to be untrue. Although the allegations asserted may be relevant to Borrower Defense, the borrowers fail to provide any supporting evidence and FSA is not otherwise in possession of evidence to establish a pattern or practice of this type of misconduct.</p> <p><u>Allegation Type: Educational Services:</u> 218 out of 375 applications make allegations regarding educational services. Of the allegations sampled, the most common concern promises by the school about externship opportunities at the end of the program that ended up not being provided by the school. A few borrowers alleged that they were promised externships with Kaiser but were then told that the school had no connections with the medical provider. Although the allegations asserted may be relevant to Borrower Defense, the borrowers fail to provide any supporting evidence and FSA is not otherwise in possession of evidence to establish a pattern or practice of this type of misconduct.</p> <p><u>Allegation Type: Admissions and Urgency to Enroll:</u> 192 out of 375 applications make allegations regarding the admissions process. Of the allegations sampled, the most common allege a rush to enroll based on representations that classes were starting soon and there was limited space availability. These claims are not of the type that would warrant BD relief absent a misrepresentation.</p> <p><u>Allegation Type: Other:</u> 238 out of 375 applications make allegations in the other category. The allegations sampled revealed that most concerned general dissatisfaction with the services provided by the school and general mentions of litigation against the school. These claims are not of the type that would warrant BD relief absent a misrepresentation.</p>
Recommended Next Steps	Based on our search for public information (including public records, news articles, court documents and filings), Department of Education internal resources (FRPDs, AASG, and OIG investigations), and the sampling of claims, there is insufficient evidence of widespread misconduct by Carrington College to warrant further investigation. As such, it is recommended the cases be adjudicated. Additionally, as there is no evidence of widespread misconduct, notice to the school on these claims is not required.
Recommended Focus Area(s)	N/A
APPROVED BY:	Michael Page
DATE:	3/31/2020
Evidence Considered	<input type="checkbox"/> Attorney Submission <input type="checkbox"/> Borrower Submission

	<input type="checkbox"/> Consumer Protection Financial Bureau (CPFB) <input type="checkbox"/> Department of Education-Office of Investigator General (OIG) <input type="checkbox"/> Documents Submitted by the school in response to your application <input type="checkbox"/> Evidence Obtained by the Department in conjunction with its regular oversight activities <input type="checkbox"/> Federal Trade Commission (FTC) <input type="checkbox"/> Department of Justice (DOJ) <input type="checkbox"/> U.S. Securities and Exchange (SEC) <input type="checkbox"/> Attorney General _____ (state) <input type="checkbox"/> Other <input type="checkbox"/> No Other Evidence Considered
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Advanced Letter Requests	<input type="checkbox"/> Standard Letter <input type="checkbox"/> Standard Letter Plus: <ul style="list-style-type: none"> •
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Links:

- [Salesforce Allegation Report](#)
- **Program Review Reports**
 - PRCN: [201440928688](#)
 - PRCN: [201430928576](#)
- [Carrington College – Additional Locations](#)

Supplemental Complaint

Exhibit Index

Bates Stamped Documents

Documents appear in this order, with Bates-Numbered Slip-Sheets Between them. The documents are cited **by Bates Number** in the Supplemental Complaint.

Document Order	Bates Range	Document Title / Identifier
41.	DOE00010368-DOE00010371	Carrington College Memo
42.	DOE00010571-DOE00010572	Concorde Career Institute Memo
43.	DOE00010573-DOE00010575	Concorde Career Institute Memo
44.	DOE00010647-DOE00010649	Davenport Memo
45.	DOE00010738-DOE00010740	Eagle Gate College Memo
46.	DOE00010783-DOE00010791	Empire Beauty School Memo
47.	DOE00010792-DOE00010794	Empire Beauty School Memo
48.	DOE00010795-DOE00010796	Empire Beauty School Memo
49.	DOE00010818-DOE00010825	Everglades University Memo
50.	DOE00010834	Everglades University Memo
51.	DOE00010870	Florida Career College Memo
52.	DOE00010871-DOE00010874	Florida Career College Memo
53.	DOE00010957	Galiano Career Academy Memo
54.	DOE00010963-DOE00010966	Galiano Career Academy Memo
55.	DOE00011006-DOE00011008	Grantham Memo
56.	DOE00011207-DOE00011209	Institute for Business & Technology Memo

57.	DOE00011254	Iverson Institute Memo
58.	DOE00011259-DOE00011263	Iverson Institute Memo
59.	DOE00011330	Keller Memo
60.	DOE00011331-DOE00011340	Keller Memo

DOE00010368-DOE00010371

Federal Student Aid

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Initial Review of Mid-Size Batch Applications

BACKGROUND

Name of Institution and OPEID	Carrington College 00974800 02100600 02218000 03042500
Open or Closed	Open
Date Advanced Letter Sent	N/A
Additional Locations • Add closure date if applicable	See Carrington College – Additional Locations
Corporate Owner(s)	San Joaquin Valley College, Inc.
Total Number of Applications	As of March 31, 2020, there are 375 applications.
Patterns of Alleged Misconduct	The most common allegations concern promises of job placement or job placement assistance upon graduation.
Internal ED Investigation(s) • PC, AAASG, OIG	A program review was conducted at Carrington College Phoenix during the 2012-2013 and 2013-2014 award years, and found job placement misrepresentations involving 7 borrowers out of a sample of 30. The job placement representations were made in violation since graduates were either not employed in the field, not employed in the location listed in the graduate's file, or the placement was an externship and not a paid job. Carrington College addressed and resolved the discrepancies in their records and no additional action was taken against the school. Another program review was conducted at Carrington College California during the 2012-2013 and 2013-2014 award years, however, none of the findings were relevant to borrower defense.
Internal Contact(s) for Further Investigation	N/A
External Investigations (AG), Evidence or Litigation Related to BD	N/A
External Contact(s) for Further Investigation	N/A
External Investigations, Evidence or Litigation NOT related to BD	N/A
News Articles/Media	In 2018, an article highlighted an alleged situation where Carrington College submitted paperwork for a federal Parent

	Plus loan on behalf of a student despite the student and parent claiming they never signed for it.
Name of Reviewer	Ashley Bykerk
Date Review Completed	3/31/2020

SUMMARY OF ALLEGATIONS AND RECOMMENDATION

Summary of Allegations Reviewed	<p style="text-align: center;"><u>Employment Prospects:</u></p> <p>Of 375 applications, 315 make allegations regarding employment prospects. Of the allegations sampled, the most common allegations concern promises of job placement or job placement assistance at the end of the program. A few allege they were promised to have jobs within 6 months of graduating from their programs and other borrowers allege representations made by the school regarding a job placement rate ranging from 90% to 98%. Although the allegations asserted may be relevant to Borrower Defense, the borrowers fail to provide any supporting evidence and FSA is not otherwise in possession of evidence to establish a pattern or practice of this type of misconduct.</p> <p style="text-align: center;"><u>Program Costs and Nature of Loans:</u></p> <p>Of 375 applications, 221 make allegations regarding program costs and nature of loans. Of the allegations sampled, the most common allege that the school represented a specific price for the program but charged more than was initially discussed. Borrowers also make general allegations about the school's failure to explain how loans work and loan payments being too high. Although the allegations asserted may be relevant to Borrower Defense, the borrowers fail to provide any supporting evidence and FSA is not otherwise in possession of evidence to establish a pattern or practice of this type of misconduct.</p> <p style="text-align: center;"><u>Transferring Credits:</u></p> <p>Of 375 applications, 176 make allegations regarding transfer of credits. Of the allegations sampled, the most common allege that the school represented that credits earned would be transferable to other colleges and universities even though borrowers later found out that credits would not transfer. Other borrowers allege that the school made omissions when it came to the transferability of credits or their accreditation type. Although the allegations asserted may be relevant to Borrower Defense, the borrowers fail to provide any supporting evidence and FSA is not otherwise in possession of evidence to establish a pattern or practice of this type of misconduct.</p> <p style="text-align: center;"><u>Career Services:</u></p> <p>Of 375 applications, 275 make allegations regarding career services. Of the allegations sampled, the most common allegations allege that borrowers were promised job placement or job placement assistance but never received any help from the school. A borrower also alleged that he was told</p>
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	<p>their felony conviction would not be an issue in obtaining a job in his field even though this was found to be untrue. Although the allegations asserted may be relevant to Borrower Defense, the borrowers fail to provide any supporting evidence and FSA is not otherwise in possession of evidence to establish a pattern or practice of this type of misconduct.</p> <p style="text-align: center;"><u>Educational Services:</u></p> <p>Of 375 applications, 218 make allegations regarding educational services. Of the allegations sampled, the most common concern alleged promises by the school about externship opportunities at the end of the program that ended up not being provided by the school. A few borrowers alleged that they were promised externships with Kaiser but were then told that the school had no connections with the medical provider. Although the allegations asserted may be relevant to Borrower Defense, the borrowers fail to provide any supporting evidence and FSA is not otherwise in possession of evidence to establish a pattern or practice of this type of misconduct.</p> <p style="text-align: center;"><u>Admissions and Urgency to Enroll:</u></p> <p>Of 375 applications, 192 make allegations regarding the admissions process. Of the allegations sampled, the most common allege a rush to enroll based on representations that classes were starting soon and there was limited space availability. These claims are not of the type that would warrant BD relief absent a misrepresentation.</p> <p style="text-align: center;"><u>Other:</u></p> <p>Of 375 applications, 238 make allegations in the other category. The allegations sampled revealed that most concerned general dissatisfaction with the services provided by the school and general mentions of litigation against the school. These claims are not of the type that would warrant BD relief absent a misrepresentation.</p>
Recommended Next Steps	Based on our search for public information (including public records, news articles, court documents and filings), Department of Education internal resources (FRPDs, AASG, and OIG investigations), and the sampling of claims, there is insufficient evidence of widespread misconduct by Carrington College to warrant further investigation. If additional evidence is discovered or received in the future, these claims may be revisited as warranted. As such, it is recommended the cases be adjudicated. Additionally, as there is no evidence of widespread misconduct, notice to the school on these claims is not required.
Recommended Focus Area(s)	N/A
APPROVED BY:	Michael Page
DATE:	3/31/2020 (updated November 20, 2020)

<p>Evidence Considered</p>	<p> <input type="checkbox"/> Attorney Submission <input type="checkbox"/> Borrower Submission <input type="checkbox"/> Consumer Protection Financial Bureau (CPFB) <input type="checkbox"/> Department of Education-Office of Investigator General (OIG) <input type="checkbox"/> Documents Submitted by the school in response to your application <input type="checkbox"/> Evidence Obtained by the Department in conjunction with its regular oversight activities <input type="checkbox"/> Federal Trade Commission (FTC) <input type="checkbox"/> Department of Justice (DOJ) <input type="checkbox"/> U.S. Securities and Exchange (SEC) <input type="checkbox"/> Attorney General _____ (state) <input type="checkbox"/> Other <input type="checkbox"/> No Other Evidence Considered </p>
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<p>Advanced Letter Requests</p>	<p> <input type="checkbox"/> Standard Letter <input type="checkbox"/> Standard Letter Plus: • </p>
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Links:

- [Salesforce Allegation Report](#)
- Program Review Reports
 - PRCN: [201440928688](#)
 - PRCN: [201430928576](#)
- [Carrington College – Additional Locations](#)

DOE00010571-DOE00010572

Initial Review of Medium Batch Applications

BACKGROUND

Name of Institution	Concorde Career Institute
Corporate Owner(s)	Concorde Careers-Florida, Inc.
Open or Closed	Open
Total Number of Applications	46
Patterns of Alleged Misconduct	School not accredited
Evidence/Litigation	N/A
Name of Reviewer	Maureen Taylor
Date Review Completed	08/14/2019

SUMMARY APPLICATION OVERVIEW

BD Case Number	School/Campus listed on App	Program(s)	Year of Enrollment	Nature of Allegation(s)	Evidence
01147117	Concorde Career Institute (Fort Lauderdale, FL)	Medical Insurance Billing and Coding	05/01/2003	Other, Program Cost, Guaranteed Externship, Career Services	Emailed Statement
01241874	Concord Career Institute (Lauderdale Lakes)	Not listed	03/01/2004	Transferability, Other	Emailed Statement
01257385	Concord Career Institute (Tampa, FL)	Surgical Technology	01/02/2007	Guaranteed Job, Career Services, Teaching/Educational Services, Pressure to Enroll	Emailed Statement
01260144	Concord Career Institute (Orlando, FL)	Medical Assistant	01/01/2011	Career Services, Program Cost, Financial Aid, Transferability, Other, Pressure to Enroll	Emailed Statement
01265705	Concord Career Institute (Tampa, FL)	Surgical Technology	08/10/2010	Guaranteed Job, Program Cost, Financial Aid, Career Services, Pressure to Enroll, Other	Emailed Statement

01284736	Concorde Career Institute (Lauderlakes, FL)	Medical Assistant	04/02/2003	Career Services, Program Cost, Transferability, Other	Emailed Statement
01287241	Concorde Career Institute (Orlando, FL)	Medical Office Administration	10/01/2012	Career Services, Educational Services, Guaranteed Externship, Pressure to Enroll, Other	Emailed Statement
01355028	Concorde Career Institute (Tampa, FL)	Nursing	04/01/2010	Guaranteed Job, Other, Teaching/Educational Services,	Emailed Statement
01364729	Concorde Career Institute (Miramar, FL)	Medical Assistant	06/01/2008	Other, Program Cost, Financial Aid	Emailed Statement
01366973	Concorde Career Institute (Jacksonville, GA)	Medical Assistant	01/01/2002	Transferability, Other	Emailed Statement

RECOMMENDATION:

Some applicants have made allegations about not being able to obtain employment because the school that they attended was not accredited. The applications reviewed however do not indicate that the school told them they were accredited and that it turned out to be false. No lawsuits against this school were discovered. Further investigation is not recommended at this time.

APPROVED BY: John Stephenson

DATE: 8/15/2019

DOE00010573-DOE00010575

Initial Review of Medium Batch Applications

BACKGROUND

Name of Institution	Concorde Career Institute/ Concorde Career College
Corporate Owner(s)	Concorde Careers-Florida, Inc.
Open or Closed	Closed
Total Number of Applications	36
Patterns of Alleged Misconduct	Guaranteed Job, Career Services
Evidence/Litigation	<p>The former president of Concorde Career Colleges Inc. alleged that “concerns he raised regarding the recruitment policies of the for profit school resulted in his termination in violation of the federal False Claims Act.” The school allegedly required “its recruiters to get a set number of students to enroll every week in addition to developing a program that tries to steer potential nursing students into less popular careers in order to increase enrollment in its other programs.”</p> <p>https://www.whistleblowerattomeys-blog.com/concorde-career-colleges-inc-terminates-ceo-uncovers-fraud/</p> <p>Two complaints were filed against the school however I am unable to access the court documents from the links below without creating a login</p> <p>https://unicourt.com/case/ca-la23-zhoie-perez-vs-concorde-career-colleges-inc-189084</p> <p>https://unicourt.com/case/ca-ora-mccoy-vs-concorde-career-colleges-805738</p>
Name of Reviewer	Maureen Taylor
Date Review Completed	1/28/2020

SUMMARY APPLICATION OVERVIEW

BD Case Number	School/Campus listed on App	Program(s)	Year of Enrollment	Nature of Allegation(s)	Evidence
01147117	Concorde Career Institute (Fort Lauderdale, FL)	Medical Insurance Billing and Coding	05/01/2003	Other, Program Cost, Guaranteed Externship, Career Services	Emailed Statement
01241874	Concord Career Institute (Lauderdale Lakes)	Not listed	03/01/2004	Transferability, Other	Emailed Statement
01257385	Concord Career Institute (Tampa, FL)	Surgical Technology	01/02/2007	Guaranteed Job, Career Services, Teaching/Educational Services, Pressure to Enroll	Emailed Statement
01260144	Concord Career Institute (Orlando, FL)	Medical Assistant	01/01/2011	Career Services, Program Cost, Financial Aid, Transferability, Other, Pressure to Enroll	Emailed Statement
01265705	Concord Career Institute (Tampa, FL)	Surgical Technology	08/10/2010	Guaranteed Job, Program Cost, Financial Aid, Career Services, Pressure to Enroll, Other	Emailed Statement
01284736	Concorde Career Institute (Lauderdale lakes, FL)	Medical Assistant	04/02/2003	Career Services, Program Cost, Transferability, Other	Emailed Statement
01287241	Concorde Career Institute (Orlando, FL)	Medical Office Administration	10/01/2012	Career Services, Educational Services, Guaranteed Externship, Pressure to Enroll, Other	Emailed Statement
01409902	Concorde Career Institute (Jacksonville, FL)	Dental Assistant	08/01/2015	Guaranteed Job, Program Cost, Other, Career Services	Emailed Statement
01364729	Concorde Career Institute (Miramar, FL)	Medical Assistant	06/01/2008	Other, Program Cost, Financial Aid	Emailed Statement
01366973	Concorde Career Institute (Jacksonville, GA)	Medical Assistant	01/01/2002	Transferability, Other	Emailed Statement

RECOMMENDATION:

The allegations made by the applicants vary but several related to Guaranteed Jobs and Career Services. However, none of the applicants provided any sufficient evidence related to the allegations. Some applicants also alleged that the school gave them false information regarding accreditation but no evidence was provided and research did not uncover any information. As stated above, the former president of Concorde Career Colleges Inc. alleged that “concerns he raised regarding the recruitment policies of the for profit school resulted in his termination in violation of the federal False Claims Act.” The school allegedly required “its recruiters to get a set number of students to enroll every week in addition to developing a program that tries to steer potential nursing students into less popular careers in order to increase enrollment in its other programs.” Research did not reveal any complaints related to these allegations. There were some complaints filed against the school but I was unable to access the documents listed above to determine the cause of action other than being related to labor law. Further investigation is not recommended.

APPROVED BY: Alana Smith

DATE: 1/28/2020

DOE00010647-DOE00010649

Initial Review of Medium Batch Applications

BACKGROUND

Name of Institution	Davenport University
Corporate Owner(s)	Davenport University, Inc.
Open or Closed	OPEN but several of the branches closed between 2005 and 2018
Total Number of Applications	40
Patterns of Alleged Misconduct	Several of the allegations state that the school failed to provide career services or promised that there would be jobs in the student's field. There are also allegations that credits from previous schools would not transfer to Davenport. There is no mention of lawsuits or investigations.
Evidence/Litigation	<ul style="list-style-type: none"> • 2014 article about settlement with Higher One-students who went to schools that contracted with Higher One to distribute financial aid are eligible for portion of the settlement because the company allegedly charged improper fees and made misleading statements regarding account costs. Davenport was one of these schools. No allegations against Davenport specifically. (https://www.mlive.com/lansing-news/2014/02/higher_one_debit_card_settleme.html) • 2016 Complaint to the U.S. Department of Education that Davenport University discriminated against a student on the basis of disability. The allegation states that the University discriminated against students with vision impairments on their homepage and online platform. The school made the necessary changes and the complaint is resolved.

	https://www2.ed.gov/about/offices/list/ocr/docs/investigations/more/15162175-a.pdf
Name of Reviewer	Alana Smith
Date Review Completed	7/1/19

SUMMARY APPLICATION OVERVIEW

BD Case Number	School/Campus listed on App	Program(s)	Year of Enrollment	Nature of Allegation(s)	Evidence
01249022	Kalamazoo, MI	Systems Analyst	2005	Financial Aid, Transferability, Other	Signed Statement
01276267	Online	Post Grad Medical Case Management	2010	Educational Services, Financial Aid, Other	Signed Statement
01286867	Midland, MI	IT	2001	Educational Services, Program Cost, Urgency to Enroll	Signed Statement
01418113	Merrillville, IN	Business Management, Bachelor and Human Resource Management, Masters	2002	Career Services, Transferability, Other	Signed statement
01440551	Warren, MI	Accounting and Management, Bachelor	1996	Transferability, Other	Signed Statement
01441923	Kalamazoo, MI	Medical Transcriptionist, AS	2001	Guaranteed Job, Other	Signed Statement
01448544	Flint, MI	Nursing	2004	Educational Services	Signed Statement
01481796	Grand Rapids, MI	Nursing Medical Assistant, AS	1999	Financial Aid, Career Services, Other	Signed Statement
01484136	Merrillville, MI	Medical Assistant	2002	Career services, Financial Aid, Program Cost,	Signed Statement

				Pressure to Enroll	
01523524	Online	Medical Coding	2007	Other	Signed Statement

RECOMMENDATION

The majority of allegations in these cases do not rise to the level of misrepresentations that violates state law. Most of the allegations are that the school failed to offer career services or job placement assistance, that the school misstated the job market, or that the school failed to accept credits that transferred in from other schools. There is little corroboration between the allegations and cases.

The only evidence against the school consists of a 2016 allegation of discrimination filed with the US Department of Education. The complaint was resolved in 2017. Also, one of the loan companies Davenport University contracted with, Higher One, settled a lawsuit with students from Davenport and other schools for allegations of improperly charging fees and misrepresenting costs and fees. There were no allegations against Davenport University specifically, just against Higher One.

Given the lack of evidence and corroboration, I recommend adjudicating these cases.

DOE00010738-DOE00010740

Initial Review of Medium Batch Applications

BACKGROUND

Name of Institution	Eagle Gate College
Corporate Owner(s)	Bullen & Wilson, LLC
Open or Closed	Open
Total Number of Applications	18
Patterns of Alleged Misconduct	Bloated Job Placement Rates in Multiple Programs
Evidence/Litigation	None (Applications)
Name of Reviewer	Kendrick D. Holley
Date Review Completed	8/21/19

SUMMARY APPLICATION OVERVIEW

BD Case Number	School/Campus listed on App	Program(s)	Year of Enrollment	Nature of Allegation(s)	Evidence
01266955	Eagle Gate College – Salt Lake City	Nursing (AAS)	2011	Employment Prospects Transferring Credits Admissions and Urgency to Enroll	Application
01400640	Eagle Gate College – Salt Lake City	Graphic Design (AAS)	2009	Employment Prospects Program Cost and Nature of Loans Transferring Credits Career Services Educational Services Admissions and Urgency to Enroll Other	Application
01498383	Eagle Gate College – Salt	Graphic Design (AAS)	2011	Employment Prospects	Application

	Lake City			Program Cost and Nature of Loans Career Services Educational Services Other	
01518497	Eagle Gate College – Salt Lake City	Paralegal Studies (AAS)	2009	Employment Prospects Program Cost and Nature of Loans Transferring Credits Career Services Admissions and Urgency to Enroll	Application
01599985	Eagle Gate College – Salt Lake City	Paralegal Studies (AAS)	2008	Employment Prospects Transferring Credits Career Services Educational Services Admissions and Urgency to Enroll	Application
01595808	Eagle Gate College – Salt Lake City	Personal Fitness Training (Diploma)	2013	Employment Prospects Educational Services Other	Application
01146518	Eagle Gate College – Layton	Medical Billing and Coding (Cert.)	2012	Employment Prospects Program Cost and Nature of Loans Career Services Educational Services	Application
01278270	Eagle Gate College – Layton	Medical Assistant (Cert.)	2016	Program Cost and Nature of Loans Educational Services	Application

				Admissions and Urgency to Enroll	
01284633	Eagle Gate College – Layton	Paralegal and Web and Animation (AAS)	2011	Employment Prospects Transferring Credits Career Services Educational Services	Application
01466295	Eagle Gate College – Layton	Personal Fitness Training (Cert.)	2011	Employment Prospects Program Cost and Nature of Loans Educational Services Transferring Credits Career Services Admissions and Urgency to Enroll Other	Application

RECOMMENDATION:

After reviewing the sample of students above from Eagle Gate College, there seemed to be a recurring theme in some of the applications alleging bloated job placement numbers from the admission counselors at the school. The claim was not limited to any particular program (in this sample there were the same claims in the Paralegal program as well as the Graphic Design program) or admission class (2009 & 2011 in this sample). In addition, the claims all specifically claimed they were guaranteed jobs and that the programs they were interested in had a 100% placement rate. This trend seemed peculiar, and was also reflected online at various complaint sites referencing Eagle Gate's admission practices. Unfortunately, most of the claims were stated to have been given verbally and a precursory search of the allegations did not turn up any files that may potentially be used to bolster the students' claim. Also, the number of claims about a 100% job placement rate is still a small minority of the claims reviewed. Currently, I do not recommend that further investigation is necessary and suggest that the claims be adjudicated as they are.

APPROVED BY: John Stephenson

DATE: 8/22/2019

DOE00010783-DOE00010791



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Initial Review of Mid-Size Batch Applications

BACKGROUND

Name of Institution and OPEID	Empire Beauty School (49 listed Franchises. See attached document for individual OPEIDs.) ¹
Open or Closed	See Attached OPEID Document
Date Advanced Letter Sent	N/A
Additional Locations • Add closure date if applicable	- Empire Beauty School – Flagstaff (OPEID- 01180800) - Empire Beauty School – Arvada (OPEID- 02072200) - Empire Beauty School – Thornton (OPEID-02160600) - Empire Beauty School – Lakewood (OPEID-01070900) - Empire Beauty School – Littleton (OPEID-02141100) - Empire Beauty Schools – (OPEID-02179600)
Corporate Owner(s)	Each individual location, while under the franchise umbrella of Empire Beauty School, is independently owned and operated. Many locations have, or have had, multiple owners at any given time. While the individual schools (based on their OPEID numbers) are unique, many of them are owned, at least in part, by either EEG, Inc. or Empire Beauty School, Inc.
Total Number of Applications	There were 205 applications as of August 13, 2020 193 at Empire Beauty School Locations; 3 at Flagstaff; 1 at Arvada; 1 at Thornton; 1 at Lakewood; 3 at Littleton; 3 at Empire Beauty Schools.
Patterns of Alleged Misconduct	As detailed below, former students at the Empire Beauty School locations have made consistent allegations against the school. However, based on the applications, the borrowers do not present evidence that indicates that the Empire Beauty School locations listed above have committed overt or repetitive misconduct, fraud, or misrepresentations. The application narratives provide individual experiences, frustrations, or issues encountered as a customer of Empire Beauty School. Additionally, although some of the allegations asserted may be relevant to Borrower Defense, the borrowers fail to provide any supporting evidence to establish a pattern or practice of this type of misconduct.
Internal ED Investigation(s) • PC, AAASG, OIG	AAASG/Debarment In 2007, Ms. Janet Ferguson was sent notice proposing to debar her from participation in all covered transactions under procurement and non-procurement programs and activities of any federal agency. As an Admissions Representative at Empire Beauty School in Harrisburg, PA, Ms. Ferguson plead guilty to Making False Statements in Federal Student Loan Applications and False Use of a Social Security Number. Under the first count, Ms. Ferguson admitted to knowingly and willfully making materially false statements in federal student loan and grant applications for the purpose of obtaining federal education benefits and with the intent to deceive. As a result of her guilty plea, Ms. Ferguson was sentenced to 14 months of imprisonment

¹ [Empire Beauty School OPEIDs](#)

and was ordered to restitution to Empire Beauty School in the amount of \$9,191.36 and to the PA Department of Labor, \$9,204.00.

In 2011, Tara Wright, former Admissions Representative at Empire's Manhattan Campus enrolled ineligible students at Empire by creating and/or accepting fraudulent High School Diplomas and New York State General Equivalency Diplomas (GED), as well as falsifying registration and financial aid documents. She was debarred for her actions. On July 20, 2009, Wright was sentenced on felony charges of federal financial aid fraud in the United States District Court in the Southern District of NY.

On June 26, 2013, AAASG sent notice proposing to debar [Mr. David Benton](#) from receiving financial and non-financial assistance or benefits from any federal agency, under procurement and non-procurement programs and activities. As a former Admissions Representative for Empire Education Group-Bordentown, from about April 2, 2007 through March 9, 2009, Mr. Benton created false documents, made false statements on documents, accepted false documents, and forged documents necessary for students to obtain federal financial aid. As a result of his conviction for falsifying documents for students to obtain federal student aid, Mr. Benton was sentenced to, among other things, five years of probation, six months home confinement, and 300 hours of community service. Mr. Benton was also ordered to pay a \$15,000 fine and an assessment of \$100.00.

December 17, 2013, AAASG sent notice proposing to debar [Ms. Katie Champion](#) from receiving financial and non-financial assistance or benefits from any federal agency, under procurement and non-procurement programs and activities. Between December 21, 2007 and June 21, 2010, while employed as an admissions representative at Empire Beauty School, Ms. Champion created false documents, made false statements on documents, accepted false documents and forged documents necessary for students to obtain federal financial aid.²

OIG Investigation

Ineligible disbursements – one employee falsifying docs. 2015 (02149800)

PRCN: 201330228269

Finding 1. Ineligible Disbursements

The citation, 34 C.F.R. § 668.32(e), states that in order to receive Federal Student Aid funds, a student must be qualified to study at the Post-Secondary level. Empire had self-reported to the Office of Inspector General (OIG) that it believed an Admission Representative had admitted and enrolled students who did not have valid high school diplomas or valid GEDs. The OIG

² [AAASG Monthly Report June 2014](#), [AAASG Monthly Report September 2015](#)



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conducted an investigation into this individual and confirmed the fraudulent activity. Empire was required to provide documented evidence that the funds obtained from these falsified reports, totaling \$231,407.88, had been returned to the appropriate program for the students in question. The final determination stated that based on the documentation provided by Empire, the school must refund the Department \$33,687 in interest.

OIG Investigation

A 2011 OIG investigation revealed that Tara Wright, former Admissions Representative at Empire's Manhattan Campus enrolled ineligible students at Empire by creating and/or accepting fraudulent High School Diplomas and New York State General Equivalency Diplomas (GED), as well as falsifying registration and financial aid documents. Approximately \$200,000 in Federal Student Aid was disbursed on behalf of the ineligible students based on representations that they were high school graduates or had earned their GEDs. On July 20, 2009, Wright was sentenced on felony charges of federal financial aid fraud in the United States District Court in the Southern District of NY. OIG agents reviewed enrollment records for additional Admissions Representatives but did not find substantial evidence to warrant further investigation. However, the program review did find Empire to be in noncompliance with its campus security policies and distribution of an annual security report.

PRCN: 201330228268 (02344200) (2015)

Finding 1: Ineligible Disbursements

The citation, 34 C.F.R. § 668.32(e), states that in order to receive Federal Student Aid funds, a student must be qualified to study at the Post-Secondary level. Empire had self-reported to the Office of Inspector General (OIG) that it believed an Admission Representative had admitted and enrolled students who did not have valid high school diplomas or valid GEDs. The OIG conducted an investigation into this individual and confirmed the fraudulent activity. The investigation confirmed the employee assisted students in obtaining fraudulent GEDs and high school diplomas in order to register for classes at Empire. Empire provided documented evidence that \$385,297.08 from the list entitled "Confirmed Ineligible" has been returned to the appropriate program. The Department was able to confirm \$259,318.50 from the list entitled "Fake Camden High School Diplomas" was returned to the appropriate program. Empire provided further documentation confirming the funds have been returned to the Department. Based on the documentation submitted by Empire, Empire must refund \$80,405.39 in interest to the Department.

The 2013 OIG investigation revealed that a former Empire Admissions Representative at the Bordentown, New Jersey campus, David Benton,

enrolled ineligible students at Empire by knowingly accepting fraudulent high school diplomas and New Jersey State General Equivalency Diplomas (GED). Based on a review of Empire's records and interviews conducted by EDOIG, EDOIG determined that Benton was responsible for at least 20 fraudulent enrollments. The total Title IV aid disbursed for these enrollments was \$247,694.84. On April 7, 2001, Benton plead guilty to an information for felony charges of Federal Student Aid fraud in the United States District Court in the District of New Jersey. In addition, a subsequent EDOIGs investigation lead to the arrest of Katie Champion, an Admissions Representative at the Cherry Hill campus. Champion also plead guilty to Federal Student Aid fraud in the United States District Court in the District of New Jersey. Based on Empire's review of enrollment records, EDOIG determined that Empire was responsible for a total of \$385,297.08 in Title IV disbursed for students who were ineligible based on fake proof of secondary education or whose eligibility was unable to be confirmed.

Program Compliance

PRCN: 201020227160 (OPEID-02173200) (2011)

This 2011 program review had two findings. The first was Crime Awareness Requirements Not Met and the second was Ineligible Student -High School Student. The nature of these findings do not indicate that this review is related to borrower defense.

PRCN: 201220227827 (OPEID- 02079410 - formerly 01260500) (2017)

Finding 1. Inaccurate/Unsupported Attendance Records

Empire Beauty School uses a system known as Time Star to record time and attendance for all of its students. The review of the institution and the Time Star program determined that the Time Star system is impacting the school's ability to properly monitor whether a student is making satisfactory academic process. In addition, it also affects Empire's ability to properly determine when a student has completed the required number of hours in a payment period and started another payment period.

In response to the findings, Empire agreed that the Time Star system had been erroneously set up in a manner that could result in a students receiving credit for "excess hours" if they clocked in before the scheduled time of their classes and that the "excess hours" could be credited to the students as "makeup" hours even when they had not missed classes. Empire ultimately modified the system to prevent this type of error from occurring again. They also reviewed their files to determine if there had been improper disbursements of Title IV funds to Empire due to the system error. The final determination was the Empire is liable for \$62,214.02 in returns due back to the Title IV programs. Although Empire failed to properly account for student attendance, this finding is outside the scope of borrower defense.

Federal Student Aid

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	<p><u>PRCN: 201410228466 (OPEID-00966400) (2018)</u></p> <p>Finding 1. Incentive Compensation Violation Empire violated incentive compensation regulations when it provided employees directly involved in the enrollment and recruitment of students with yearly increases based in part on factors that consider the employee's success in recruiting and securing enrollments. The incentive compensation violation identified in this finding is a corporate-wide issue for all schools owned and operated by EEG, Inc. Although Empire violated the incentive compensation regulation, this finding is outside the scope of borrower defense.</p>
Internal Contact(s) for Further Investigation	Jacqueline Watford and Jane Eldred
External Investigations (AG), Evidence or Litigation Related to BD	A review of publicly available information found no evidence related to Borrower Defense.
External Contact(s) for Further Investigation	N/A
External Investigations, Evidence or Litigation NOT related to BD	<p><u>Jones v. EEG, INC., 2016 WL 1572901</u></p> <p>The plaintiffs in this lawsuit allege that Empire Beauty Schools systemically charge more for student-provided cosmetology services than the cost of the materials used in providing those treatments in violation of Pennsylvania and New Jersey state law. A settlement in the case was reached in the amount of \$6,750,000.</p>
News Articles/Media	<p>REGIS TO MERGE BEAUTY SCHOOLS INTO EMPIRE EDUCATION GROUP – 2007</p> <p>The Regis Corporation entered into an agreement to merge its 51 accredited cosmetology schools into Empire Education Group. Upon completion of the transaction, Regis Corporation will own a 49 percent minority interest in Empire Education Group. https://www.sec.gov/Archives/edgar/data/716643/000110465907030693/a07-11872_1ex99.htm</p> <p>Empire Beauty School, Inc. Profile https://www.bloomberg.com/profile/company/0835269D:US</p> <p>AG Secures \$900,000 to Help Students of Online Education Company An April 2018, press release put out by the Massachusetts Office of Attorney General Maura Healey mentioned that the MA AG's office "reached a settlement with Empire Beauty, a for-profit cosmetology school with locations in Boston, Framingham, and Malden, over allegations of failing to provide job placement rates to prospective students and engaging in excessive recruitment calls."³</p>

³ I was unable to find any evidence relating to this settlement.

	https://www.mass.gov/news/ag-secures-900000-to-help-students-of-online-education-company
Name of Reviewer	Shana Metzger
Date Review Completed	08/24/2020

SUMMARY OF ALLEGATIONS AND RECOMMENDATION

Summary of Allegations Reviewed	<p>As of August 13, 2020, there were 205 Borrower Defense applications filed against the Empire Beauty School franchises, with enrollment dates ranging from 1987 to 2020. The bulk of the applicants have enrollment start dates between 2003 and 2019. While the franchises are separate entities, the allegations across the locations were similar in nature.</p> <p><u>Admissions and Urgency to Enroll:</u> Of the 205 applications, 68 borrowers raised admissions and urgency to enroll allegations. Borrowers allege that various Empire Beauty School franchises used similar sales tactics that included pressuring potential students into enrolling quickly and offering incentive programs such as a discount on tuition if the borrower enrolled right then. These claims are not the type that would warrant Borrower Defense relief absent a misrepresentation.</p> <p><u>Career Services:</u> Of the 205 applications, 99 borrowers raised career services allegations. Borrowers allege that Empire Beauty School(s) failed to assist them with job placement, placed them in externships that they believed would lead to permanent positions but did not, made false promises regarding the types of connections that Empire Beauty School had with potential employers in the community, promised to assist them with interview skills and failed to prepare them for their board certification tests. Although the allegations asserted may be relevant to Borrower Defense, the borrowers fail to provide any supporting evidence and FSA is not otherwise in possession of evidence to establish a pattern or practice of this type of misconduct.</p> <p><u>Educational Services:</u> Of the 205 applications, 94 of the borrowers' allegations discuss the quality of the education received, including misrepresentations as to the quality and qualifications of the instructors, the high turn-over rate of instructors, the student-teacher ratio being higher than promised, and the fact that the school stated that they offered state prep classes but did not. Although the allegation asserted may be relative to Borrower Defense, the borrowers fail to provide any supporting evidence and FSA is not otherwise in possession of evidence to establish a pattern or practice of this type of misconduct.</p>
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Finally, several borrowers stated additional claims including bullying, inadequate accommodations for a borrower with a learning disability, and fraudulently signing documents on behalf of the borrower. While the potential for issues of harassment, discrimination and fraud need not be ruled out, these allegations are outside a Borrower Defense determination.

Employment Prospects:

Of the 205 applications, 134 borrowers raised employment prospect allegations. Borrowers allege that Empire lied about job placement rates, employment outcomes, job placement assistance, their network of potential employers in each city, and compensation rates upon completion of their course work. In addition, some borrowers claim that the school lied to them about their ability to be gainfully employed upon graduation due to their felony convictions. Borrowers have failed to provide any supporting evidence that exhibits a pattern of practice consistent with misconduct and FSA is not otherwise in possession of evidence to establish a pattern or practice of this type of misconduct.

Program Costs and Nature of Loans:

Of the 205 applications, 124 borrowers raised employment program costs and nature of loans allegations. Borrowers allege that the amount of tuition was one amount and later found out that it was considerably more, that they were not informed about the nature of the loans or how much the program would cost, that the school did not properly explain to them the nature of the loans when they asked, and that the school told them that all equipment would be covered in the tuition but were later made to pay for them separately. These claims are not the type that would warrant Borrower Defense relief absent a misrepresentation.

Finally, several borrowers have alleged that Empire signed for, and took out, loans in their name without the borrowers' knowledge or understanding and/or lied to them about nature and amounts of the loans. In addition, parent borrowers allege that they were unaware that they were taking out loans in their own names but believed that they were co-signing for loans in their child's name. These types of allegations are consistent with possible fraudulent activity associated various Empire franchisees' loan application and management practices. However, and while the potential for fraud need not be ruled out, these allegations pertain to a false certification of loans review and therefore, are outside a Borrower Defense determination.

Transferring Credits:

Of the 205 applications, 150 borrowers raised transferring credits allegations. Borrowers allege that Empire told them that their credits earned at other institutions would transfer over or that their credits were

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	<p>transferrable. However, they do not provide any evidence of the credits' purported transferability and therefore have not provided enough evidence that exhibits a pattern of practice consistent with misconduct and FSA is not otherwise in possession of evidence to establish a pattern or practice of this type of misconduct.</p> <p><u>Other:</u> Of the 205 applications, 112 borrowers raised "other" allegations. Borrowers provided explanatory narratives relevant to their personal experiences, addressing the implications of acquiring educational debt without secure employment, commenting on the quality of their educational experience, or detailing interpersonal relationship issues. The allegations do not suggest widespread misrepresentations or violations. These claims are not the type that would warrant Borrower Defense relief absent a misrepresentation.</p>
<p>Recommended Next Steps</p>	<p>In reviewing the allegations as a whole, a number of the types of allegations asserted by the borrowers are those that are consistent with possible harassment, discriminatory, or fraudulent activity associated various Empire franchisees' loan application and management practices. However, and while the potential for harassment, discrimination and fraud need not be ruled out, these allegations are outside a Borrower Defense determination.</p> <p>With that said, most of the allegations asserted may be relevant to Borrower Defense. However, based on public information (including public records, news articles, court documents, and filings), Department of Education internal resources (FPRDs, AAASG, and OIG investigations), and the review of the claims, there is insufficient evidence to suggest that the named Empire Beauty School franchises engaged in widespread conduct of a type that would warrant borrower defense relief. In addition, the borrowers fail to provide any supporting evidence to support the allegations. Without further evidence, it is recommended that the cases be adjudicated individually. If additional evidence is discovered or received in the future, these claims may be revisited as warranted. Additionally, as there is no evidence of widespread misconduct, notice to the schools on these claims is not required.</p>
<p>Recommended Focus Area(s)</p>	<p>N/A</p>
<p>APPROVED BY:</p>	<p>Sarah Angilello</p>
<p>DATE:</p>	<p>08/24/2020 (Updated 11/22/2020)</p>
<p>Evidence Considered</p>	<p><input type="checkbox"/> Attorney Submission <input type="checkbox"/> Borrower Submission</p>



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	<input type="checkbox"/> Consumer Protection Financial Bureau (CPFB) <input type="checkbox"/> Department of Education-Office of Investigator General (OIG) <input type="checkbox"/> Documents Submitted by the school in response to your application <input type="checkbox"/> Evidence Obtained by the Department in conjunction with its regular oversight activities <input type="checkbox"/> Federal Trade Commission (FTC) <input type="checkbox"/> Department of Justice (DOJ) <input type="checkbox"/> U.S. Securities and Exchange (SEC) <input type="checkbox"/> Attorney General _____ (state) <input type="checkbox"/> Other <input type="checkbox"/> No Other Evidence Considered
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Advanced Letter Requests	<input type="checkbox"/> Standard Letter <input type="checkbox"/> Standard Letter Plus: <ul style="list-style-type: none"> •
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Links: In this section please provide the Sharepoint links to working documents and evidence reviewed. Example of items to provide links for below.

- Advanced Letter (if applicable)
- Salesforce Allegation Report
 - [Cases with Allegations Report](#)
- Program Review Report

DOE00010792-DOE00010794

Empire Beauty School Locations – Evidence Considered Protocol

Applicable to:

Empire Beauty School- See Appendix A Below
Empire Beauty School – Flagstaff (OPEID- 01180800)
Empire Beauty School – Arvada (OPEID- 02072200)
Empire Beauty School – Thornton (OPEID-02160600)
Empire Beauty School – Lakewood (OPEID-01070900)
Empire Beauty School – Littleton (OPEID-0214110)
Empire Beauty Schools – (OPEID-02179600)

Entering Evidence Considered Manually:

1. Open a case with a suggested closing correspondence value of Standard Denial with Evidence Considered in status 3.10
2. In the “Evidence Considered” field on the case select the following:
 - a. Evidence obtained by the Department in conjunction with its regular oversight activities
3. The case is now ready to process following the normal borrower notification letter creation process.

Bulk Update Options:

1. Bulk update (by work ticket to Accenture) all Empire Beauty School cases in 3.10 with the following:
 - a. In the “Evidence Considered” dropdown, select “Evidence obtained by the Department in conjunction with its regular oversight activities.”
2. Process following the normal borrower notification letter creation process.

APPENDIX A

EMPIRE BEAUTY SCHOOL - OPEIDs

	OPEID – Primary School	OPEID – Associated School
1	00757300 (14)	00757311 (1)
2	00817800 (11)	
3	00886500 (1)	
4	00902501 (1)	
5	00945900 (8)	
6	00966400 (9)	00966412(1)
7	00966500 (3)	
8	00966601 (1)	
9	00972200 (4)	00972201 (1)
10	00978300 (4)	
11	00987000 (3)	
12	01054100 (1)	
13	01054200(18)	01054208 (1) 01054210 (1)
14	01054300 (4)	01054301 (1)
15	01070900 (1)	
16	01102100 (3)	01102101 (1)
17	01102101 (1)	
18	01180800 (2)	01180802 (1)
19	01241400 (1)	
20	01260500 (1)	
21	01260600 (9)	01260601 (1) 01260602 (1) 01260610 (1) 01260613 (1)
22	01291400 (2)	
23	01291500 (1)	
24	01291600 (3)	
25	01291700 (1)	
26	01229100 (4)	
27	01301500 (2)	
28	02071900 (1)	
29	02076700 (3)	
30	02072200 (1)	
31	02079400 (11)	
32	02092200 (4)	
33	02141100 (3)	
34	02149000 (2)	
35	02149800 (2)	
36	02160600 (1)	01260613 (1)

37	02173200 (22)	
38	02176900 (1)	
39	02179600 (3)	
40	02220300 (4)	
41	02314200 (1)	
42	02324700 (4)	
43	02332100 (3)	
44	02334300 (2)	
45	02344200 (3)	
46	02345200 (1)	
47	02523100 (1)	
48	02607600 (6)	
49	03077600 (2)	

DOE00010795-DOE00010796

Initial Review of Small Batch Applications

BACKGROUND

Name of Institution	Empire Beauty School
Corporate Owner(s)	Empire Education Group
Open or Closed	Some campuses are closed
Total Number of Applications	6
Evidence/Litigation	<p>Plaintiff filed suit against the school alleging that the school “conducted wide scale telemarketing campaigns and repeatedly made unsolicited calls to consumers’ telephones- whose numbers appear on the National Do Not Call Registry- without consent, all in violation of the Telephone Consumer Protection Act.”</p> <p>http://www.classactionsreporter.com/sites/default/files/empire_education_tcpa_complaint.pdf.</p>
Name of Reviewer	Maureen Taylor
Date Review Completed	1/7/2020

SUMMARY APPLICATION OVERVIEW

BD Case Number	Evidence
01243067	Emailed Statement
01278300	Emailed Statement
01434276	Emailed Statement
01438340	Emailed Statement
01582948	Emailed Statement

RECOMMENDATION:

I recommend the claims be adjudicated because I have been unable to locate any relevant evidence in support of the borrower's allegations.

I recommend the Borrower Defense Unit investigate this school further because of the following evidence found:

[List evidence found and write a short recommendation]

As stated above, a Plaintiff filed suit against the school alleging that the school "conducted wide scale telemarketing campaigns and repeatedly made unsolicited calls to consumers' telephones- whose numbers appear on the National Do Not Call Registry- without consent, all in violation of the Telephone Consumer Protection Act." The allegations in this suit do not relate to any concerns that would suggest the school violated stated law as it pertains to enrolled students.

http://www.classactionsreporter.com/sites/default/files/empire_education_tcpa_complaint.pdf.

APPROVED BY: Alana Smith

DATE:

DOE00010818-DOE00010825



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Initial Review of Medium Batch Applications

BACKGROUND

Name of Institution and OPEID	Everglades University and Everglades College, d/b/a Keiser University ¹ 02151900
Open or Closed	Open
Date Advanced Letter Sent	
Additional Locations • Add closure date if applicable	See Attachment A -Everglades University and Everglades College Additional Locations
Corporate Owner(s)	Everglades College, Inc.
Total Number of Applications	525 (as of 7/1/2020)
Patterns of Alleged Misconduct	Everglades College currently does not have any pending litigation and BD has not identified evidence that suggests that the Everglades is participating in fraudulent or illegal activity that would support borrower defense discharges. Based on a sample of 50 applications below, the borrowers do not present evidence that indicate Everglades committed misconduct, fraud, or misrepresentations. The application narratives provide individual experiences, frustrations, or misunderstandings encountered as a customer of Everglades.
Internal ED Investigation(s) • PC, AAASG, OIG	<u>Program Compliance</u> <u>AAASG and OIG Investigations</u>
Internal Contact(s) for Further Investigation	N/A
External Investigations (AG), Evidence	Assurance of Voluntary Compliance, In the Investigation of Keiser University, et al, Case No. L10-3-1201 10/25/2012 Settlement without an admission of guilt between the State of Florida and Everglades College over Florida's Deceptive and Unfair Trade Practices Act allegations.

¹ Everglades, Inc., owns both Everglades University and Keiser University. Everglades, Inc. purchased Keiser in 2011. The 2012 Florida Attorney General Assurance of Voluntary investigated practices at both Everglades University and Keiser University from before and after the sale. Our investigation did not reveal any evidence to establish a pattern or practice of misconduct occurring at Keiser prior to the purchase, outside of the Assurance of Voluntary Compliance noted above.

or Litigation Related to BD	<p>Everglades entered into the Assurance of Voluntary Compliance (AVC) without an admission that they violated Florida's Deceptive and Unfair Trade Practices Act, or any other law, and solely for the purpose of resolution of the matter with the Attorney General. The AVC established that Everglades would implement disclosure policies in several areas, including the transfer of credits, to the extent that they were not already in place.</p> <p>Pursuant to the AVC, Everglades offered a retraining program for students who attended Everglades during the "relevant period" of 1/1/2008-10/25/2012. The AVC states that Everglades "offered this definition in a show of good faith to their former students and in recognition of the current economic climate of the United States." (AVC Section 10(a)(ii), Page 7). The Department is not in possession of any evidence from the investigation at this time and the conclusions made in this memo were reached without access to such evidence.</p>
External Contact(s) for Further Investigation	N/A
External Investigations, Evidence or Litigation NOT related to BD	<p>United States v. Everglades Coll., Inc., 855 F.3d 1279 (11th Cir. 2017) Settlement without an admission of guilt between DOJ and Everglades College over False Claims Act allegations of incentive payments to admission counselors</p> <p>Telephone Consumer Protection Act Class Action On July 28, 2016 the Broward Palm Beach New Times wrote an article about a class action suit which contended that Keiser University was using recruiters (also known as admissions counselors) to make phone calls to prospective students. The article claims that the school violated the Telephone Consumer Protection Act by doing so because the recruiters pay was incentivized based on the number of student's they were able to enroll. In a statement from the university concerning this matter, the school denied all wrongdoing.</p>
News Articles/Media	<p>https://www.prnewswire.com/news-releases/keiser-university-to-become-private-not-for-profit-university-114160804.html 1/18/2011 Everglades College, Inc., the non-profit owner of Everglades University, acquired Keiser University.</p> <p>Florida Attorney General Settlement On October 31, 2012 the Southern Florida Sun Sentinel reported a settlement between Keiser and the Florida attorney general's office. The article discusses that the settlement was the result of an investigation into the admissions practice of Keiser University regarding inaccurate enrollment information. Students made allegations that Keiser was providing misleading information about it costs, accreditation, and the transferability of its credits. The settlement agreement provides that Keiser will not admit any fault for its actions but will provide former students with free retraining, and Keiser promises that its admission counselors will not make any misrepresentations concerning the programs that the school offers.</p>

	<p>For-Profit to Non-Profit Transition</p> <p>On April 23, 2015 Michael Vasquez of the Miami Herald published an online article discussing the change of Keiser University’ status from a for -profit institution to a non-profit institution. This article avers that Keiser’s change in status was largely due to the Obama Administration’s proposal to significantly limited federal funding for career training programs that schools like Keiser University featured. The article further notes how other similarly situated schools like Keiser felt that it was appropriate to switch their status for regulatory reasons and for the public perception reasons.</p>
Name of Reviewer	Conor Kruger
Date Review Completed	07/06/20

SUMMARY OF ALLEGATIONS AND RECOMMENDATION

Summary of Allegations Reviewed	<p style="text-align: center;"><u>Application Sample:</u></p> <p>Borrower Defense reviewed a sample of 50 allegations of each allegation type to identify potential trends in the applicant pool. The enrollment dates for Everglades College range from 1990 to 2019. The narratives in the reviewed applications provide commentary on the quality of education, the transferability of credits, and frustrations arising from the attendance at the school.</p> <p style="text-align: center;"><u>Allegation Break Down</u></p> <p><u>Transferring Credits</u></p> <p>Of the 525 total applications, 272 raise a transfer of credits allegation. Of the 50 allegations in sampled applications; 26 allegations assert that Everglades specifically told Borrowers that credits were generally transferable, 10 allegations assert that Borrowers’ Everglades credits did not transfer to other institutions but make no allegation as to any representations by the school, and 7 allegations assert that Borrowers were unable or had difficulty transferring credits from other institutions into Everglades including some cases where Everglades made representations to the contrary.</p> <p>Most of the claims are from borrowers who were enrolled in Everglades before the Assurance of Voluntary Compliance (AVC) was reached on 10/25/2012. Of the 272 transfer of credits allegations, 137 are from Borrowers who attended Everglades during the “relevant period” defined in the AVC. The Everglades applications are from borrowers who attended the school over a 29-year period yet over half of the transfer of credits allegations are from the four-year period defined as the “relevant period” in the AVC. In contrast, only 45 allegations are from Borrowers who attended Everglades after the “relevant period” and the AVC was reached between Everglades and the Attorney General for the State of Florida. Although the allegations asserted are of the type that might warrant BD relief, borrowers failed to provide relevant supporting evidence with their claims and FSA is not otherwise in possession of evidence to establish a pattern or practice of this type of misconduct occurring at Everglades.</p>
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Career Services

Of the 525 total applications, 314 raise a career services allegation. Of the 50 allegations in sampled applications, 14 are of the type that might warrant BD relief, if supported by evidence. The borrowers in the sampled cases allege that they were guaranteed job placement, assistance with job placement, or that they would receive a certain wage or job. Although the allegations asserted are of the type that might warrant BD relief, borrowers failed to provide relevant supporting evidence with their claims and FSA is not otherwise in possession of evidence to establish a pattern or practice of this type of misconduct occurring at Everglades.

Employment Prospects

Of the 525 total applications, 357 raise an employment allegation. Of the 50 allegations in sampled applications, 20 are of the type that might warrant BD relief, if supported by evidence. The borrowers allege that Everglades representatives lied about job placement assistance, employment outcomes, and the school's relationship with employers. The allegations made in the Employment Prospects claims are quite similar to and/or overlap with those made in the Career Services allegations and many of the allegations in both sections are made by the same borrowers. Borrowers in the sampled cases allege that they were guaranteed job placement, assistance with job placement, or that they would receive a certain wage or job. There are a similar number of Employment Prospect and Career Services throughout the total number of cases and the two have similar rates of relevant cases. Although the allegations asserted are of the type that might warrant BD relief, borrowers failed to provide relevant supporting evidence with their claims and FSA is not otherwise in possession of evidence to establish a pattern or practice of this type of misconduct occurring at Everglades.

Program Cost and Nature of Loans

Of the 525 total applications, 370 raise a program cost allegation. Of the 50 allegations in sampled cases, 14 are of the type that might warrant BD relief, if supported by evidence. Most of the claims allege that Everglades lied about the cost of attendance, did not properly explain the cost of attendance, or lied about the amount of financial assistance a borrower would receive. A few borrowers allege that they were not informed of payments they would have to make while still enrolled at Everglades. Although the allegations asserted are of the type that might warrant BD relief, borrowers failed to provide relevant supporting evidence with their claims and FSA is not otherwise in possession of evidence to establish a pattern or practice of this type of misconduct occurring at Everglades.

Educational Services

Of the 525 total applications, 250 raise an educational services allegation. Of the 50 allegations in sampled cases, 16 are of the type that might warrant BD relief, if supported by evidence. The allegations that are of the type that might warrant BD relief are those that allege that they were misled as to the school's accreditation or certification. The borrowers' allegations discuss the quality of the education received, including opinions on the qualifications of instructors, the availability of externships, and the quality of the curriculum. These claims are not the type that would warrant relief absent a misrepresentation.

	<p><u>Admissions and Urgency to Enroll Admissions</u> Of the 525 total applications, 305 raise an admissions allegation. Several borrowers allege that recruiters stated that there were a limited number of spaces filling up quickly and if the borrower failed to sign up that they would have to wait an extended period before enrolling. These claims are not the type that would warrant relief absent a misrepresentation.</p> <p><u>Other</u> Of the 525 total applications, 278 raise an “other” allegation. Of the 50 allegations in sampled cases, 2 are of the type that might warrant BD relief, if supported by evidence. These borrowers provided explanatory narratives relevant to their experiences with accreditation, litigation involving the schools, fees associated with the school. Although the allegations asserted are of the type that might warrant BD relief, borrowers failed to provide relevant supporting evidence with their claims and FSA is not otherwise in possession of evidence to establish a pattern or practice of this type of misconduct occurring at Everglades.</p> <p><u>Job Placement Rate</u> Of the 525 total applications, 2 raise a “job placement rate” allegation, both of which are of the type that might warrant BD relief, but are not supported by evidence.</p>
Recommended Next Steps	<p>The transfer of credits allegations suggest a pattern of misconduct relating to representations of the transferability of credits to and from Everglades; however, the borrowers do not provide any evidence of a pattern and FSA is not in possession of evidence from external investigations to corroborate the allegations.</p> <p>Accordingly, it is recommended that the cases be adjudicated using the standard protocol.</p>
Recommended Focus Area(s)	N/A
APPROVED BY:	Sarah Angilello
DATE:	07/27/20

Evidence Considered	<ul style="list-style-type: none"> <input type="checkbox"/> Attorney Submission <input type="checkbox"/> Borrower Submission <input type="checkbox"/> Consumer Protection Financial Bureau (CPFB) <input type="checkbox"/> Department of Education-Office of Investigator General (OIG) <input type="checkbox"/> Documents Submitted by the school in response to your application <input type="checkbox"/> Evidence Obtained by the Department in conjunction with its regular oversight activities <input type="checkbox"/> Federal Trade Commission (FTC) <input type="checkbox"/> Department of Justice (DOJ) <input type="checkbox"/> U.S. Securities and Exchange (SEC) <input type="checkbox"/> Attorney General _____ (state)
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	<input type="checkbox"/> Other: Assurance of Voluntary Compliance, In the Investigation of Keiser University, et al, Case No. L10-3-1201 <input type="checkbox"/> No Other Evidence Considered
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Advanced Letter Requests	Standard Letter: <input type="checkbox"/> N/A
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Links: (In this section please provide the Sharepoint links to working documents and evidence reviewed. Example of items to provide links for below.)

- [Salesforce Allegation Report](#)
- [Assurance of Voluntary Compliance, In the Investigation of Keiser University, et al, Case No. L10-3-1201](#)

Attachment A- Everglades University and Everglades College Additional Locations

3108500 Everglades University
3108502 Everglades University - Maitland
3108504 Everglades University - Miami
3108503 Everglades University - Tampa
3108501 Everglades University - Sarasota
02151900 Keiser University
02151901 Keiser University - Melbourne Campus
02151902 Keiser University - Tallahassee Campus
02151903 Keiser University - Sarasota Campus
02151904 Keiser University - Daytona Beach
02151905 Keiser College - Daytona Beach Campus
02151906 Keiser University – Lakeland
02151907 Keiser University - Sarasota SCTI Fire Academy
02151908 Keiser University - Miami Campus
02151909 Keiser University - Orlando
02151910 Keiser University – Jacksonville
02151911 Keiser University - Pt St Lucie
02151912 Keiser University - West Palm Beach
02151913 Keiser University - Pembroke Pine
02151914 Keiser University – Tampa
02151915 Keiser University – Miami
02151916 Keiser University - PSL – COG
02151917 Keiser University - Ft Myers
02151918 Keiser University - Tallahassee Additional Classrooms
02151919 Keiser University - San Marcos Nicaragua
02151920 Keiser University – Clearwater
02151921 Keiser University – NPR
02151922 Keiser University - Flagship (Residential)

02151923 Keiser University - Patrick Air Force Base

02151924 Keiser University – Naples

DOE00010834-DOE00010834

Everglades College, Inc. – Evidence Considered Protocol

Applicable to:

Everglades College
Everglades University
Keiser University

Entering Evidence Considered Manually:

1. Open a case with a suggested closing correspondence value of Standard Denial with Evidence Considered in status 3.10
2. In the “Evidence Considered” field on the case select the following:
 - a. Evidence obtained by the Department in conjunction with its regular oversight activities
3. In the “Other Evidence” field on the case input the following:
 - a. [nothing is needed to be entered into this field for Everglades College, Inc.]
4. The case is now ready to process following the normal borrower notification letter creation process.

Bulk Update Options:

Bulk update (by work ticket to Accenture) all Everglades College, Inc. cases in 3.10 with the following:

- a. In the “Evidence Considered” dropdown, select “Evidence obtained by the Department in conjunction with its regular oversight activities.”
2. Process following the normal borrower notification letter creation process.

DOE00010870-DOE00010870

Florida Career College – Evidence Considered Protocol

Applicable to:

Florida Career College

Entering Evidence Considered Manually:

1. Open a case with a suggested closing correspondence value of Standard Denial with Evidence Considered in status 3.10
2. In the “Evidence Considered” field on the case select the following:
 - a. Evidence obtained by the Department in conjunction with its regular oversight activities
3. In the “Other Evidence” field on the case input the following:
 - a. Britt v. IEC d.b.a. Florida Career College (S.D. Fla, April 20, 2020)
 - b. Ortiz v. IEC Corporation (S.D.Fla-Miami, May 15, 2019)
4. The case is now ready to process following the normal borrower notification letter creation process.

Bulk Update Options:

Bulk update (by work ticket to Accenture) all Florida Career College cases in 3.10 with the following:

- a. In the “Evidence Considered” dropdown, select “Evidence obtained by the Department in conjunction with its regular oversight activities.”
 - b. In the “Other Evidence” field on input the following:
 - i. Britt v. IEC d.b.a. Florida Career College (S.D. Fla, April 20, 2020)
 - ii. Ortiz v. IEC Corporation (S.D.Fla-Miami, May 15, 2019)
2. Process following the normal borrower notification letter creation process.

DOE00010871-DOE00010874



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Initial Review of Medium Batch Applications

BACKGROUND

Name of Institution and OPEID	Florida Career College 02305800
Open or Closed	Open
Additional Locations • Add closure date if applicable	Florida Career College Campus Locations
Corporate Owner(s)	International Education Corporation -2014 to present Anthem Education Group-2012-2014
Total Number of Applications	As of May 1, 2020, there are 374 applications.
Patterns of Alleged Misconduct	Based on a sample of 30 applications, the borrowers do not present evidence that indicate Florida Career Colleges (FCC) committed overt or repetitive misconduct, fraud, or misrepresentation. The application narratives provide individual experiences, frustrations, or misunderstandings encountered as a student of FCC. Additionally, although some of the allegations asserted may be relevant to Borrower Defense, the borrowers fail to provide any supporting evidence and FSA is not otherwise in possession of evidence to establish a pattern or practice of this type of misconduct.
Internal ED Investigation(s) • PC, AAASG, OIG	<p><u>Program Compliance</u> After review, Borrower Defense found no past or pending Final Program Review Determinations (FRPD).</p> <p><u>AAASG and OIG Investigations</u> On March 14, 2013, OIG published a ROI against two campuses of Florida Career College as part of a larger operation investigating fraudulent production of high school diplomas and misrepresentation of high school graduate status amongst for-profit universities. The report indicated that both the Lauderdale Lakes and Pembroke Pines campuses of FCC were involved in these practices.</p> <p><u>OGC/DOJ</u> After review, Borrower Defense found no past or pending OGC/DOJ investigations.</p>
Internal Contact(s) for Further Investigation	None.
External Investigations (AG), Evidence or Litigation Related to BD	Former students filed a lawsuit alleging that the school promised job placement, high salaries, and career services assistance, but failed to deliver on the promises. ¹ The complaint also alleges the school engaged in predatory admissions practices and targeted minorities for enrollment. The case remains pending.

¹ Britt v. IEC d.b.a. Florida Career College (S.D. Fla. April 20, 2020).

	Former Campus Program Manager at FCC – Miami filed a qui tam alleging FCC knowingly falsified: attendance and retention records, student grades, class schedules, delayed student withdrawals all to receive Title IV funding. Additionally, she claims that FCC induced students to enroll through misrepresentation by telling non-English speaking students that proficiency in English was not an obstacle, knowingly enrolled students without high school diplomas or the equivalent, and awarded incentive pay to admissions officials. The lawsuit was dismissed. ²
External Contact(s) for Further Investigation	None.
External Investigations, Evidence or Litigation NOT related to BD	Former employees file class action lawsuit alleging discrimination by the school based on race and national origin, failure to pay lawful overtime compensation, and wrongful terminated of employment. ³ Legal complaint filed by former students alleged that FCC failed to provide students with a safe environment and failed to properly control and discipline allegedly dangerous students as well as warning students of these allegedly dangerous students after a student was injured by another student at the school.
News Articles/Media	Articles discussing a raid conducted by the FBI against two campuses of Florida Career College in 2012. Undercover agents found that FCC employees were forging high school diplomas and telling prospective students to lie about their high school diploma statuses. NPR published an article on May 8, 2020 summarizing the Britt v. IEC Corporation complaint regarding misrepresentations related to employment prospects.
Name of Reviewer	Ashley Bykerk
Date Review Completed	5/8/2020

SUMMARY OF ALLEGATIONS AND RECOMMENDATION

Summary of Allegations Reviewed	<p>Borrower Defense reviewed a sample of 30 allegations for each of the seven allegation types to identify potential trends and/or salient information provided by the applicant pool.</p> <p><u>Allegation Type: Employment Prospects</u></p> <p>295 out of 374 applications make allegations regarding employment prospects. Of the allegations sampled, the most common concern promises of job upon program completion. Others allege challenges with obtaining employment after completion of their programs. A couple allegations claim that the school advertised the availability of licensing programs, yet the students failed to obtain necessary licenses after completing the program. Although the allegations asserted may be relevant to Borrower Defense, the borrowers fail to provide any supporting evidence and FSA is not otherwise in possession of evidence to establish a pattern or practice of this type of misconduct.</p>
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² Ortiz v. IEC Corporation (S.D. Fla. May 15, 2019).

³ Metayer v. IEC US Holdings, Inc. et al., 0:18-CV-60545 (S.D. Fla. March 13, 2018).

Allegation Type: Program Cost and Nature of Loans

261 out of 374 applications make allegations regarding program cost and nature of loans. Of the allegations sampled, the most common concern the school's failure to explain the price of education and the types of loan/grant/scholarship options available. Some of the borrowers also allege that they were told that they could pay off their loans interest free within a certain period after graduation. Although the allegations asserted may be relevant to Borrower Defense, the borrowers fail to provide any supporting evidence and FSA is not otherwise in possession of evidence to establish a pattern or practice of this type of misconduct.

Allegation Type: Transferring Credits

213 out of 374 applications make allegations regarding transfer of credits. These allegations generally allege misrepresentations regarding the transferability of credits earned at the school. Although the allegations asserted may be relevant to Borrower Defense, the borrowers fail to provide any supporting evidence and FSA is not otherwise in possession of evidence to establish a pattern or practice of this type of misconduct.

Allegation Type: Career Services

232 out of 374 applications make allegations regarding career services. Of the allegations sampled, the most common allege that the school promised jobs or assistance with finding employment even though borrowers were later unable to find employment. Although the allegations asserted may be relevant to Borrower Defense, the borrowers fail to provide any supporting evidence and FSA is not otherwise in possession of evidence to establish a pattern or practice of this type of misconduct.

Allegation Type: Educational Services

203 out of 374 applications make allegations regarding educational services. Of the allegations sampled, the most common concern overall dissatisfaction with the quality of education. Many borrowers alleged misrepresentations regarding the availability and nature of externships, and others claim that the education provided did not adequately prepare them to work in their intended fields. Although some of the allegations asserted may be relevant to Borrower Defense, the borrowers fail to provide any supporting evidence and FSA is not otherwise in possession of evidence to establish a pattern or practice of this type of misconduct.

Allegation Type: Admissions and Urgency to Enroll

225 out of 374 applications make allegations regarding the admissions process. Of the allegations sampled, borrowers primarily alleged that they were rushed during the enrollment process and were generally made to feel that spots were limited. These claims are not of the type that would warrant BD relief absent a misrepresentation.

Allegation Type: Other

248 out of 374 applications make allegations in the other category. Of the allegations sampled, the most common allegations elaborate on frustrations with the school. Many of these allegations mention FBI activity related to the school and the closures of specific campuses. These claims are not of the type that would warrant BD relief absent a misrepresentation.

Recommended Next Steps	Based on our search for public information (including public records, news articles, court documents and filings), Department of Education internal resources (FRPDs, AASG, and OIG investigations), and the sampling of claims, there is insufficient evidence of widespread misconduct by Florida Career College to warrant further investigation. As such, it is recommended the cases be adjudicated. ⁴ Additionally, as there is no evidence of widespread misconduct, notice to the school on these claims is not required.
Recommended Focus Area(s)	None.
APPROVED BY:	Alana Smith
DATE:	5/8/2020

Evidence Considered	<input type="checkbox"/> Attorney Submission <input type="checkbox"/> Borrower Submission <input type="checkbox"/> Consumer Protection Financial Bureau (CPFB) <input checked="" type="checkbox"/> Department of Education-Office of Investigator General (OIG) <input type="checkbox"/> Documents Submitted by the school in response to your application <input type="checkbox"/> Evidence Obtained by the Department in conjunction with its regular oversight activities <input type="checkbox"/> Federal Trade Commission (FTC) <input type="checkbox"/> Department of Justice (DOJ) <input type="checkbox"/> U.S. Securities and Exchange (SEC) <input type="checkbox"/> Attorney General _____ (state) <input type="checkbox"/> Other <input type="checkbox"/> No Other Evidence Considered
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Advanced Letter Requests	<input type="checkbox"/> Standard Letter <input type="checkbox"/> Standard Letter Plus: <ul style="list-style-type: none"> •
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Links:

- [Salesforce Allegations Report](#)
- [Florida Career College Campus Locations](#)

⁴ The Borrower Defense Unit will monitor the progress of Britt vs. IEC Corporation. Should evidence arise that would change the final recommendation, the Borrower Defense Unit will revisit these claims.

DOE00010957-DOE00010957

Galiano Career Academy – Evidence Considered Protocol

Applicable to:

Galiano Career Academy

Entering Evidence Considered Manually:

1. Open a case with a suggested closing correspondence value of Standard Denial with Evidence Considered in status 3.10
2. In the “Evidence Considered” field on the case select the following:
 - a. Evidence obtained by the Department in conjunction with its regular oversight activities
3. In the “Other Evidence” field on the case input the following:
 - a. [nothing is needed to be entered into this field]
4. The case is now ready to process following the normal borrower notification letter creation process.

Bulk Update Options:

1. Bulk update (by work ticket to Accenture) all **Galiano Career Academy** cases in 3.10 with the following:
 - a. In the “Evidence Considered” dropdown, select “Evidence obtained by the Department in conjunction with its regular oversight activities.”
2. Process following the normal borrower notification letter creation process.

DOE00010963-DOE00010966

Initial Review of Mid-Size Batch Applications**BACKGROUND**

Name of Institution and OPEID	Galiano Career Academy 03866300
Open or Closed	Closed (7/9/2010)
Date Advanced Letter Sent	N/A (Closed)
Additional Locations • Add closure date if applicable	N/A
Corporate Owner(s)	Anthony Galiano
Total Number of Applications	As of September 3, 2020, there are 0 applications already adjudicated and 42 applications awaiting adjudication.
Patterns of Alleged Misconduct	Galiano Career Academy does not have any current litigation pending. Based on a sample of 10 allegations of each category, the borrowers do not present evidence that indicates Galiano Career Academy committed overt or repetitive misconduct, fraud, or misrepresentations. The application narratives provide individual experiences, frustrations, or issues encountered as a customer of Galiano Career Academy. Additionally, although some of the allegations asserted may be relevant to Borrower Defense, the borrowers fail to provide any supporting evidence and FSA is not otherwise in possession of evidence to establish a pattern or practice of this type of misconduct.
Internal ED Investigation(s) • PC, AAASG, OIG	<u>Program Compliance</u> A program review was conducted in 2009, however, none of the findings were relevant to borrower defense. <u>AAASG and OIG Investigations</u> Borrower Defense found no past or pending AAASG or OIG investigations. <u>OGC/DOJ</u> Borrower Defense found no past or pending OGC/DOJ investigations.
Internal Contact(s) for Further Investigation	N/A
External Investigations (AG), Evidence or Litigation Related to BORROWER DEFENSE	A review of publicly available information found no evidence related to Borrower Defense.
External Contact(s) for Further Investigation	N/A
External Investigations, Evidence or Litigation	N/A

NOT related to BORROWER DEFENSE	
News Articles/Media	<p>Galiano Career Academy enrolled numerous students in Federal Student Aid through false certification violations.</p> <ul style="list-style-type: none"> • Former President Of Galiano Career Academy Agrees To Plead Guilty To Theft Of Federal Funds, Obstruction, And Aggravated Identity Theft. • Former President Of Galiano Career Academy Sentenced For Theft Of Federal Funds, Obstruction Of A Federal Audit, And Aggravated Identity Theft <p>Former Director of the Galiano Career Academy, Michael Gagliano, used Columbus academy, a high school “diploma mill” owned and operated by his wife to make students eligible for federal student aid when they otherwise would not have been qualified. Investigations found Gagliano used the name and social security number of students to collect student aid even after the students left the institution. Gagliano was ultimately sentenced to four years in prison in addition to court ordered restitution and a money judgment of the proceeds of the charged criminal conduct.</p>
Name of Reviewer	Robert Martin
Date Review Completed	9/4/2020

SUMMARY OF ALLEGATIONS AND RECOMMENDATION

Summary of Allegations Reviewed	<p style="text-align: center;"><u>Summary of Allegations</u></p> <p>Borrower Defense reviewed a sample of 10 allegations of each category outlined below to identify potential trends and/or salient information provided by the applicant pool. The enrollment dates for the applicant pool range from August 1, 2004 through February 1, 2012, with most applicants having enrollment dates between 2007 and 2009. The narrative allegations include complaints relating to: (i) false certification claims; (ii) being told credits could be used to further education; and (iii) job placement promises.</p> <p style="text-align: center;"><u>Employment Prospects:</u></p> <p>Based on 10 allegations reviewed, borrowers allege that the institution would provide job placement and the borrower would be able to find a job within their field. The borrowers additionally provide allegations of false certification and allude to law suits unrelated to Borrower Defense. Although the allegations asserted may be relevant to Borrower Defense, the borrowers fail to provide any supporting evidence and FSA is not otherwise in possession of evidence to establish a pattern or practice of this type of misconduct. Additionally, while the potential for fraud need not be ruled</p>
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out, these allegations pertain to a false certification of loans and therefore, are outside a Borrower Defense determination.

Program Costs and Nature of Loans:

Based on the 10 allegations reviewed, borrowers most commonly allege that that the institution provided misleading information on the cost of education and reference the president's illegal activity mentioned above in News Articles/Media. These claims are not of the type that would warrant Borrower Defense relief absent a misrepresentation. Additionally, while the potential for fraud need not be ruled out, these allegations pertain to a false certification of loans and therefore, are outside a Borrower Defense determination.

Transferring Credits:

Based on the 10 allegations reviewed, borrowers most commonly allege that the institution misrepresented that its credits would transfer, and borrowers could further their education. Although the allegations asserted may be relevant to Borrower Defense, the borrowers fail to provide any supporting evidence and FSA is not otherwise in possession of evidence to establish a pattern or practice of this type of misconduct.

Career Services:

Based on the 10 allegations reviewed, borrowers most commonly allege that the institution misrepresented its relationship with employers in the field and the guarantee of employment. Although the allegations asserted may be relevant to Borrower Defense, the borrowers fail to provide any supporting evidence and FSA is not otherwise in possession of evidence to establish a pattern or practice of this type of misconduct.

Educational Services:

Based on the 10 allegations reviewed, borrowers most commonly allege that the institution promised externship opportunities and failed to provide them. Additionally, borrowers report that school pushed students through without high school diplomas. Although the allegations asserted may be relevant to Borrower Defense, the borrowers fail to provide any supporting evidence and FSA is not otherwise in possession of evidence to establish a pattern or practice of this type of misconduct.

Admissions and Urgency to Enroll:

Based on the 10 allegations reviewed, borrowers most commonly allege that the institution rushed through the process and used pressure sales tactics to induce enrollment. These claims are not of the type that would warrant Borrower Defense relief absent a misrepresentation.

Other:

Based on the 10 allegations reviewed, borrowers most commonly reference the fraud and illegal schemes undertaken by the institution's owner and

	president. While the potential for fraud need not be ruled out, these allegations pertain to a false certification of loans and therefore, are outside a Borrower Defense determination.
Recommended Next Steps	Based on our search for public information (including public records, news articles, court documents and filings), Department of Education internal resources (FRPDs, AASG, and OIG investigations), and the sampling of claims, there is insufficient evidence of widespread misconduct Galiano Career Academy to warrant further investigation. If additional evidence is discovered or received in the future, these claims may be revisited as warranted. As such, it is recommended the cases be adjudicated.
Recommended Focus Area(s)	
APPROVED BY:	Kathryn Johnson
DATE:	September 6, 2020 (updated November 23, 2020)

Evidence Considered	<input type="checkbox"/> Attorney Submission <input type="checkbox"/> Borrower Submission <input type="checkbox"/> Consumer Protection Financial Bureau (CPFB) <input type="checkbox"/> Department of Education-Office of Investigator General (OIG) <input type="checkbox"/> Documents Submitted by the school in response to your application <input type="checkbox"/> Evidence Obtained by the Department in conjunction with its regular oversight activities <input type="checkbox"/> Federal Trade Commission (FTC) <input type="checkbox"/> Department of Justice (DOJ) <input type="checkbox"/> U.S. Securities and Exchange (SEC) <input type="checkbox"/> Attorney General _____ (state) <input type="checkbox"/> Other <input type="checkbox"/> No Other Evidence Considered
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Advanced Letter Requests	<input type="checkbox"/> Standard Letter <input type="checkbox"/> Standard Letter Plus: <ul style="list-style-type: none"> •
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Links: In this section please provide the Sharepoint links to working documents and evidence reviewed. Example of items to provide links for below.

- [Salesforce Allegation Report](#)

DOE00011006-DOE00011008

Initial Review of Medium Batch Applications

BACKGROUND

Name of Institution	Grantham University
Corporate Owner(s)	Grantham Education Corporation
Open or Closed	Open
Total Number of Applications	19
Patterns of Alleged Misconduct	Unmet Promises for Transferring Credits including Transferring In
Evidence/Litigation	None relevant to potential BD claims (Some claims about deceptive practices in recruiting. Article here: https://www.republicreport.org/2018/ftc-shuts-down-for-profit-college-recruiters-posing-as-u-s-military/)
Name of Reviewer	Kendrick D. Holley
Date Review Completed	8/29/19

SUMMARY APPLICATION OVERVIEW

BD Case Number	School/Campus listed on App	Program(s)	Year of Enrollment	Nature of Allegation(s)	Evidence
01254560	Grantham University – Lenexa, KS	Business Administration IT (Bachelor)	2017	Program Cost and Nature of Loans	Application
01294729	Grantham University – Lenexa, KS	Undecided	2013	Employment Prospects Program Cost and Nature of Loans Transferring Credits Career Services Educational Services Admissions and Urgency to Enroll	Application
01294744	Grantham	Criminal Justice	2016	Employment	Application

	University – Lenexa, KS	(Bachelor)(From Program & Credentials. No CCI Data or Program on Application)		Prospects Program Cost and Nature of Loans Transferring Credits Career Services Educational Services Admissions and Urgency to Enroll	
01385404	Grantham University – Lenexa, KS	Medical Billing and Coding (AS)	2013	Employment Prospects Other	Application
01413045	Grantham University – Lenexa, KS	Business Administration (Master)	2004	Employment Prospects Program Cost and Nature of Loans Transferring Credits Admissions and Urgency to Enroll	Application
01424356	Grantham University – Lenexa, KS	Business	2016	Other	Application
01428730	Grantham University – Lenexa, KS	Multidisciplinary Studies Engineering Management Technology (Bachelor)	2009	Employment Prospects Transferring Credits Career Services Educational Services Admissions and Urgency to Enroll Other	Application
01432443	Grantham University – Lenexa, KS	Medical Billing (AS)	2012	Employment Prospects Transferring Credits Admissions and Urgency to Enroll Other	Application
01437194	Grantham	Business	2014	Transferring	Application

	University – Lenexa, KS	Administration (AS)		Credits	
01478151	Grantham University – Lenexa, KS	Medical Billing and Coding (AAS)	2015	Employment Prospects Program Cost and Nature of Loans Transferring Credits Career Services Admissions and Urgency to Enroll Other	Application

RECOMMENDATION:

After reviewing the sample of students above from Grantham University there were not many recurring themes present. The one that showed up several times in the sample was the challenge students were facing transferring their credits elsewhere. Several claim that the transferability of their credits was guaranteed by the school prior to, or, during their enrollment and when they attempted to exercise this benefit, they were outwardly denied. In one case, a student claims Grantham University promised them that they would be able to transfer their credits in after attending a different school prior to Grantham University, only to have their credits rejected after they enrolled. There were also several other individual claims that were notable, but too infrequent to claim they are a trend. For example, one applicant claimed they were guaranteed a job at graduation, while another claims that the school excessively garnished loan payments without consent from the student, and yet another claims that their credentials to attend the school were accepted and then rejected midway through the academic year after already taking classes and paying the full tuition. The claims about credit transferability seem to be frequent enough to evaluate further, but with no lawsuits, commonality among the programs or enrollment year, or evidence or supporting documents supporting this claim, it is difficult to see a way forward with those claims. Due to the lack of prevalent theme for these individual claims and lack of evidence for the transferability claims, I recommend that further investigation is not necessary.

APPROVED BY: John Stephenson

DATE: 9/3/2019

DOE00011207-DOE00011209

Initial Review of Mid-Size Batch Applications**BACKGROUND**

Name of Institution and OPEID	Institute for Business & Technology 02128300
Open or Closed	Open
Date Advanced Letter Sent	N/A
Additional Locations • Add closure date if applicable	02128301 – National Career Education 02129302 – Lamson Institute
Corporate Owner(s)	Institute for Business and Technology, Inc. - Mikhail Education Corporation o Mikhail Family Partnership ▪ Peter Mikhail ▪ Sally M. Bemis Note: Between June 1985 and December 2004, National Career Education (a subsidiary of Delta Career Education Corporation) owned Institute for Business and Technology. Institute of Business and Technology falls outside of the scope for Borrower Defense’s investigation into Delta Career Education Corporation and therefore is subject to this independent investigation.
Total Number of Applications	As of September 9, 2020, there are applications 28 already adjudicated and five applications awaiting adjudication.
Internal ED Investigation(s) • PC, AAASG, OIG	<u>Program Compliance</u> Program reviews were conducted in 1994, 2002, and 2010, however, none of the findings were relevant to borrower defense. <u>AAASG and OIG Investigations</u> Borrower Defense found no past or pending AAASG or OIG investigations. <u>OGC/DOJ</u> Borrower Defense found no past or pending OGC/DOJ investigations.

Internal Contact(s) for Further Investigation	N/A
External Investigations (AG), Evidence or Litigation Related to BORROWER DEFENSE	A review of publicly available information found no evidence related to Borrower Defense. If additional evidence is discovered or received in the future, these claims may be revisited as warranted. As such, it is recommended the cases be adjudicated.
External Contact(s) for Further Investigation	N/A
Name of Reviewer	Robert Martin
Date Review Completed	9/10/2020

Recommended Next Steps	Based on our search for public information (including public records, news articles, court documents and filings) and Department of Education internal resources (FRPDs, AASG, and OIG investigations), there is insufficient evidence of widespread misconduct by Institute for Business & Technology to warrant further investigation. If additional evidence is discovered or received in the future, these claims may be revisited as warranted. As such, it is recommended the cases be adjudicated. Additionally, as there is no evidence of widespread misconduct, notice to the school on these claims is not required.
Recommended Focus Area(s)	N/A
APPROVED BY:	Ashley Ogbonna
DATE:	09/10/2020 (updated November 20, 2020)

Evidence Considered	<input type="checkbox"/> Attorney Submission <input type="checkbox"/> Borrower Submission <input type="checkbox"/> Consumer Protection Financial Bureau (CPFB) <input type="checkbox"/> Department of Education-Office of Investigator General (OIG) <input type="checkbox"/> Documents Submitted by the school in response to your application <input checked="" type="checkbox"/> Evidence Obtained by the Department in conjunction with its regular oversight activities <input type="checkbox"/> Federal Trade Commission (FTC) <input type="checkbox"/> Department of Justice (DOJ) <input type="checkbox"/> U.S. Securities and Exchange (SEC) <input type="checkbox"/> Attorney General _____ (state)
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	<input type="checkbox"/> Other <input type="checkbox"/> No Other Evidence Considered
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Advanced Letter Requests	<input type="checkbox"/> Standard Letter <input type="checkbox"/> Standard Letter Plus: •
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Links: In this section please provide the Sharepoint links to working documents and evidence reviewed. Example of items to provide links for below.

- Salesforce Allegation Report
- Program Review Report

DOE00011254-DOE00011254

Iverson Institute – Evidence Considered Protocol

Applicable to:

Iverson Institute

Entering Evidence Considered Manually:

1. Open a case with a suggested closing correspondence value of Standard Denial with Evidence Considered in status 3.10
2. In the “Evidence Considered” field on the case select the following:
 - a. Evidence obtained by the Department in conjunction with its regular oversight activities
3. In the “Other Evidence” field on the case input the following:
 - a. [nothing is needed to be entered into this field for Iverson Institute]
4. The case is now ready to process following the normal borrower notification letter creation process.

Bulk Update Options:

Bulk update (by work ticket to Accenture) all Iverson Institute cases in 3.10 with the following:

- a. In the “Evidence Considered” dropdown, select “Evidence obtained by the Department in conjunction with its regular oversight activities.”
2. Process following the normal borrower notification letter creation process.

DOE00011259-DOE00011263



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Initial Review of Mid-Size Batch Applications

BACKGROUND

Name of Institution and OPEID	Iverson Institute a.k.a Iverson Business School and Court Reporting 02580100
Open or Closed	Open
Date Advanced Letter Sent	N/A
Additional Locations • Add closure date if applicable	02580101 - Iverson Institute – Chamblee, GA; Open 02580102 - Iverson Business School and Court Reporting – Arlington, TX; Closed (9/27/2013)
Corporate Owner(s)	Level 1 – Silicon Valley, Inc. (100%) Level 2 – Akber Mithani (100%)
Total Number of Applications	As of May 5, 2020, there are 19 applications.
Patterns of Alleged Misconduct	
Internal ED Investigation(s) • PC, AAASG, OIG	<p><u>Program Compliance</u></p> <p>The Department of Education conducted a program review and published its Final Program Review Determination of the Iverson Institute on November 23, 2016. The Final Program Review Determination included the following findings with final determinations:</p> <ul style="list-style-type: none"> - Students enrolled in unapproved programs received Title IV funds in violation of 34 C.F.R. § 600.20 (c)(3) and 34 C.F.R. § 600.20 (f). - Iverson Institute failed to keep current records of its administration of the Title IV program, including its disbursements and delivery of funds, in violation of 34 C.F.R. § 668.16 and 668.24. -Iverson Institute failed to pay credit balances to students in violation of 34 C.F.R. § 668.164(e)(1)&(2). -Iverson Institute enrolled students without a high school diploma or its recognized equivalent in violation of 34 C.F.R. § 668.32(a)(2)(e)(1). <p>Additionally, the program review notes Iverson’s provision certificate was revoked on October 15, 2014 and that the institution is no longer eligible to participate in the Title IV program.</p>

	The above findings do not relate to BD and do not warrant further investigation. AAASG: N/A OIG: N/A
Internal Contact(s) for Further Investigation	N/A
External Investigations (AG), Evidence or Litigation Related to BD	Azlin, et al. v. Silicon Valley, Inc., Civil Action No. 4:08-cv-000284-Y (April 30, 2008). Twenty-three named plaintiffs alleged claims against the defendant, Silicon Valley, Inc., d/b/a Iverson Business School, for violations of the Texas Deceptive Trade Practices Act and breach of contract. Plaintiffs alleged that Iverson Business School made misrepresentations regarding employment prospects, career services, transferring credits, and educational services that induced them to enroll in the school. The parties settled out of court and the defendant was required to pay the plaintiffs pursuant to the settlement agreement. - Given that the parties settled out of court and the allegations in the complaint are too vague to evidence any misconduct by the school, <i>see Plaintiff's Original Petition</i> at 3-4, this complaint does not provide sufficient evidence to substantiate the BD applicants' allegations nor does it warrant further investigation since there is no additional information.
External Contact(s) for Further Investigation	N/A
External Investigations, Evidence or Litigation NOT related to BD	Lowery v. Iverson Institute, 13M31539 (Ga. Magistrate Court, filed July 29, 2013). This was a small civil suit decided in favor of the defendant, Iverson Institute. There is nothing about this case that suggests it is related to Borrower Defense.
News Articles/Media	N/A
Name of Reviewer	Jacob Jarred
Date Review Completed	5/5/2020

SUMMARY OF ALLEGATIONS AND RECOMMENDATION

Summary of Allegations Reviewed	<p style="text-align: center;"><u>Summary of Allegations</u></p> <p>There are 19 applications as of May 5, 2020 against Iverson Institute. The borrowers asserting these claims were enrolled from as early as 1992 to as late as 2015. Ten claims, or the number of claims submitted for each type of allegation if less than ten, were reviewed for each type of allegation. Allegations included:</p> <p style="text-align: center;"><u>Career Services</u></p>
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Of the 19 applications submitted, 11 applicants made allegations regarding career services. The borrowers claims relating to career services are unsubstantiated, inconsistent with one another, and/or do not demonstrate a pattern of misconduct by the school. For example, two borrowers in a sample of ten claimed that the school offered career services that it did not follow through with. One of these borrowers describes an admissions person telling him that the school conducted annual job fairs though it did not,¹ while the other borrower describes reaching out for promised career services and not receiving any.² Although the allegations asserted may be relevant to Borrower Defense, the borrowers fail to provide any supporting evidence and FSA is not otherwise in possession of evidence to establish a pattern or practice of this type of misconduct.

Transferring Credits

Of the 19 applications submitted, nine applicants made allegations regarding transferring credits. Five borrowers in a sample of nine claimed that they were promised their credits could transfer to another university despite that they could not.³ Although the allegations asserted may be relevant to Borrower Defense, the borrowers fail to provide any supporting evidence and FSA is not otherwise in possession of evidence to establish a pattern or practice of this type of misconduct.

Admissions and Urgency to Enroll

Of the 19 applications submitted, 13 applicants made allegations regarding admissions and urgency to enroll. The claims include allegations that the school offered discounted rates on admission for immediate enrollment,⁴ that there were limited spots to enroll,⁵ that Iverson Institute offered a unique program,⁶ and that Iverson Institute was the cheapest option for its programs.⁷ None of the borrowers sampled provided relevant supporting evidence. The borrowers allegations alone do not provide support for misconduct relevant to borrower defense.

Other

There is a group of claims brought by borrowers against Iverson Institute that is not actionable under the BD regulation. Three borrowers claimed that they spoke to an admissions person regarding whether or not it would be an issue that they did not have a high school diploma or its equivalent. They were promised that they would earn their diploma through Iverson Institute. After enrolling, the school did nothing to assist these borrowers in getting their

¹ Salesforce Allegations Report, Case Number 01998533.

² Salesforce Allegations Report, Case Number 01245392.

³ Salesforce Allegations Report, Case Numbers 01402997, 01533519, 01998533, 01583044, 02134170.

⁴ Salesforce Allegations Report, Case Number 01402997.

⁵ Salesforce Allegations Report, Case Number 01379110.

⁶ Salesforce Allegations Report, Case Number 01432499.

⁷ Salesforce Allegations Report, Case Number 01533519.

	diplomas. ⁸ However, while the potential for fraud need not be ruled out, these allegations are outside a Borrower Defense determination.
Recommended Next Steps	Based on our search for public information (including public records, news articles, court documents and filings), Department of Education internal resources (FRPDs, AASG, and OIG investigations), and the sampling of claims, there is insufficient evidence of widespread misconduct Iverson Institute to warrant further investigation. If additional evidence is discovered or received in the future, these claims may be revisited as warranted. As such, it is recommended the cases be adjudicated using the standard protocol. The claims generally do not demonstrate a pattern of misconduct by the school. Furthermore, there is no evidence to support the claims. Though <i>Azlin, et al. v. Silicon Valley, Inc.</i> seems like it might support some of the borrowers' claims, it was settled out of court and provides no evidence to that end. It is also worth noting that none of the plaintiffs in that lawsuit are BD applicants. Additionally, as there is no evidence of widespread misconduct, notice to the school on these claims is not required.
Recommended Focus Area(s)	N/A
APPROVED BY:	Sarah Angilello
DATE:	05/12/20 (updated November 21, 2020)

Evidence Considered	<input type="checkbox"/> Attorney Submission <input type="checkbox"/> Borrower Submission <input type="checkbox"/> Federal Trade Commission <input type="checkbox"/> Department of Justice <input type="checkbox"/> Securities and Exchange Commission <input type="checkbox"/> Attorney General _____ (state) <input type="checkbox"/> Consumer Financial Protection Bureau <input checked="" type="checkbox"/> ED - FSA/OIG <input type="checkbox"/> Other
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Advanced Letter Requests	<input type="checkbox"/> Standard Letter <input type="checkbox"/> Standard Letter Plus: <ul style="list-style-type: none"> •
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Links: In this section please provide the Sharepoint links to working documents and evidence reviewed. Example of items to provide links for below.

- [Salesforce Allegation Report](#)
- [Program Review Report](#)

⁸ Salesforce Allegations Report, Claim Numbers 01404124, 01604926, 02136104.

DOE00011330-DOE00011330

Keller Graduate School of Management – Evidence Considered Protocol

Applicable to:

Keller Graduate School of Management

Entering Evidence Considered Manually:

1. Open a case with a suggested closing correspondence value of Standard Denial with Evidence Considered in status 3.10
2. In the “Evidence Considered” field on the case select the following:
 - a. Evidence obtained by the Department in conjunction with its regular oversight activities
3. The case is now ready to process following the normal borrower notification letter creation process.

Bulk Update Options:

1. Bulk update (by work ticket to Accenture) all Keller Graduate School of Management cases in 3.10 with the following:
 - a. In the “Evidence Considered” dropdown, select “Evidence obtained by the Department in conjunction with its regular oversight activities.”
2. Process following the normal borrower notification letter creation process.

DOE0001131-00011340



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Initial Review of Medium Batch Applications

BACKGROUND

Name of Institution and OPEID	Keller Graduate School of Management – 02075400; 12075400
Open or Closed	Open
Additional Locations • Add closure date if applicable	See Attachment A – Keller Graduate School of Management Locations ¹
Corporate Owner(s)	DeVry Education Group Inc. DeVry/New York Inc. After December 5, 2017: Adtalem Global Education, Inc.
Total Number of Applications	810 applications as of April 2, 2020
Patterns of Alleged Misconduct	Patterns of alleged misconduct include misrepresentations of employment prospects and transferring of credits/school accreditation.
Class Issue or Singular	Class issue
Internal ED Investigation(s) • PC, AAASG, OIG	N/A
Internal Contact(s) for Further Investigation	N/A
External Investigations (AG), Evidence or Litigation Related to BD	<ul style="list-style-type: none"> • <u>Lindberg et al v. Adtalem Global Education Inc. f/k/a DeVry Education Group, Inc. and DeVry University, Inc.</u>² – The plaintiffs of the suit were enrolled in Keller Graduate School of Management. The plaintiffs contend that DeVry University and Keller Graduate School of Management “made deceptive representations about the benefits of obtaining a degree from DeVry University and Keller Graduate School of Management” in violation of Texas state law. The Lindberg case was consolidated with the Rangel v. Adtalem and DeVry University, Inc. case because the allegations against DeVry and Keller were

¹ See Attachment A: Keller Graduate School of Management Locations.

² *Lindberg et al v. Adtalem Global Education Inc. f/k/a DeVry Education Group, Inc. and DeVry University, Inc.*, Case No. 18-cv-649, W. D. TX; <https://www.truthinadvertising.org/wp-content/uploads/2018/08/Lindberg-v-Adtalem-Global-Education-complaint.pdf>; <https://vetsedsuccess.org/wp-content/uploads/2018/10/texas-students-lawsuit-devry.pdf>; <https://www.courtlistener.com/docket/7302337/lindberg-v-adtalem-global-education-inc/>

	<p>identical. Plaintiffs refiled and consolidated, and the Rangel v. Adtalem and DeVry University, Inc.³ case is currently pending.⁴</p> <ul style="list-style-type: none"> • <u>Pierce v. DeVry Education Group</u>⁵ - On March 30, 2016, the plaintiff filed a case against DeVry University, Keller Graduate School of Management. The plaintiff alleged that DeVry made deceptive representations about the school accreditation, transferability of the credits, and job placement rates in violation of New Jersey state laws. The case was settled by the parties on December 21, 2016. This case has a pending borrower defense application.
External Contact(s) for Further Investigation	N/A
External Investigations, Evidence or Litigation NOT related to BD	N/A
News Articles/Media	N/A
Name of Reviewer	Nastashia Matos
Date Review Completed	04/03/2020

SUMMARY OF ALLEGATIONS AND RECOMMENDATION

Summary of Allegations Reviewed	<p style="text-align: center;">Application Summary:⁶</p> <p>Borrower defense reviewed a sample of 50 allegations for each allegation category to identify potential trends in the applicant pool. As of April 2, 2020, there are 810 borrower applications for the Keller Graduate School of Management. The most common allegations are employment prospects and transferring of credits/school accreditation. Many of the allegations regard misrepresentations or omissions made by the school, but borrowers have not provided relevant supporting evidence to support their allegations.</p> <p style="text-align: center;">Allegation Break Down:</p> <p><u>Employment Prospects: 649 allegations</u> Out of 50 sampled allegations, 34 of the 50 made employment prospect allegations that might warrant BD relief, if supported by evidence. The borrowers allege that Keller guaranteed jobs, that they were told career services would place them in a</p>
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³<https://usdedeop.sharepoint.com/teams/FSA/zdo%20not%20use/Forms/AllItems.aspx?id=%2Fteams%2FFSA%2Fzdo%20not%20use%2FBorrower%20Defense%20Team%2FInvestigations%2FMid%2DSize%2FIn%20Progress%2FNastashia%2FKeller%20Graduate%20School%20of%20Managment%2FConsolidated%2DAmended%20Rangel%20v%2E%20Adtalem%20Complaint%2Epdf&parent=%2Fteams%2FFSA%2Fzdo%20not%20use%2FBorrower%20Defense%20Team%2FInvestigations%2FMid%2DSize%2FIn%20Progress%2FNastashia%2FKeller%20Graduate%20School%20of%20Managment>; Luis Rangel, et al. v. Adtalem Global Education, Inc. and DeVry University, Inc., Civil Action No. 5:18-cv-0082-DAE.

⁴ Attachment B: Plaintiffs of the Rangel Case with a Pending Borrower Defense Application.

⁵ <https://www.courtlistener.com/docket/13352609/peirce-v-devry-education-group/>; Borrower Defense case no. 01252100.

⁶ See Attachment C: Keller Graduate School of Management Summary of Application Overview

job after graduation, that they were offered job placement, and that 90% of DeVry graduates obtain a job within 6 months from the date of graduation. There was insufficient commonality of campus and/or time period to suggest a pattern that warrants further investigation, and the borrowers failed to provide relevant supporting evidence to establish these allegations of misrepresentation.

Program Cost and Nature of Loans: 426 allegations

Out of 50 sampled allegations, only 12 made allegations that might warrant BD relief, if supported by evidence. Those borrowers stated that Keller misrepresented the total cost of the program when the borrower was told a certain amount but was charged another. There was insufficient commonality of campus and/or time period to suggest a pattern that warrants further investigation, and the borrowers failed to provide relevant supporting evidence to establish these allegations of misrepresentation.

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Out of 50 sampled allegations, 31 made allegations that might warrant BD relief, if supported by evidence. The borrowers allege that Keller misrepresented the nature of their accreditation and the transferability of credits. There was insufficient commonality of campus and/or time period to suggest a pattern that warrants further investigation, and the borrowers failed to provide relevant supporting evidence to establish these allegations of misrepresentation.

Career Services: 574 allegations

Out of 50 sampled allegations, 30 made career services allegations that might warrant BD relief, if supported by evidence. The borrowers allege that Keller misrepresented the nature and availability career services, job placement ability and offered job placement, and that 90% of Keller graduates obtain a job within 6 months from the date of graduation. There was insufficient commonality of campus and/or time period to suggest a pattern that warrants further investigation, and the borrowers failed to provide relevant supporting evidence to establish these allegations of misrepresentation.

Educational Services: 327 allegations

Out of 50 sampled allegations, only 2 made educational services allegations that might warrant BD relief. The educational service allegations were that borrowers were promised tutoring services, and that the school represented that professors who taught the classes were IT experts. The borrowers failed to provide relevant supporting evidence to establish these allegations of misrepresentation.

Admissions and Urgency to Enroll: 343 allegations

After sampling 50 allegations, none of the allegations were the type to warrant borrower defense relief. Additionally, borrowers failed to provide relevant supporting evidence for these allegations.

	<p><u>Other: 421 allegations</u> After sampling 50 allegations, only 2 out of the 50 made allegations that might warrant BD relief, alleging promises of a job and misrepresenting accreditation by DeVry University/Keller Graduate School of Management. The other allegations reference the FTC settlement with DeVry; none of the applicants' state that they were involved in the suit or benefited from the suit.</p>
Recommended Next Steps	<p>Based on our search for public information (including public records, news articles, court documents and filings), Department of Education internal resources (FRPDs, AASG, and OIG investigations), and the sampling of claims, there is insufficient evidence of widespread misconduct by Keller Graduate School of Management to warrant further investigation, with the possible exception of the borrowers listed on Attachment B (discussed below). Additionally, as there is no evidence of widespread misconduct, notice to the school on these claims is not required.</p> <p>BD recommends that the cases be adjudicated using the standard protocol, with the exception of the Rangel plaintiffs identified in Attachment B. The cases identified in Attachment B should be set aside, and the applicants contacted by Investigations.</p>
Recommended Focus Area(s)	N/A
APPROVED BY:	Michael Page
DATE:	4/24/2020

Evidence Considered	<ul style="list-style-type: none"> <input type="checkbox"/> Attorney Submission <input type="checkbox"/> Borrower Submission <input type="checkbox"/> Evidence Obtained by the Department in conjunction with its regular oversight activities <input type="checkbox"/> Federal Trade Commission <input type="checkbox"/> Department of Justice <input type="checkbox"/> Securities and Exchange Commission <input type="checkbox"/> Attorney General _____ (state) <input type="checkbox"/> Consumer Financial Protection Bureau <input type="checkbox"/> ED - FSA/OIG <input type="checkbox"/> Other
----------------------------	--

Attachment A:

Keller Graduate School of Management Locations

OPE ID	Location	Status
02075400	Downers Grove, IL	Open
02075401	Phoenix, AZ	Open
02075402	Kansas City, MO	Open
02075403	Milwaukee, WI	Open
02075404	Schaumburg, IL	Open
02075405	Naperville, IL	Open
02075406	Lincolnshire, IL	Open
02075407	Tinley Park, IL	Open
02075408	Kansas City, MO	Open
02075409	Mesa, AZ	Open
02075410	Elgin, IL	Open
02075411	Waukesha, WI	Open
02075412	Saint Louis, MO	Open
02075413	Decatur, GA	Open
02075414	Atlanta, GA	Closed: 2/7/2013
02075415	Long Beach, CA	Open
02075416	Pomona, CA	Open
02075417	Manassas, VA	Open
02075418	Chicago, IL	Open
02075419	Merrillville, IN	Open
02075420	St, Louis, MO	Closed: 5/29/2007
02075421	San Diego, CA	Open
02075422	San Jose, CA	Closed: 02/27/2007
02075423	Atlanta, GA	Closed: 11/22/1999
02075424	Atlanta, GA	Open
02075425	Fremont, CA	Open
02075426	Alpharetta, GA	Open
02075427	Irvine, CA	Open
02075428	Fremont, CA	Closed: 08/10/2000
02075429	Tampa, FL	Open
02075430	Orlando, FL	Open
02075431	Phoenix, AZ	Open
02075432	Arlington, VA	Open
02075433	Chicago, IL	Open
02075434	Sherman Oaks, CA	Open
02075435	Broomfield, CO	Closed: 07/01/2004
02075436	Miami, FL	Open
02075437	Bethesda, MD	Open
02075438	Columbus, OH	Open
02075439	Orlando, FL	Open
02075440	Bellevue, WA	Open
02075441	Irving, TX	Open
02075442	Duluth, GA	Open
02075443	Cleveland, OH	Closed: 8/6/2008
02075444	Federal Way, WA	Open

02075445	Oakland, CA	Open
02075446	Columbus, OH	Open
02075447	Houston, TX	Open
02075448	Charlotte, NC	Open
02075449	Fort Washington, PA	Open
02075450	King of Prussia, PA	Open
02075451	Colorado Springs, CO	Open
02075452	Richardson, TX	Open
02075453	Miramar, FL	Open
02075454	Atlanta, GA	Open
02075455	Long Island City, NY	Closed: 1/25/2012
02075456	New York, NY	Open
02075457	Beachwood, OH	Closed: 8/13/2003
02075458	Indianapolis, IN	Open
02075459	Pittsburgh, PA	Open
02075460	Portland, OR	Open
02075461	Henderson, NV	Open
02075462	Independence, OH	Open
02075463	Gurnee, IL	Open
02075464	Philadelphia, PA	Open
02075465	Atlanta, GA	Open
02075466	Atlanta, GA	Closed: 2/7/2013
02075467	Westminster, CO	Open
02075468	Fort Lauderdale, FL	Open
02075469	Fort Worth, TX	Open
02075470	Greenwood Village, CO	Open
02075471	Elk Grove, CA	Open
02075472	Austin, TX	Open
02075473	Edina, MN	Open
02075474	Stockbridge, GA	Open
02075475	St. Louis Park, MN	Closed: 6/29/2012
02075476	San Antonio, TX	Open
02075477	Morrisville, NC	Open
02075478	Fresno, CA	Open
02075479	Cincinnati, OH	Open
02075480	Oklahoma City, OK	Open
02075481	Houston, TX	Open
02075482	Colton, CA	Open
02075483	Sandy, UT	Open
02075484	Dayton, OH	Open
02075485	Memphis, TN	Open
02075486	Tampa, FL	Open
02075487	Jacksonville, FL	Open
02075488	San Jose, CA	Open
02075489	Nashville, TN	Open
02075490	Chesapeake, VA	Open

02075491	Southfield, MI	Open
02075492	Bakersfield, CA	Open
02075493	Palmdale, CA	Open
02075494	Louisville, KY	Open
02075495	Paramus, NJ	Open
02075496	Daly City, CA	Open
02075497	Alhambra, CA	Open
02075498	Anaheim, CA	Open
02075499	Chicago, IL	Open
12075400	Glendale, AZ	Open
12075401	North Brunswick, NJ	Open
12075402	Cedar Hill, TX	Closed: 2/7/2013
12075403	Sugar Land, TX	Open
12075404	Rego Park, NY	Open
12075405	Oxnard, CA	Open
12075406	Lynnwood, WA	Open
12075407	Cranberry, PA	Closed: 2/8/2012
12075408	Cherry Hill, NJ	Open

Attachment B:
Plaintiffs of the Rangel Case with a Pending Borrower Defense Application

Luis Rangel, et al. v. Adtalem Global Education, Inc. and DeVry University, Inc.,
Civil Action No. 5:18-cv-0082-DAE.

Case No.	Name	Status
01498515	Christina Cabello	Open
01258902	Elisabeth Nguyen	Open
01378809	Christal Turner	Open
01497289	Martin Oloyede	Open
01536610	Nathalie A. Yeka	Open
01357947	Tristen Keith Wilson	Open
01395834	Emmanuel T. Makari	Open
01373933	Victor P. Sekgantso	Open
01325018	Candance D. Smith	Open
02028380	Alan Ta	Open
01483392	Sharonda Monique' Ford	Open
01464123	Jayson R. Fox	Open
01376523	Courtney Frazier	Open
02105111	Nathaniel Jones	Open
01467302	Derrick Milan Keith	Open
01404956	Andres Orlando Salazar	Open
01372594	Scott Anthony Sullivan	Open
01379962	Sean Monyese Williams	Open
01478559	Richard A Shaw	Open
01411595	Heather M. Emmons	Open
01240869	Ruben A. Espinoza	Open
01376578	Barrie Bergans	Open
01375978	David Michael Corvin	Open
01607080	Bobby Garza	Closed
01383764	Kevin Michael Guest	Open
01367463	Teneika L. Tillis	Open
01376566	Billy Jerome Morris	Open
01306556	Eddie Silas	Open
01403434	Tuwandra L. Harris	Open
01904328	Joshua A Palczynsky	Open
01527803	Ebony R. Ijeh	Open

Attachment C:

[Keller Graduate School of Management Application Sample Overview](#)

Supplemental Complaint

Exhibit Index

Bates Stamped Documents

Documents appear in this order, with Bates-Numbered Slip-Sheets Between them. The documents are cited **by Bates Number** in the Supplemental Complaint.

Document Order	Bates Range	Document Title / Identifier
61.	DOE00011396-DOE00011403	Lacy Cosmetology School Memo
62.	DOE00011421	Lawton School Memo
63.	DOE00011426-DOE00011429	Lawton School Memo
64.	DOE00011569-DOE00011570	Masters of Cosmetology Memo
65.	DOE00011572-DOE00011574	Mattia College Memo
66.	DOE00011608-DOE00011609	Meridian University Memo
67.	DOE00011644-DOE00011647	Micropower Career Institute Memo
68.	DOE00011707-DOE00011711	Missouri Technical School Memo
69.	DOE00011746-DOE00011752	Morris Brown College Memo
70.	DOE00011761-DOE00011765	Mountain State Univ. Memo
71.	DOE00011953-DOE00011956	Ohio Media School Memo
72.	DOE00012087-DOE00012088	Pinnacle Career Institute Memo
73.	DOE00012245-DOE00012248	Remington College Memo
74.	DOE00012388-DOE00012389	San Diego College Memo
75.	DOE00012560-DOE00012561	Southwest Memo
76.	DOE00012629-DOE00012633	Stenotype Institute of Jacksonville Memo

77.	DOE00012658	Strayer Memo
78.	DOE00012664-DOE00012668	Strayer Memo
79.	DOE00012673-DOE000012675	Suburban Technical School Memo
80.	DOE00012822-DOE00012824	Touro College memo

DOE00011331-DOE00011340



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Initial Review of Medium Batch Applications

BACKGROUND

Name of Institution and OPEID	Keller Graduate School of Management – 02075400; 12075400
Open or Closed	Open
Additional Locations • Add closure date if applicable	See Attachment A – Keller Graduate School of Management Locations ¹
Corporate Owner(s)	DeVry Education Group Inc. DeVry/New York Inc. After December 5, 2017: Adtalem Global Education, Inc.
Total Number of Applications	810 applications as of April 2, 2020
Patterns of Alleged Misconduct	Patterns of alleged misconduct include misrepresentations of employment prospects and transferring of credits/school accreditation.
Class Issue or Singular	Class issue
Internal ED Investigation(s) • PC, AAASG, OIG	N/A
Internal Contact(s) for Further Investigation	N/A
External Investigations (AG), Evidence or Litigation Related to BD	<ul style="list-style-type: none"> • <u>Lindberg et al v. Adtalem Global Education Inc. f/k/a DeVry Education Group, Inc. and DeVry University, Inc.</u>² – The plaintiffs of the suit were enrolled in Keller Graduate School of Management. The plaintiffs contend that DeVry University and Keller Graduate School of Management “made deceptive representations about the benefits of obtaining a degree from DeVry University and Keller Graduate School of Management” in violation of Texas state law. The Lindberg case was consolidated with the Rangel v. Adtalem and DeVry University, Inc. case because the allegations against DeVry and Keller were

¹ See Attachment A: Keller Graduate School of Management Locations.

² Lindberg et al v. Adtalem Global Education Inc. f/k/a DeVry Education Group, Inc. and DeVry University, Inc., Case No. 18-cv-649, W. D. TX; <https://www.truthinadvertising.org/wp-content/uploads/2018/08/Lindberg-v-Adtalem-Global-Education-complaint.pdf>; <https://vetsedsuccess.org/wp-content/uploads/2018/10/texas-students-lawsuit-devry.pdf>; <https://www.courtlistener.com/docket/7302337/lindberg-v-adtalem-global-education-inc/>

	<p>identical. Plaintiffs refiled and consolidated, and the Rangel v. Adtalem and DeVry University, Inc.³ case is currently pending.⁴</p> <ul style="list-style-type: none"> • <u>Pierce v. DeVry Education Group</u>⁵ - On March 30, 2016, the plaintiff filed a case against DeVry University, Keller Graduate School of Management. The plaintiff alleged that DeVry made deceptive representations about the school accreditation, transferability of the credits, and job placement rates in violation of New Jersey state laws. The case was settled by the parties on December 21, 2016. This case has a pending borrower defense application.
External Contact(s) for Further Investigation	N/A
External Investigations, Evidence or Litigation NOT related to BD	N/A
News Articles/Media	N/A
Name of Reviewer	Nastashia Matos
Date Review Completed	04/03/2020

SUMMARY OF ALLEGATIONS AND RECOMMENDATION

Summary of Allegations Reviewed	<p style="text-align: center;">Application Summary:⁶</p> <p>Borrower defense reviewed a sample of 50 allegations for each allegation category to identify potential trends in the applicant pool. As of April 2, 2020, there are 810 borrower applications for the Keller Graduate School of Management. The most common allegations are employment prospects and transferring of credits/school accreditation. Many of the allegations regard misrepresentations or omissions made by the school, but borrowers have not provided relevant supporting evidence to support their allegations.</p> <p style="text-align: center;">Allegation Break Down:</p> <p><u>Employment Prospects: 649 allegations</u> Out of 50 sampled allegations, 34 of the 50 made employment prospect allegations that might warrant BD relief, if supported by evidence. The borrowers allege that Keller guaranteed jobs, that they were told career services would place them in a</p>
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⁶ See Attachment C: Keller Graduate School of Management Summary of Application Overview

job after graduation, that they were offered job placement, and that 90% of DeVry graduates obtain a job within 6 months from the date of graduation. There was insufficient commonality of campus and/or time period to suggest a pattern that warrants further investigation, and the borrowers failed to provide relevant supporting evidence to establish these allegations of misrepresentation.

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Out of 50 sampled allegations, only 12 made allegations that might warrant BD relief, if supported by evidence. Those borrowers stated that Keller misrepresented the total cost of the program when the borrower was told a certain amount but was charged another. There was insufficient commonality of campus and/or time period to suggest a pattern that warrants further investigation, and the borrowers failed to provide relevant supporting evidence to establish these allegations of misrepresentation.

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Out of 50 sampled allegations, 31 made allegations that might warrant BD relief, if supported by evidence. The borrowers allege that Keller misrepresented the nature of their accreditation and the transferability of credits. There was insufficient commonality of campus and/or time period to suggest a pattern that warrants further investigation, and the borrowers failed to provide relevant supporting evidence to establish these allegations of misrepresentation.

Career Services: 574 allegations

Out of 50 sampled allegations, 30 made career services allegations that might warrant BD relief, if supported by evidence. The borrowers allege that Keller misrepresented the nature and availability career services, job placement ability and offered job placement, and that 90% of Keller graduates obtain a job within 6 months from the date of graduation. There was insufficient commonality of campus and/or time period to suggest a pattern that warrants further investigation, and the borrowers failed to provide relevant supporting evidence to establish these allegations of misrepresentation.

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After sampling 50 allegations, none of the allegations were the type to warrant borrower defense relief. Additionally, borrowers failed to provide relevant supporting evidence for these allegations.

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Recommended Focus Area(s)	N/A
APPROVED BY:	Michael Page
DATE:	4/24/2020

Evidence Considered	<ul style="list-style-type: none"> <input type="checkbox"/> Attorney Submission <input type="checkbox"/> Borrower Submission <input type="checkbox"/> Evidence Obtained by the Department in conjunction with its regular oversight activities <input type="checkbox"/> Federal Trade Commission <input type="checkbox"/> Department of Justice <input type="checkbox"/> Securities and Exchange Commission <input type="checkbox"/> Attorney General _____ (state) <input type="checkbox"/> Consumer Financial Protection Bureau <input type="checkbox"/> ED - FSA/OIG <input type="checkbox"/> Other
----------------------------	--

Attachment A:

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OPE ID	Location	Status
02075400	Downers Grove, IL	Open
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02075405	Naperville, IL	Open
02075406	Lincolnshire, IL	Open
02075407	Tinley Park, IL	Open
02075408	Kansas City, MO	Open
02075409	Mesa, AZ	Open
02075410	Elgin, IL	Open
02075411	Waukesha, WI	Open
02075412	Saint Louis, MO	Open
02075413	Decatur, GA	Open
02075414	Atlanta, GA	Closed: 2/7/2013
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02075416	Pomona, CA	Open
02075417	Manassas, VA	Open
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02075419	Merrillville, IN	Open
02075420	St, Louis, MO	Closed: 5/29/2007
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02075425	Fremont, CA	Open
02075426	Alpharetta, GA	Open
02075427	Irvine, CA	Open
02075428	Fremont, CA	Closed: 08/10/2000
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02075431	Phoenix, AZ	Open
02075432	Arlington, VA	Open
02075433	Chicago, IL	Open
02075434	Sherman Oaks, CA	Open
02075435	Broomfield, CO	Closed: 07/01/2004
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02075450	King of Prussia, PA	Open
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02075453	Miramar, FL	Open
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02075481	Houston, TX	Open
02075482	Colton, CA	Open
02075483	Sandy, UT	Open
02075484	Dayton, OH	Open
02075485	Memphis, TN	Open
02075486	Tampa, FL	Open
02075487	Jacksonville, FL	Open
02075488	San Jose, CA	Open
02075489	Nashville, TN	Open
02075490	Chesapeake, VA	Open

02075491	Southfield, MI	Open
02075492	Bakersfield, CA	Open
02075493	Palmdale, CA	Open
02075494	Louisville, KY	Open
02075495	Paramus, NJ	Open
02075496	Daly City, CA	Open
02075497	Alhambra, CA	Open
02075498	Anaheim, CA	Open
02075499	Chicago, IL	Open
12075400	Glendale, AZ	Open
12075401	North Brunswick, NJ	Open
12075402	Cedar Hill, TX	Closed: 2/7/2013
12075403	Sugar Land, TX	Open
12075404	Rego Park, NY	Open
12075405	Oxnard, CA	Open
12075406	Lynnwood, WA	Open
12075407	Cranberry, PA	Closed: 2/8/2012
12075408	Cherry Hill, NJ	Open

Attachment B:
Plaintiffs of the Rangel Case with a Pending Borrower Defense Application

Luis Rangel, et al. v. Adtalem Global Education, Inc. and DeVry University, Inc.,
Civil Action No. 5:18-cv-0082-DAE.

Case No.	Name	Status
01498515	Christina Cabello	Open
01258902	Elisabeth Nguyen	Open
01378809	Christal Turner	Open
01497289	Martin Oloyede	Open
01536610	Nathalie A. Yeka	Open
01357947	Tristen Keith Wilson	Open
01395834	Emmanuel T. Makari	Open
01373933	Victor P. Sekgantso	Open
01325018	Candance D. Smith	Open
02028380	Alan Ta	Open
01483392	Sharonda Monique' Ford	Open
01464123	Jayson R. Fox	Open
01376523	Courtney Frazier	Open
02105111	Nathaniel Jones	Open
01467302	Derrick Milan Keith	Open
01404956	Andres Orlando Salazar	Open
01372594	Scott Anthony Sullivan	Open
01379962	Sean Monyese Williams	Open
01478559	Richard A Shaw	Open
01411595	Heather M. Emmons	Open
01240869	Ruben A. Espinoza	Open
01376578	Barrie Bergans	Open
01375978	David Michael Corvin	Open
01607080	Bobby Garza	Closed
01383764	Kevin Michael Guest	Open
01367463	Teneika L. Tillis	Open
01376566	Billy Jerome Morris	Open
01306556	Eddie Silas	Open
01403434	Tuwandra L. Harris	Open
01904328	Joshua A Palczynsky	Open
01527803	Ebony R. Ijeh	Open

Attachment C:

[Keller Graduate School of Management Application Sample Overview](#)

DOE00011396-DOE00011403

Initial Review of Mid-Size Batch Applications

BACKGROUND

Name of Institution and OPEID	Lacy Cosmetology School 03513300
Open or Closed	Closed – 3/11/2014
Date Advanced Letter Sent	N/A
Additional Locations • Add closure date if applicable	03513301 – Lacy Cosmetology School – Lexington, SC (closed 3/11/2014) 03513302 – Lacy Cosmetology School – Goose Creek, SC (closed 3/11/2014) 03513303 – Lacy Cosmetology School – Charleston, SC (closed 3/11/2014)
Corporate Owner(s)	Lacy School of Cosmetology LLC (100%) • Ernest J Lacy (100% owner of Lacy School of Cosmetology LLC)
Total Number of Applications	As of October 20, 2020, there is one application already adjudicated and 48 applications awaiting adjudication.
Patterns of Alleged Misconduct	Lacy Cosmetology School does not have any current litigation pending. Based on a sample of ten allegations of each category, the borrowers do not present evidence that indicates Lacy Cosmetology School committed overt or repetitive misconduct, fraud, or misrepresentations. The application narratives provide individual experiences, frustrations, or issues encountered as a customer of Lacy Cosmetology School. Although some of the allegations asserted may be relevant to Borrower Defense, the borrowers fail to provide any supporting evidence and FSA is not otherwise in possession of evidence to establish a pattern or practice of this type of misconduct. Additionally, while the potential for fraud need not be ruled out, some allegations pertain to a false certification of loans and therefore, are outside a Borrower Defense determination.
Internal ED Investigation(s) • PC, AAASG, OIG	<u>Program Compliance</u> In 2011, the Department conducted a Program Review at Lacy Cosmetology School, the Final Program Review Determination (“FPRD”) was issued January 6, 2015. The FPRD consisted of 18 findings, one of which is relevant to Borrower Defense - finding 8: Ineligible Program. The FPRD identified that LCS

	<p>disbursed Pell grant funds to a student in an Advanced Cosmetology Program, which was an ineligible program.¹</p> <p>Lacy Cosmetology School disputed the finding arguing the Advanced Cosmetology program was within the scope of its training and that it has both state and accrediting agency approval. Additionally, LCS stated that it did not have to update the Eligibility Certification Approval Report (“ECAR”)² until its next normal recertification process.</p> <p>Lacy Cosmetology School’s provisional program participation agreement (“PPA”)³ at the time of program review was provisionally certified and because of the provisional status the school is required to obtain approval from the Department before disbursing Title IV funds to students enrolled in a new education program. Lacy Cosmetology School failed to submit a report of all students that were disbursed Title IV funds while enrolled in the Advanced Cosmetology program beginning with the 2009-2010 award year through the current award year. The Department determined that all funds disbursed to the students in question for the 2009-2010 and 2010-2011 award years are a liability. The Department determined that all funds distributed to students during the award years 2009-2010 and 2010-2011 were unlawfully distributed for students enrolled in the advanced cosmetology program and the funds should be returned to the Department.</p> <p><u>AAASG and OIG Investigations</u></p> <p>As a result of the 2011 program review determinations, a letter was sent from the Department to Lacy Cosmetology School revoking Lacy Cosmetology School’s provisional program participation agreement (PPA effective March 7, 2014). The revocation occurred due to the discovery of Lacy Cosmetology School’s non-compliance with Department regulations. Specifically, the letter identified that the revocation of Lacy Cosmetology School. PPA was due to the findings of the</p>
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¹ A file review of all students enrolled in the advanced cosmetology program was requested by the department and was never completed by LCS.

² An Eligibility Certification Approval Report or ECAR is a Department report that indicates what programs are authorized to receive Title IV funds. The ECAR contains the most critical of the data elements that form the basis of the school’s approval and also a list of the highest level of offering, any nondegree program or short-term programs, and any additional location that have been approved for SFA programs.

³ Institutions must enter into a program participation agreement with the department to obtain Title IV funds. Each PPA executed by an institution includes an agreement by the Institution to comply with the terms and conditions that the institution must meet to participate in the Title IV program. Compliance with a PPA and the incorporated regulations and statutes is a condition of participation and payment for Title IV funds. An Institution that makes a request to draw Title IV funds certifies that it will disburse the funds in compliance with the PPA.

	<p>program review conducted in 2011 that included Finding 8 of the PRR. Finding 8 stated that Lacy Cosmetology School was offering and disbursing Title IV funds to students enrolled in an unapproved program, Advanced Cosmetology.</p> <p><u>OGC/DOJ</u> Borrower Defense found no past or pending OGC/DOJ investigations.</p>
<p>Internal Contact(s) for Further Investigation</p>	<p>Lauren Pope</p>
<p>External Investigations (AG), Evidence or Litigation Related to BORROWER DEFENSE</p>	<p>United States ex rel. Mayers v. Lacy Sch. of Cosmetology, LLC, No. 1:13-CV-00218-JMC, 2015 WL 8665345 (D.S.C. Dec. 14, 2015)</p> <p>United States District Court, D. South Carolina, Aiken Division granted Plaintiff's Motion for Default Judgment against Lacy School of Cosmetology and Earnest Lacy for violation of the False Claims Act. Plaintiffs' claims included defendant's misappropriation of FSA funds, making unauthorized disbursements of FSA funds, failing to refund student credit balances, and concealing the fraud by falsifying records and submitting false statements of compliance to the Department. The lawsuit and included claims are not relevant to Borrower Defense or are claims or allegations of false certification of loans and are outside the scope of a Borrower Defense determination.</p> <p>Complaint & Demand for Jury Trial, United States ex rel. Mayers v. Lacy Sch. of Cosmetology, (2013) (CA No. 1:13-cv-00218-JMC).</p> <p>The complaint, filed by the plaintiff Shawn Mayers on behalf of himself and the United States of America, includes counts for discrimination based on race, creating false documents and records, stealing unearned Title IV funds, receiving payment of federal funds in exchange for pirated textbooks, and retaliation. The lawsuit and included claims are not relevant to Borrower Defense or are claims or allegations of false certification of loans and are outside the scope of a Borrower Defense determination.</p> <p>Intervenor Complaint, United States ex rel. Mayers v. Lacy Sch. Of Cosmetology, (2015) (CA NO: 1:13-cv-00218-JMC).</p>

	<p>The intervenor complaint, filed by the United States of America, includes counts for presenting false claims, making false statements and records, reverse false claims, payment by mistake of fact, unjust enrichment, and conversion.</p> <p>The intervenor complaint included examples of the defendants' false statements and claims including the following: (1) Defendants engaged in a scheme to defraud the government by receiving federal program funding they would not otherwise have been entitled to; (2) Each time the Defendants obtained federal funds from the G5 system⁴, they certified compliance with program requirements.; (3) Defendants' Falsely represented that they were complying with the program participation agreements⁵ when in fact they were not; (4) Defendants' false statements in signing the program participation agreements induced the government to allow LSC to participate and be eligible to apply for Title IV funds. Additionally, the complaint alleged that LSC failed to properly disburse Student Credit Balances and converted funds, made false documents, records, and statements in connection with the Departments' program review, LSC wrongly spent Title IV funds on ineligible programs⁶, LSC used Title IV funds to purchase pirated digital textbooks, LSC disbursed unearned Title IV funds, LSC failed to verify students' eligibility for Title IV funds, LSC failed to preform return of Title IV calculations, LSC made Pell overpayments, and LSC failed to follow its attendance policy.</p> <p>An Order and Opinion was entered on December 14, 2015. The order and opinion found that Lacy violated the False Claims Act and that default judgment was granted.</p>
External Contact(s) for Further Investigation	Rob Sneed, Assistant United States Attorney, Civil Division
External Investigations, Evidence or Litigation	N/A

⁴ The G5 system is the Department of Education's financial management system. The G5 system is used for Grant Administration and Payments. G5 authorized money is accounted for in a school's G5 account in the aggregate by award year and specific program. The G5 system gives a school a list of its awards and a snapshot of the award number, available balance, last date to draw, and award status.

⁵ Institutions must enter into a program participation agreement with the department to obtain Title IV funds. Each PPA executed by an institution includes an agreement by the Institution to comply with the terms and conditions that the institution must meet to participate in the Title IV program. Compliance with a PPA and the incorporated regulations and statutes is a condition of participation and payment for Title IV funds. An Institution that makes a request to draw Title IV funds certifies that it will disburse the funds in compliance with the PPA.

⁶ The complaint includes an accusation that LSC wrongly spent Title IV funds on ineligible programs. It includes the example of the Advanced Cosmetology program that was not approved until September 5, 2012. The default judgment includes all funds disbursed to borrowers in the 2009-2010 and 2010-2011 award period, including those enrolled in Advanced Cosmetology.

NOT related to BORROWER DEFENSE	
News Articles/Media	<p>Press release by the Department of Justice explaining the entry of default judgment against Lacy School of Cosmetology and Earnest Lacy for false claims.</p> <p>Article identifying that Lacy School and its president were “hit” with a \$9.3 million court judgment.</p> <p>News article stating that Lacy Schools of Cosmetology closed three schools across South Carolina.</p> <p>News article identifying that the U.S. Attorney’s office wants to advise students of options that may be available to them. The article states that borrowers may wish to file a borrower defense to repayment claim and can find the information on the Department of Education website.</p>
Name of Reviewer	Larry Michael Walker
Date Review Completed	10/26/2020

SUMMARY OF ALLEGATIONS AND RECOMMENDATION

Summary of Allegations Reviewed	<p style="text-align: center;"><u>Summary of Allegations</u></p> <p>Borrower Defense reviewed a sample of 10 allegations of each category outlined below to identify potential trends and/or salient information provided by the applicant pool. The enrollment dates for the applicant pool range from December 1, 2007 through March 1, 2014. The narrative allegations include complaints relating to: (i) misrepresentations regarding salary; (ii) misrepresentations about the qualifications of instructors; and (iii) falsifying loan information.</p> <p style="text-align: center;"><u>Employment Prospects</u></p> <p>Based on the 10 allegations reviewed, borrowers most commonly allege that they were unable to sit for licensing exams, that the school promised job placement, and that the school promised certain salary/wages after graduation. Although the allegations asserted may be relevant to Borrower Defense, the borrowers fail to provide any supporting evidence and FSA is not otherwise in possession of evidence to establish a pattern or practice of this type of misconduct.</p> <p style="text-align: center;"><u>Admissions and Urgency to Enroll</u></p> <p>Based on the 10 allegations reviewed, borrowers commonly allege that they were told there was an urgency to sign up immediately and, if they did not sign up immediately, they would lose a seat in the class. These claims are</p>
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not of the type that would warrant Borrower Defense relief absent a misrepresentation.

Program Cost and Nature of Loans

Based on the 10 allegations reviewed, borrowers most commonly allege that they were charged for room and board when room and board was not provided by the school, that the owner was charged with fraud regarding student loans, and that the school promised certain salary/wages after graduation. Although the allegations asserted may be relevant to Borrower Defense, the borrowers fail to provide any supporting evidence and FSA is not otherwise in possession of evidence to establish a pattern or practice of this type of misconduct. Additionally, while the potential for fraud need not be ruled out, these allegations pertain to a false certification of loans and therefore, are outside a Borrower Defense determination.

Transferring Credits

Based on the eight allegations reviewed, borrowers most commonly allege that they were told credits would transfer and the school did not explain if credits would transfer. Although the allegations asserted may be relevant to Borrower Defense, the borrowers fail to provide any supporting evidence and FSA is not otherwise in possession of evidence to establish a pattern or practice of this type of misconduct.

Career Services

Based on the 10 allegations reviewed, borrowers most commonly allege that the school promised internships and that the school promised employment after graduation. Although the allegations asserted may be relevant to Borrower Defense, the borrowers fail to provide any supporting evidence and FSA is not otherwise in possession of evidence to establish a pattern or practice of this type of misconduct.

Educational Services

Based on the 10 allegations reviewed, borrowers most commonly allege that the school misled borrowers about the qualifications of instructors, that no instructor was available for certain classes, and that the school had unlicensed instructors. Although the allegations asserted may be relevant to Borrower Defense, the borrowers fail to provide any supporting evidence and FSA is not otherwise in possession of evidence to establish a pattern or practice of this type of misconduct.

Other

Based on the 10 allegations reviewed, borrowers most commonly allege that the owner of the school misappropriated some or all of the student loan funds, that there is a judgment against the owner of the school, and that the school owner was under investigation. Although the allegations asserted may be relevant to Borrower Defense, the borrowers fail to provide any supporting evidence and FSA is not otherwise in possession of evidence to establish a

	<p>pattern or practice of this type of misconduct. Additionally, while the potential for fraud need not be ruled out, these allegations pertain to a false certification of loans and therefore, are outside a Borrower Defense determination.</p>
Recommended Next Steps	<p>Based on our search for public information (including public records, news articles, court documents and filings), Department of Education internal resources (FRPDs, AASG, and OIG investigations), and the sampling of claims, there is possible sufficient evidence of misconduct regarding programmatic accreditation at LCS to warrant further investigation. However, none of the current cases in Borrower Defense identify borrowers enrolled in the specific program, Advanced Cosmetology, during the specific timeframe that is related to the misrepresentation.</p> <p>The timeframe for possible approvals is approximately between July 1, 2009 and June 30, 2011. Currently, the Department does not have any applications from this timeframe. If the Department receives applications that reflect a borrower's enrollment in the specific program during the estimated timeframe, the Department will investigate and determine if the claims will be approved.</p> <p>Additionally, allegations and claims of false certification of loans are outside a Borrower Defense determination. If additional evidence is discovered or received in the future, these claims may be revisited as warranted. As such, it is recommended the cases be adjudicated.</p>
Recommended Focus Area(s)	N/A
APPROVED BY:	Kathryn Johnson
DATE:	October 28, 2020 (Updated 11/20/2020)

Evidence Considered	<ul style="list-style-type: none"> <input type="checkbox"/> Attorney Submission <input type="checkbox"/> Borrower Submission <input type="checkbox"/> Consumer Protection Financial Bureau (CPFB) <input type="checkbox"/> Department of Education-Office of Investigator General (OIG) <input type="checkbox"/> Documents Submitted by the school in response to your application <input type="checkbox"/> Evidence Obtained by the Department in conjunction with its regular oversight activities <input type="checkbox"/> Federal Trade Commission (FTC) <input type="checkbox"/> Department of Justice (DOJ) <input type="checkbox"/> U.S. Securities and Exchange (SEC) <input type="checkbox"/> Attorney General _____ (state) <input type="checkbox"/> Other <input checked="" type="checkbox"/> No Other Evidence Considered
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Advanced Letter Requests	<input type="checkbox"/> Standard Letter <input type="checkbox"/> Standard Letter Plus:
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Links:

- [Salesforce Allegation Report](#)
- [PEPS Report](#)
- [FPRD](#)
- [United States ex rel. Mayers v. Lacy Sch. of Cosmetology, LLC](#)
- [Complaint & Demand for Jury Trial, United States ex rel. Mayers v. Lacy Sch. of Cosmetology, \(2013\) \(CA No. 1:13-cv-00218-JMC\)](#)
- [Intervenor Complaint, United States ex rel. Mayers v. Lacy Sch. Of Cosmetology, \(2015\) \(CA NO: 1:13-cv-00218-JMC\)](#)
- [Order and Opinion](#)
- [Default judgment](#)

DOE00011421-DOE00011421

Lawton School – Evidence Considered Protocol

Applicable to:

Lawton School (OPEID 03028300)

Entering Evidence Considered Manually:

1. Open a case with a suggested closing correspondence value of Standard Denial with Evidence Considered in status 3.10
2. In the “Evidence Considered” field on the case select the following:
 - a. Department of Education-Office of Investigator General (OIG)
 - b. Evidence obtained by the Department in conjunction with its regular oversight activities
3. The case is now ready to process following the normal borrower notification letter creation process.

Bulk Update Options:

1. Bulk update (by work ticket to Accenture) all Lawton School cases in 3.10 with the following:
 - a. In the “Evidence Considered” dropdown, select “Evidence obtained by the Department in conjunction with its regular oversight activities.”
2. Process following the normal borrower notification letter creation process.

DOE00011426-DOE00011429



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Initial Review of Mid-Size Batch Applications

BACKGROUND

Name of Institution and OPEID	Lawton School 03028300
Open or Closed	Closed (03/29/91)
Date Advanced Letter Sent	N/A
Additional Locations • Add closure date if applicable	03028400- New Orleans, LA Oakland, California
Corporate Owner(s)	Allied Education Corporation; Glenn Rodano
Total Number of Applications	As of September 3, 2020 there are four applications already adjudicated and 15 applications awaiting adjudication. These applications are mixed with The Lawton School for Medical and Dental Assistants.
Internal ED Investigation(s) • PC, AAASG, OIG	<p><u>Program Compliance</u></p> <p>Borrower Defense found no past or pending Final Program Review Determinations (FRPD) related to Borrower Defense.</p> <p><u>AAASG and OIG Investigations</u></p> <p>Borrower Defense found no past or pending AAASG or OIG investigations.</p> <p><u>OGC/DOJ</u></p> <p>Borrower Defense found no past or pending OGC/DOJ investigations.</p>
Internal Contact(s) for Further Investigation	N/A
External Investigations (AG), Evidence or Litigation Related to BORROWER DEFENSE	Borrower Defense found a settlement from 1995 in which Glenn and Nancy Rodano, owners of Allied Education Corporation and Lawton School, denied all wrongdoing regarding allegations of fraud, deceit, and negligence in the handling of Allied Education Corporation schools including

	<p>the Lawton School in Oakland California. Rodano agreed to pay 75 students a sum of \$130,000.</p> <p>Borrower Defense also found an article related to the suit and settlement which detailed allegations of The Lawton School offering students misleading representations of job placement and educational services.</p> <p>Although the allegations in the litigation and news article may be relevant to Borrower Defense, the borrowers do not attach any evidence to support these allegations and FSA is not otherwise in possession of evidence to establish a pattern or practice of this type of misconduct. Additionally, Rodano did not admit any fault in the Settlement Agreement. As such, there is insufficient evidence to warrant further investigation by Borrower Defense.</p>
External Contact(s) for Further Investigation	N/A
Name of Reviewer	Shimeng Zhang
Date Review Completed	September 3, 2020

SUMMARY OF ALLEGATIONS AND RECOMMENDATION

<p>Summary of Allegations Reviewed</p>	<p style="text-align: center;"><u>Summary of Allegations</u></p> <p>Borrower Defense (BD) reviewed all 19 of the applications against The Lawton School to identify potential trends and/or salient information provided by the applicant pool.¹ The narrative allegations include complaints relating to: (i) the lack of job placement and career opportunities; (ii) the poor quality of the instruction and education received; and (iii) issues regarding the schools' closure.</p> <p style="text-align: center;"><u>Employment Prospects</u></p> <p>BD sampled all employment prospect claims. Borrowers generally allege that Lawton failed to provide borrowers with jobs upon graduation, and they were subsequently unable to find employment in their respected fields of study. Although the allegations asserted may be relevant to Borrower Defense, the borrowers fail to provide relevant supporting evidence and FSA is not otherwise in possession of evidence to establish a pattern or practice of this type of misconduct.</p>
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¹ [Allegations Sampled](#)

Program Cost and Nature of Loans

BD sampled all program cost allegations. These statements mostly raise issue with the school's failure to explain the total cost in addition to the high cost of attending the school. These claims are not of the type that would warrant Borrower Defense relief absent a misrepresentation.

Career Services

BD sampled all career services allegations. Many of the borrowers allege they were promised job placement and job placement assistance but failed to receive those services. Although the allegations asserted may be relevant to Borrower Defense, the borrowers fail to provide any supporting evidence and FSA is not otherwise in possession of evidence to establish a pattern or practice of this type of misconduct.

Educational Services

BD read all the educational services allegations against The Lawton School. Borrowers mention overall dissatisfaction with the quality of education received, the school's lack of proper accreditation, and the low quality of the schools' instructors. These claims are not of the type that would warrant Borrower Defense relief absent a misrepresentation.

Transferring Credits

BD sampled all transferring credits allegations. These allegations generally communicate a lack of understanding about the inability to transfer credits from the Lawton School. Although the allegations asserted may be relevant to Borrower Defense, the borrowers fail to provide any supporting evidence and FSA is not otherwise in possession of evidence to establish a pattern or practice of this type of misconduct.

Admissions and Urgency to Enroll

BD read all admissions and urgency to enroll allegations. Out of the sampled allegations, borrowers felt that they were rushed during the enrollment process and were generally made to feel that spots were limited. These claims are not of the type that would warrant Borrower Defense relief absent a misrepresentation.

Other

BD sampled all other allegations related to the Lawton School. Borrowers under this section tend to elaborate on the personal individual harms suffered as result of attending Lawton. Several of the borrowers mention the scandal surrounding the school's closure and the litigation against Rodano. Although the allegations asserted may be relevant to Borrower Defense, the borrowers fail to provide any supporting evidence and FSA is not otherwise in possession of evidence to establish a pattern or practice of this type of misconduct.

Recommended Next Steps	Based on our search for public information (including public records, news articles, court documents and filings) and Department of Education internal resources (FRPDs, AASG, and OIG investigations), there is insufficient evidence of widespread misconduct by the Lawton School to warrant further investigation. If additional evidence is discovered or received in the future, these claims may be revisited as warranted. As such, it is recommended the cases be adjudicated.
Recommended Focus Area(s)	N/A
APPROVED BY:	Kathryn Johnson
DATE:	September 30, 2020 (Updated 11/22/2020)

Evidence Considered	<input type="checkbox"/> Attorney Submission <input checked="" type="checkbox"/> Borrower Submission <input type="checkbox"/> Consumer Protection Financial Bureau (CPFB) <input type="checkbox"/> Department of Education-Office of Investigator General (OIG) <input type="checkbox"/> Documents Submitted by the school in response to your application <input checked="" type="checkbox"/> Evidence Obtained by the Department in conjunction with its regular oversight activities <input type="checkbox"/> Federal Trade Commission (FTC) <input type="checkbox"/> Department of Justice (DOJ) <input type="checkbox"/> U.S. Securities and Exchange (SEC) <input type="checkbox"/> Attorney General _____ (state) <input type="checkbox"/> Other <input type="checkbox"/> No Other Evidence Considered
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Links: In this section please provide the Sharepoint links to working documents and evidence reviewed. Example of items to provide links for below.

- [Salesforce Allegation Report](#)
- [List of Lawton School Cases](#)

DOE00011569-DOE00011570



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Initial Review of Mid-Size Batch Applications

BACKGROUND

Name of Institution and OPEID	Masters of Cosmetology College 02308900
Open or Closed	Closed (4/14/2016)
Date Advanced Letter Sent	N/A
Additional Locations • Add closure date if applicable	N/A
Corporate Owner(s)	Masters of Cosmetology College, Inc. • Kaydean Geist
Total Number of Applications	As of September 2, 2020, there are 32 applications already adjudicated and four applications awaiting adjudication.
Internal ED Investigation(s) • PC, AAASG, OIG	<u>Program Compliance</u> Borrower Defense found no past or pending Final Program Review Determinations (FRPD) related to Borrower Defense. <u>AAASG and OIG Investigations</u> Borrower Defense found no past or pending AAASG or OIG investigations. <u>OGC/DOJ</u> Borrower Defense found no past or pending OGC/DOJ investigations.
Internal Contact(s) for Further Investigation	N/A
External Investigations (AG), Evidence or Litigation Related to BORROWER DEFENSE	A review of publicly available information found no evidence related to Borrower Defense.
External Contact(s) for Further Investigation	N/A
Name of Reviewer	Wendy Bonilla
Date Review Completed	9/2/2020

Recommended Next Steps	Based on our search for public information (including public records, news articles, court documents and filings) and Department of Education internal resources (FRPDs, AASG, and OIG investigations), there is insufficient evidence of widespread misconduct by Masters of Cosmetology College to
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	warrant further investigation. If additional evidence is discovered or received in the future, these claims may be revisited as warranted. As such, it is recommended the cases be adjudicated.
Recommended Focus Area(s)	N/A
APPROVED BY:	Shana Metzger
DATE:	09/02/2020 (Updated 11/24/2020)

Evidence Considered	<input type="checkbox"/> Attorney Submission <input type="checkbox"/> Borrower Submission <input type="checkbox"/> Consumer Protection Financial Bureau (CPFB) <input type="checkbox"/> Department of Education-Office of Investigator General (OIG) <input type="checkbox"/> Documents Submitted by the school in response to your application <input checked="" type="checkbox"/> Evidence Obtained by the Department in conjunction with its regular oversight activities <input type="checkbox"/> Federal Trade Commission (FTC) <input type="checkbox"/> Department of Justice (DOJ) <input type="checkbox"/> U.S. Securities and Exchange (SEC) <input type="checkbox"/> Attorney General _____ (state) <input type="checkbox"/> Other <input type="checkbox"/> No Other Evidence Considered
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Advanced Letter Requests	<input type="checkbox"/> Standard Letter <input type="checkbox"/> Standard Letter Plus: •
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Links: In this section please provide the Sharepoint links to working documents and evidence reviewed. Example of items to provide links for below.

- Advanced Letter (if applicable)
- Salesforce Allegation Report – [Masters of Cosmetology College](#)
- Program Review Report

DOE00011572-DOE00011574

Initial Review of Medium Batch Applications

BACKGROUND

Name of Institution	Mattia College
Corporate Owner(s)	Professional Training Centers
Open or Closed	Closed on 2.22.2016
Total Number of Applications	41
Patterns of Alleged Misconduct	The majority of allegations are specific to the applicant but there are several allegations that career services would assist the applicant in finding a job after graduation, which did not occur, that the school was accredited and credits would transfer, and that the school closed either during the applicant's time there or after they graduated.
Evidence/Litigation	<ul style="list-style-type: none"> • Mattia College was cited as one of the programs which failed a debt to earnings for gainful employment rate by the Department of Education: https://www.ed.gov/news/press-releases/education-department-releases-final-debt-earnings-rates-gainful-employment-programs • Mattia College closed for financial reasons: https://www.miamiherald.com/news/local/education/article63240997.html
Name of Reviewer	Alana Smith
Date Review Completed	7/8/19

SUMMARY APPLICATION OVERVIEW

BD Case Number	School/Campus listed on App	Program(s)	Year of Enrollment	Nature of Allegation(s)	Evidence
01242702	Mattia Miami	Radiologic Technologies	2010	Educational services	Emailed statement
01262491	Mattia Miami	Nursing, Bachelor	2014	Transferability, Other	Emailed Statement
01315976	Professional Training Center	Diagnostic Medical Sonography	2011	Career Services, Other	Emailed Statement
01350803	Mattia Miami	Nursing Bachelor	2013	Program Costs, Transferability, Pressure to Enroll, Other	Signed Statement
01367859	Mattia Miami	Diagnostic Medical Sonography	2010	Other, Transferability,	Signed Statement
01396580	Professional Training Center	Diagnostic Medical Sonography	2011	Eligibility for Professional Exam/Licensure, Transferability, Other	Signed Statement
01411172	Professional Training Center	Ultrasounds	2008	Guaranteed Job, Program Cost, Transferability	Signed Statement
01448582	Professional Training Center	Medical Coding, Certificate	2009	Career Services, Program Costs, Teaching/Educational Services, Other	Signed Statement
01469920	Professional Training Center	Pharmacy Technician	2010	Career Services, Program Cost, Transferability, Other	Signed Statement
01588036	Mattia Miami	Nursing, Associate	2013	Transferability, Educational Service, Other	Signed Statement

RECOMMENDATION

Mattia College, previously called Professional Training Center, closed in 2016 due to financial difficulties. The school closing is one of the most prevalent allegations against it in the above cases. Other allegations include: the school promised career service assistance to find a job, but the applicant was unable to locate a job; the school was unclear or mistaken about the cost of the program, and the school misrepresented the transferability of credits.

Even though there are several of the same claims (especially in regards to transferability) there is no evidence to support this allegation. While there are a few allegations from applicants in the same program, they started in different years. In addition, the other most prevalent claim is that the school

closed either while the applicant was in attendance or after they graduate which is not an allegation that states a valid claim.

Given the lack of evidence to support the allegations and the lack of corroboration amount the cases, I recommend adjudicating the cases.

DOE00011608-DOE00011609

Initial Review of Medium Batch Applications

BACKGROUND

Name of Institution	Meridian University
Corporate Owner(s)	Jean Houston, Chancellor
Open or Closed	Open
Total Number of Applications	5
Patterns of Alleged Misconduct	Numerous complaints regarding employment prospects, transferring credits, career services, and educational services
Evidence/Litigation	no evidence or litigation present
Name of Reviewer	Tyquila Atuyotan
Date Review Completed	10/15/2019

SUMMARY APPLICATION OVERVIEW

BD Case Number	School/Campus listed on App	Program(s)	Year of Enrollment	Nature of Allegation(s)	Evidence
01548967	Meridian University/Hybrid online, Petaluma, CA	Ed. D in transformative Leadership	2018	<ol style="list-style-type: none"> 1. Employment prospects 2. Transferring credits 3. Career services 4. Educational services 5. Admissions and urgency to enroll 6. Other 	Web Form; Attachment, see letter of withdrawal, submitted 2/13/2019 with enclosures
01550740	Meridian University/ Petaluma, CA	Clinical psychology and yoga PsyD	2018	<ol style="list-style-type: none"> 1. Employment prospects 2. Career services 3. Educational services 	Web Form; see attachment regarding fieldwork and internships
01552387	Meridian University/ Petaluma, CA	Psychology in transformative Leadership	2018	<ol style="list-style-type: none"> 1. Employment prospects 2. Program cost and nature of 	Web Form

				loans 3. Transferring credits 4. Career services 5. Educational services 6. Other	
01566846	Meridian University/ online, Petaluma, CA	PsyD in Clinical Psychology	2018	1. Transferring credits 2. Educational services 3. Other	Web Form; See attachment emails regarding coursework
01596292	Meridian University/ Petaluma, CA	Masters in Counseling	2017	1. Employment prospects 2. Program cost and nature of loans 3. Transferring credits 4. Educational services 5. Other	Web Form

RECOMMENDATION:

A review of the borrowers' complaints indicate that there is a lack of support for their allegations. Based on a review of the claims, the borrowers allege the inability to transfer credits, instability in quality of educational services, and failure to provide job placement, among others. However, despite submissions from two of the borrowers concerning internships and school withdrawal reasons, there does not exist evidence to substantiate the borrowers' claims.

Further, there is an absence of commonality in nature of program and time period. Additionally, there are no class action lawsuits or other investigations. For these reasons, I recommend adjudicating the borrowers' cases.

APPROVED BY: John Stephenson

DATE: 10/16/2019

DOE00011644-DOE00011647

Initial Review of Medium Batch Applications

BACKGROUND

Name of Institution	Micropower Career Institute
Locations	Manhattan, Long Island, Hauppauge, Queens, New Jersey
Corporate Owner(s)	Micropower USA Corporation
Open or Closed	Closed
Total Number of Applications	44
Patterns of Alleged Misconduct	Many of the claims relate to employment prospects, program cost and nature of loans, and educational services.
Evidence/Litigation	<p>SENIOR EXECUTIVES OF MCI FOUND GUILTY OF FINANCIAL AID FRAUD SCHEME <i>USA v. Hiranandaney et al</i> 1:14-cr-00409</p> <p>Three senior executives of Micropower Career Institute were investigated in 2014 by US Immigration and Custom's Enforcement, the US Department of State's Diplomatic Security Service and the US Department of Education's Office of the Inspector General.</p> <p>The U.S. attorney's office said in a news release, "they falsified and manipulated documents to hide MCI's failure to timely return financial aid money received by MCI for domestic students who had dropped out of MCI."¹ The executives were found guilty in 2016 in the United States District Court Southern District of New York, of a student financial aid fraud scheme in which they defrauded the US of \$1,000,000 in education grant funds and in a student visa fraud scheme that generated \$7,440,000 in illegal revenues.²</p> <p>MICROPOWER CAREER INSTITUTE CLOSED³. DHS shut the school down as part of the federal investigation⁴.</p>
Name of Reviewer	Nichelle Stephens

¹ <https://www.searchindia.net/images/sib/Hiranandaney-Suresh-et-al-complaint.pdf>

² <https://www2.ed.gov/about/offices/list/oig/invtreports/ny012016.html>

³ <http://www.raminenilaw.com/dhs-orders-shut-down-of-micropower-career-institute-for-f-1-regulation-violations/>

⁴ <https://newyork.cbslocal.com/2014/05/29/cbs-2-federal-agents-raid-chelsea-school-looking-for-evidence-of-visa-fraud/>

Date Review Completed	11/01/2019
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SUMMARY APPLICATION OVERVIEW

BD Case Number	School/Campus listed on App	Program(s)	Year of Enrollment	Nature of Allegation(s)	Evidence
01148051	Micropower Career Institute (Manhattan, NY)	Medical Assistant	2013	Educational Services, Other	None
01240243	Micropower Career Institute (New York, NY)	Certified Dental Assistant	2012	Educational Services, Employment Prospects, Career Services, Other	None
01245630	Micropower Career Institute (Manhattan, NY)	Dental Assistant	2014	Employment Prospects, Program Cost and Nature of Loans, Transferring Credits, Career Services, Educational Services, Other	None
01249773	Micropower Career Institute (Mineola, NY)	Medical Assistance Program	2012	Program Cost and Nature of Loans, Admissions and Urgency to Enroll	IPE Services letter with contribution towards educational expenses
01250812	Micropower Career Institute (New York, NY)	CCMA	2010	Employment Prospects, Program Cost and Nature of Student Loans, Career Services, Other	None
01261996	Micropower Career Institute (Manhattan, NY)	Dental Assistant	2013	Employment Prospects, Transferring Credits, Other	None

01271804	Micropower Career Institute (Mineola, NY)	Dental Assistant	2013	Employment Prospects, Program Cost and Nature of Loans, Career Services, Educational Services	None
01371742	Micropower Career Institute (Mineola, NY)	Medical Assistant	2013	Employment Prospects, Program Cost and Nature of Loans, Transferring Credits, Career Services, Educational Services, Other.	None
01290789	Micropower Career Institute (Hauppauge, NY)	Medical Assistant	2012	Employment Prospects, Transferring Credits, Career Services, Educational Services, Other	None
01381056	Micropower Career Institute (New York, NY)	Dental Assistant	2012	Employment Prospects, Program Cost and Nature of Loans, Transferring Credits, Career Services, Educational Services, Admissions and Urgency to Enroll, Other.	None

RECOMMENDATION:

My recommendation is that all cases are ready to be adjudicated. Most of the borrowers noted employment prospects, program cost and nature of loans, and educational services as issues. While all the borrowers allege common allegations, these allegations are

unsupported by evidence attached to the borrower's applications. A few borrowers noted that the school closed and there was a lawsuit regarding financial fraud.

Research revealed an investigation took place by US Immigration and Custom's Enforcement, the US Department of State's Diplomatic Security Service and the US Department of Education's Office of the Inspector General between June 2011 and May 2014 regarding the President and two Vice Presidents of MCI defrauding the United States of \$1,000,000 in education grant funds. As a result, the school was closed in 2014. The executives pled guilty to continuing to collect Pell Grants after students had withdrawn from the school. Additionally, the executives pled guilty to student visa fraud. The executives directed employees to transfer F-1 student visa holders to different schools instead of reporting them for not making the 80% attendance mark required to maintain their visas. The school kept the F-1 student status active at LTI if the students paid tuition to the school resulting in \$7,440,000 in illegal revenues. More information about the case can be found in PACER and the United States Department of Education's Office of the Inspector General was involved in the investigation and created a report which could provide further insight if needed. While financial fraud is egregious, Pell Grants do not fall under the purview of Borrower Defense. Additionally, the closure of the school could hinder a further investigation due to lack of access to financial and other documents. There do not appear to be any other relevant lawsuits.

APPROVED BY: Brian Bayne

DATE: 11/4/2019

DOE00011707-DOE00011711

Initial Review of Medium Batch Applications**BACKGROUND**

Name of Institution	Missouri Technical School
Corporate Owner(s)	Missouri Technical School
Open or Closed	Closed
Total Number of Applications	11
Patterns of Alleged Misconduct	*similar allegations related to Employment Prospects, Program Cost and Nature of Loans, Transferring Credits, and the school's closure that are vague and unsupported by either specifics or evidence
Evidence/Litigation	<p>* no outside lawsuits or investigations based on borrowers' allegations/insufficient evidence in borrowers' applications</p> <p>https://www.stltoday.com/news/local/education/missouri-tech-closes-suddenly-students-left-in-limbo/article_d0b72e31-cb00-56d5-8a14-b8ad447c5eca.html</p> <p>This article, which was released on August 5, 2015, announces the abrupt closure of Missouri Tech (St. Charles). The article notes that the school closed down for financial reasons. The article indicates that the school offered programs in networking, software engineering, and electronic engineering before it closed.</p> <p>https://dhewd.mo.gov/psc/documents/WebPage-MissouriTechInformation.pdf</p> <p>The PDF at the link above provides information for former Missouri Tech students. The information regarding transfer of credits, transcripts, federal loans was provided by the Missouri Department of Higher Education (MDHE) on August 13, 2015. On July 31, 2015 Missouri Tech notified (MDHE) that it was closing the St. Charles campus effective immediately and stated that the reason for the closure was financial. The PDF indicates that Missouri Tech did not make prior arrangements for a teach out, and that MDHE would work with students, area schools, and accrediting agencies to assist students in transferring their credits and completing their programs. The PDF also includes a list of potential teach out/transfer partners provided by the MDHE staff. The PDF indicates that MDHE was able to retrieve some Missouri Tech student records/transcripts from the school and advises students to contact MDHE and to submit a student record verification form. The information in the PDF also advises students who had federal loans to contact their loan servicer and to review the FSA website for options for students whose schools have closed without a teach-out agreement.</p>

Name of Reviewer	Vesselina Kotzeva
Date Review Completed	09/25/19

SUMMARY APPLICATION OVERVIEW

BD Case Number	School/Campus listed on App	Program(s)	Year of Enrollment	Nature of Allegation(s)	Evidence
01562369	Missouri Tech - (St. Charles, MO)	Network Administration	2010	Employment Prospects; Program Cost and Nature of Loans; Transferring Credits; Career Services; Educational Services	None
01417931	Missouri Tech - (St. Charles, MO)	Electronics Engineering	2009	Program Cost and Nature of Loans; Transferring Credits; Other	None
01488958	Missouri Tech - (St. Charles, MO)	Network Administration	2009	Program Cost and Nature of Loans; Other	Notice of Eligibility for Loan Discharge; Student Transcript; Letter from borrower expressing concerns
01558179	Missouri Tech - (St. Charles, MO)	Network Security Administration	2009	Employment Prospects; Career Services; Educational Services; Other	None
01289358	Missouri Technical School - (St. Charles, MO)	Engineering Management	2008	Transferring Credits; Admissions and Urgency to Enroll; Other	Letter confirming approval for administrative forbearance

01517418	Missouri Tech - (St. Charles, MO)	Electronics Engineering Management	2005	Employment Prospects; Program Cost and Nature of Loans; Transferring Credits; Career Services; Educational Services; Admissions and Urgency to Enroll; Other	
01306269	Missouri Technical College - (St. Charles, MO)	Associate Network Administration	2004	Employment Prospects; Program Cost and Nature of Loans; Transferring Credits	Borrower's complaint to Missouri AG/Consumer Complaint; Master Promissory Note; E-Mail correspondences regarding borrower's registration
01393761	Missouri Technical - (St. Charles, MO)	Engineering	1994	Program Cost and Nature of Loans	None
01488961	Missouri Technical School (St. Louis)	Bachelor of Science Electronic Engineering	1993	Employment Prospects; Career Services; Educational Services	None
01352236	Al Med Academy (St. Charles Rock Road, St. Ann, Missouri) Missouri Tech (St. Louis, MO)	Application 1: Medical Assistant Application 2: Software Engineering	1992 2001	Application 1: Employment Prospects; Program Costs and Nature of Loans; Transferring Credits; Career Services; Application 2: Program Costs and Nature of	Borrower has 2 applications for 2 different schools* Medical Assistant Certificate; Paid in Full Receipt from Student Accounts

				Loans; Admissions and Urgency to Enroll	
01597381	Missouri Technical Institute - (St. Louis, MO)	Electronic Tech	1989	Employment Prospects; Program Costs and Nature of Loans; Career Services;	None

RECOMMENDATION:

The Missouri Technical School cases are ready to adjudicate. The borrowers' allegations are vague and unsupported by either specifics or evidence and should therefore be adjudicated individually. The general allegations made by the borrowers are related to Employment Prospects, Program Cost and Nature of Loans, Transferring Credits, and the school's closure. The borrowers allege misrepresentations regarding internships that would result in job placements, misrepresentations related to job placement rates, misrepresentations regarding connections with employers, misrepresentations related to program costs, and misrepresentations regarding whether earned credits would be accepted at other schools. Borrowers also referenced the school's abrupt closure, and the school's failure to provide a warning to students regarding this closure. While several of the borrowers in this sample make similar allegations across each of the categories, borrowers have not provided enough evidence in their applications to prove these allegations. The borrower in Case # 01306269 filed a financial complaint requesting a refund with the Missouri AG. The borrower attached a letter from the AG, which confirmed the receipt of the complaint along with a document titled 'Consumer Complaint Details'. I searched for the complaint number using the database on the Attorney General's website, but could not locate the complaint. The date listed on the letter from the AG to the borrower is September 4, 2015, but the database only dates back to September 25, 2016.

Additionally, there do not appear to be any outside lawsuits or investigations related to the borrowers' allegations. The only evidence related to the borrowers' claims that I found through the internet research was an article announcing the abrupt closure of Missouri Tech from August 5, 2015 and a PDF with information for former Missouri Tech students provided by MHED (Missouri Department of Higher Education). The article indicates that Missouri Tech is the first for-profit school in Missouri that shut down without warning and without offering a teach-out or a chance for current students to complete their training. The PDF also indicates that Missouri Tech did not make prior arrangements for a teach-out. The PDF then advises students that the MDHE will work with students, area schools, and accrediting agencies to assist students in transferring their credits and completing the programs. The PDF also includes a list of potential teach-out/transfer partners provided by the MDHE staff. The limited external evidence from the article and the PDF is primarily related to the school's closure as opposed to the borrowers' remaining allegations, and is not enough to warrant further investigation. Therefore, the cases are ready to be adjudicated individually.

APPROVED BY: Brian Bayne

DATE: 9/30/2019

DOE00011746-DOE00011752



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Initial Review of Mid-Size Batch Applications

BACKGROUND

Name of Institution and OPEID	Morris Brown College (OPEID 00158300)
Open or Closed	Open
Date Advanced Letter Sent	N/A – No approvals
Additional Locations Add closure date if applicable	N/A
Corporate Owner(s)	Private, Nonprofit (It is affiliated with the African Methodist Episcopal Church) ¹
Total Number of Applications	As of July 30, 2020, there are 119 applications.
Patterns of Alleged Misconduct	As detailed below, former students of Morris Brown College have made very consistent allegations against the school. The types of allegations made by borrowers are of pressuring sales techniques to get them to enroll, job placement promises (placement assistance, externships), misrepresentations about the cost of attendance or the nature of the loans they were taking out, misrepresentations about the transferability of credits, misrepresentations about the quality of the instructors or classes provided, and issues surrounding the loss of the school's accreditation. Although many of the allegation asserted may be relevant to Borrower Defense, the borrowers failed to provide any supporting evidence and FSA is not otherwise in possession of evidence to establish a pattern or practice of this type of misconduct. In addition, there are also allegations pertaining to false certifications of loans. These types of allegations are consistent with fraud but are outside a Borrower Defense determination.
Internal ED Investigation(s) • PC, AAASG, OIG	<p><u>AAASG Investigations</u> After review, Borrower Defense found no past or pending AAASG investigations.</p> <p><u>OIG Investigations</u> (The case below was investigated by Special Agents of the Department of Education, Office of Inspector General, the U.S. Attorney's Office of the Northern District of Georgia, and the FBI)</p> <p><i><u>Former Morris Brown President, Financial Aid Director Indicted by Federal Grand Jury in \$5 Million Fraud Scheme</u></i> (December 9, 2004) Parvesh Singh, former Financial Aid Director and Director of Enrollment Services, and Dolores Evelyn Cross, former President of the College, have been charged in a 34-count federal indictment related to a \$5 million fraud scheme at Morris Brown College. Cross and Singh are charged with 22 counts of wire fraud, five counts of stealing Title IV Financial Aid Funds, and six counts of stealing Title III Financial Aid</p>

¹ https://en.wikipedia.org/wiki/Morris_Brown_College



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	<p>Funds. In addition, Cross is charged with one count of honest services mail fraud.</p> <p><u>Former Morris Brown President, Financial Aid Director Plead Guilty to Fraud Charges Just Before Trial</u> (May 1, 2006) Dolores Evelyn Cross and Parvesh Singh plead guilty to charges relating to a financial aid fraud scheme at Morris Brown College. According to information presented in court: With respect to financial aid, in 1999 Dr. Cross decided to have Morris Brown College participate in the Federal Family Education Loan Program, known as the FFEL program. These funds were essential revenue for the college's budget. In 1999, the enrollment goals of Dr. Cross were not met, and she directed Mr. Singh to enroll enough students to ensure she would achieve this goal and have revenue for the budget. That fall, Singh began a practice of enrolling a large number of students who had registered for classes (or merely pre-registered the preceding semester) but had not completed the enrollment process by physically going to the Student Accounts and satisfying their bill. Singh engaged in this practice of causing lists of "registered not enrolled" students to be officially enrolled at Morris Brown, so that the College could take and use their student loan funds, every semester he was there.</p> <p><u>Former Morris Brown College President, Financial Aid Director Sentenced in Federal Court on Fraud Charges</u> (January 3, 2007) Dolores Evelyn Cross and Parvesh Singh were sentenced on charges relating to a financial aid fraud scheme at Morris Brown College after pleading guilty before United States District Judge Julie Carnes on May 1, 2006. Cross received a sentence of 5 years probation with a special condition of 12 months home confinement with six months of electronic monitoring, and 500 hours of community services. In addition, Cross was ordered to pay restitution in the amount of \$13,942 and a fine of \$3,000. Singh received a sentence of 5 years probation with a special condition of 18 months home confinement with six months of electronic monitoring. In addition, Singh was ordered to pay restitution in the amount of \$5,939 and a fine of \$3,000.</p> <p><u>Investigations</u> Two Final Program Review Determination (FPRD) were completed for Morris Brown College, however, none were related to Borrower Defense. One was completed in 2001 (PRCN: 200130418416) and the other was completed in 2002 (PRCN: 200220420177).²</p>
Internal Contact(s) for Further Investigation	N/A
External Investigations (AG), Evidence or Litigation Related to BD	See above

² Information attained via a PEPS search

External Contact(s) for Further Investigation	N/A
External Investigations, Evidence or Litigation NOT related to BD	<p>External Investigations not related to BD</p> <p>Litigation</p> <p><u>Thompkins v. Morris Brown College, 752 F.2d 558 (1985)</u> The Plaintiff brought an employment discrimination suit pursuant to Title VII of the Civil Rights Act of 1964, 42 U.S.C. § 2000e <i>et seq.</i> Plaintiff claims that Morris Brown College discriminated against her by refusing to grant her part-time employment on the same basis as male employees and by discharging her for maintaining full-time employment outside of the College while allowing males to maintain such outside employment. The nature of this suit is not related to borrower defense.</p> <p><u>Eberhart v. Morris Brown College, 181 Ga.App. 516 (1987)</u> Former student who was injured while playing football for Morris Brown College filed suit against the college to recover certain medical expenses, he alleged were incurred in connection with treatment for his football injury. The nature of this suit is not related to borrower defense.</p> <p><u>Cornelius v. Morris Brown College, 299 Ga.App. 83 (2009)</u> Parents of a college student killed in a physical altercation at Morris Brown College brought an action against the college and others for wrongful death based on the college's alleged failure to implement adequate security measures despite high potential for danger in the area of the attack. The nature of this suit is not related to borrower defense.</p> <p><u>Blair v. Morris Brown College, 2004 WL 2563280 (N.D.Ga.)</u> The Plaintiff sued Morris Brown College on the following grounds: Race Discrimination (Title VII and 42 U.S.C. § 1981); Retaliation (Title VII and § 1981); and Defamation. The details of his termination, retaliation and defamation do not indicate that this case involved whistleblowing or that it is otherwise related to borrower defense.</p> <p><u>In Re: College Morris Brown, U.S. Bankruptcy Court, Northern District of Georgia (Atlanta)</u> Morris Brown College filed for Chapter 11 bankruptcy in the U.S. Bankruptcy Court, Northern District of Georgia (Atlanta) on August 25, 2012.</p>
News Articles/Media	<p><u>Statement regarding Morris Brown's current accreditation status.</u></p> <p><u>Morris Brown's Financial Aid Practices</u> This October 2002, article discusses the investigation by federal authorities into the possible misuse of millions of dollars in student financial aid at Morris Brown College. The article goes on to discuss the fact that Morris Brown must repay \$5.4 million to the federal government because it failed to prove that the aid went to the correct students between 1995 and 2002. The article discusses reactions from the board.</p>



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	<p>the school’s history with the Georgia Student Finance Commission, and accreditation issues surrounding the institution.</p> <p><u>After Years of Financial Crises, an Atlanta College Is on a Death Watch</u> An April 19, 2003 article in the New York Times states that, “Morris Brown may soon be history.” The article lays out the troubles that Morris Brown College has been having of late, including the loss of their accreditation and crippling debt.</p> <p><u>Former president’s guilty plea closes Morris Brown case</u> A May 2, 2006 article in the Atlanta Journal-Constitution discusses the guilty plea of Dolores Cross and the details of the crimes as well as potential sentence she could receive.</p> <p><u>Former Morris Brown College President, Financial Aid Director Indicted for Fraud</u> This December 2004, article discusses the indictments against Cross and Singh and the specific allegations against them. The article goes on to discuss the issues that the school has experienced since losing its accreditation by the Southern Association of Colleges and Schools (SACS) in 2003 as well as state why the school ultimately lost their accreditation. In addition, a former direct employee under Dr. Cross compared the indictment of his former boss to a “modern-day lynching.”</p> <p><u>Morris Brown: Can This College Be Saved? Leader Says It Can.</u> A June 2019 article discussing the current challenges facing Morris Brown college and how they believe the federal Opportunity Zone can help save the institution.</p>
Name of Reviewer	Shana Metzger
Date Review Completed	7/30/2020

SUMMARY OF ALLEGATIONS AND RECOMMENDATION

Summary of Allegations Reviewed	<p>Borrower Defense reviewed a sample of 20 allegations of each type to identify potential trends in the applicant pool. Borrowers have submitted applications that allege enrollment start days from 1983 to 2002. The school became Title IV ineligible, after losing its accreditation, in April 2003.</p> <p><u>Admissions and Urgency to Enroll:</u> Based on the 20 allegations reviewed, borrowers allege that Morris Brown College used sales tactics that included pressuring potential students into enrolling quickly and paying for the potential student and their family to come visit the school while forbidding them to visit any other surrounding school. One borrower alleges that they were encouraged to enroll on a deferred status and another borrower alleges that he was informed that if he signed up and enrolled immediately it would make it easier for him to join the basketball team and receive a full scholarship. Although some of the allegations asserted may be relevant to Borrower Defense, the borrowers fail to provide any supporting evidence and FSA is not otherwise in possession of evidence to establish a pattern or practice of this type of misconduct.</p>
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Career Services:

Based on the 20 allegations reviewed, borrowers allege that Morris Brown College did not aid in the securing of employment after graduation as initially promised and did not secure certain externships promised to the borrowers. Most of the borrowers allege that the loss of accreditation either caused the career services office at the school to close or lead to potential employers not accepting the borrowers' degree or credits as valid and therefore most likely costing them their chance at employment. Although some of the allegations asserted may be relevant to Borrower Defense, the borrowers fail to provide any supporting evidence and FSA is not otherwise in possession of evidence to establish a pattern or practice of this type of misconduct.

Educational Services:

The borrowers' allegations discuss the quality of equipment provided to them for instruction, the quality of the education received, and the lack of qualifications of several instructors. In addition, borrowers allege that the education and credits that they earned at Morris Brown College were not accepted by Teach for America due to the accreditation and fraud investigations against Morris Brown College. Although some of the allegations asserted may be relevant to Borrower Defense, the borrowers fail to provide any supporting evidence and FSA is not otherwise in possession of evidence to establish a pattern or practice of this type of misconduct.

Employment Prospects:

Based on the 20 allegations reviewed, borrowers allege that Morris Brown College had promised them job placement and assistance with securing such placement. However, once the school lost its accreditation, the jobs were no longer available, and neither was the assistance from the school. Although some of the allegations asserted may be relevant to Borrower Defense, the borrowers fail to provide any supporting evidence and FSA is not otherwise in possession of evidence to establish a pattern or practice of this type of misconduct.

Job Placement Rate:

Only one borrower clicked the box to raise an allegation under Job Placement Rate. However, there was no allegation made by the borrower. The application only said, "No." Therefore, the allegation alone does not provide any support for misconduct relevant to Borrower Defense.

Program Cost and Nature of Loans:

Based on the 20 allegations reviewed, borrowers allege that they were told by Morris Brown College that the tuition was one amount and later found out it was considerably more, and that they were not informed about the nature of the loans that they were taking out or how much the program would cost. A number of the borrowers allege that Morris Brown College made them believe, or specifically told them, that they were going to be receiving scholarships which would cover their tuition and expenses but were later forced to take out more loans to cover the costs. Borrowers have failed to provide any supporting evidence that exhibits a pattern of practice consistent with misconduct.



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	<p>Finally, several borrowers have alleged that Morris Brown signed for, and took out, loans in their name without the borrowers' knowledge or understanding and/or lied to them about the nature and amount of the loans. These types of allegations are consistent with the fraud detailed in the OIG Investigations above. However, these allegations pertain to a false certification of loans review and therefore, are outside a Borrower Defense determination.</p> <p><u>Transferring Credits:</u> Based on the 20 allegations reviewed, borrowers allege that they were told that their credits were transferable, either to all or specific schools, and the borrowers found out that they were not. However, they do not provide any evidence of the credits' purported transferability. Although some of the allegations asserted may be relevant to Borrower Defense, the borrowers fail to provide any supporting evidence and FSA is not otherwise in possession of evidence to establish a pattern or practice of this type of misconduct.</p> <p><u>Other:</u> Of the 20 allegations reviewed, most of the borrowers provided explanatory narratives relevant to their personal experiences, addressing the implications that the school's loss of accreditation and financial fraud perpetrated by the school's President and Financial Aid Director had on them directly. Most spoke to potential job opportunities lost due to the lack of accreditation of their credits earned at the school or the personal financial toll that the falsification of loan documents took on them. These claims are not the type that would warrant Borrower Defense relief absent a misrepresentation.</p>
Recommended Next Steps	<p>Based on public information (including public records, news articles, court documents, and filings) and Department of Education internal resources (FPRDs, AAASG and OIG investigations), there is insufficient evidence to suggest that Morris Brown College engaged in wide spread conduct that would warrant borrower defense relief.</p> <p>In addition to the research conducted, the 20-allegation samples contained insufficient evidence to identify a pattern of practice consistent with general misconduct. Without further evidence, it is recommended that the cases be adjudicated individually. Additionally, as there is no evidence of widespread misconduct, notice to the school on these claims is not required.</p>
Recommended Focus Area(s)	N/A
APPROVED BY:	Sarah Angilello
DATE:	08/06/20 (Updated 11/22/2020)
Evidence Considered	<ul style="list-style-type: none"> <input type="checkbox"/> Attorney Submission <input type="checkbox"/> Borrower Submission <input type="checkbox"/> Consumer Protection Financial Bureau (CPFB) <input type="checkbox"/> Department of Education-Office of Investigator General (OIG) <input type="checkbox"/> Documents Submitted by the school in response to your application <input checked="" type="checkbox"/> Evidence Obtained by the Department in conjunction with its regular oversight activities



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	<input type="checkbox"/> Federal Trade Commission (FTC) <input type="checkbox"/> Department of Justice (DOJ) <input type="checkbox"/> U.S. Securities and Exchange (SEC) <input type="checkbox"/> Attorney General _____ (state) <input type="checkbox"/> Other <input type="checkbox"/> No Other Evidence Considered
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Advanced Letter Requests	<input type="checkbox"/> Standard Letter <input type="checkbox"/> Standard Letter Plus: •
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Links: In this section please provide the Sharepoint links to working documents and evidence reviewed.
 Example of items to provide links for below.

- Advanced Letter (if applicable)
- Salesforce Allegation Report
[Cases with Allegations 7.31.20](#)
[Cases with Allegations Sample](#)
- Program Review Report

DOE00011761-DOE00011765



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Initial Review of Mid-Size Batch Applications

BACKGROUND

Name of Institution and OPEID	Mountain State University 00380700
Open or Closed	Closed
Date Advanced Letter Sent	N/A
Additional Locations • Add closure date if applicable	See Attachment A-Mountain State University Locations
Corporate Owner(s)	Not for Profit
Total Number of Applications	225 as of May 12, 2020
Patterns of Alleged Misconduct	As detailed below, there are allegations against the school regarding clinical externship placements and job placements, as well as misrepresentations regarding the transferability of credits, but these allegations do not include independent evidence to corroborate their allegations.
Internal ED Investigation(s) • PC, AAASG, OIG	<p><u>Program Compliance</u> The US Department of Education Philadelphia School Participation Division issued a Final Program Review Determination on April 9, 2015. The FPRD focused on Clery Act violations, and was not related to Borrower Defense issues.</p> <p><u>AAASG and OIG Investigations</u> After review, Borrower Defense found no past or pending AAASG or OIG investigations.</p>
Internal Contact(s) for Further Investigation	N/A
External Investigations (AG), Evidence or Litigation Related to BD	In Mullis v. Mountain State University , Plaintiff alleged that the University "assured her that it had a clinical externship location in her area," but that this was false. Plaintiff alleges that the University never placed her in a clinical externship. There was no disposition for this case as a limited fund settlement agreement was approved by the Court.
External Contact(s) for Further Investigation	N/A
External Investigations, Evidence or Litigation NOT related to BD	The Higher Learning Commission withdrew the accreditation for Mountain State University on December 31, 2012, stating that the school "has not conducted itself with the integrity expected of an accredited institution with regard to ensuring that its students have accurate and timely information about the status of their academic programs and consistent quality across all Higher Learning Commission Public Disclosure

	<p>Notice Mountain State University Page 2 of 10 academic programs (Criterion One); does not have the human and financial resources expected of an accredited institution (Criterion Two); has not demonstrated that it can plan realistically for the future to anticipate and overcome institutional challenges (Criterion Two); lacks effective governance and administration to provide appropriate oversight over all levels of the institution and to take appropriate action to ensure quality in all its academic programs (Criterion One); and lacks adequate learning support and faculty oversight to assure an effective teaching and learning environment (Criterion Three).”</p> <p>Mountain State University <u>nursing program</u> also lost NLNAC accreditation for 2011 and WVBRN accreditation in 2012.</p> <p>According to the <u>West Virginia MetroNews</u>, the loss of accreditation led to “more than 400 individual suits...along with at least two class action suits in state court and two in federal court.” These lawsuits alleged the loss of accreditation cause financial and career-related harms as well as claims of breach of contract and breach of the covenant of good faith and fair dealing. A <u>settlement</u> of \$11.3 million was approved by the Circuit Court of Kanawha County, West Virginia.</p>
News Articles/Media	<p>An article in the <u>West Virginia MetroNews</u> announced that a settlement had been reached in the litigation against Mountain State University.</p> <p><u>CBSNews</u> published a story about the ten highest paid presidents of private universities, including Mountain State University President Charles H. Polk. Polk’s salary accounted for 3.5% of the University’s budget, a higher percentage than any other school in the nation.</p> <p>The <u>Chronicle of Higher Education</u> published an article discussing the firing of the University’s president, Charles H. Polk. This article notes that the graduation rate of students seeking a bachelor’s degree was 2.5 percent.</p> <p>The <u>Charleston Gazette-Mail</u> reported that officials in Houston, Texas believed that the University “inappropriately awarded police officers college credit the officers needed to apply for career advancement.”</p>
Name of Reviewer	Lauren Hutchinson
Date Review Completed	

SUMMARY OF ALLEGATIONS AND RECOMMENDATION

<p>Summary of Allegations Reviewed</p>	<p>Borrower Defense reviewed a sample of 20 of each type of allegation to identify potential trends in the applicant pool. These samplings provide commentary on the quality of education, the availability of employment prospects, and other perceived failures of this school. All allegation numbers are as of May 12, 2020.</p> <p style="text-align: center;"><u>Allegation Break Down:</u></p> <p><u>Employment Prospects</u> 110 of the total applications raise an employment prospects allegation. Of the 20 allegations sampled in applications, three were of the type that might warrant BD relief, if supported by evidence. The borrowers allege that Mountain State University lied about job placement assistance and clinical placement assistance. However, the borrowers failed to provide relevant supporting evidence to establish these allegations.</p> <p><u>Program Cost and Nature of Loans</u> 85 of the total applications raise a program cost allegation. Of the 20 allegations in sampled cases, three were of the type that might warrant BD relief, if supported by evidence. In two of these allegations they were told they would receive grants and/or scholarships to pay for the tuition, but they did not receive the grants and/or scholarships. The third was told their monthly loan payment would be \$50 but “it was a lot more than \$50 a month.” Borrowers failed to provide relevant supporting evidence.</p> <p><u>Transferring Credits</u> 107 of the total applications raise a transfer of credits allegation. Of the 20 allegations sampled, eleven might warrant BD relief, if supported by evidence. The borrowers allege that they were told the credits would transfer to other schools, but that the credits would not transfer. However, the borrowers failed to provide relevant supporting evidence to establish these allegations.</p> <p><u>Career Services</u> 62 of the total applications raise a career service allegation. Of the 20 allegations sampled, three might support BD relief. These allegations mainly regard job placement promises, assistance with job placement, and externship placement. The borrowers failed to provide relevant supporting to establish these allegations.</p> <p><u>Educational Services</u> 93 of the total applications raise an educational services allegation. Of the 20 allegations sampled, two might warrant BD relief, if supported by evidence. These allegations mainly regard internship and clinical placement promises.</p>
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	<p>While these allegations are relevant to Borrower Defense, the borrowers failed to provide relevant supporting evidence to establish these allegations.</p> <p><u>Admissions and Urgency to Enroll</u> 65 of the total applications raise an admissions and urgency to enroll allegation. Of the 20 allegations sampled, none contained an allegation that might warrant BD relief.</p> <p><u>Other</u> 153 of the total applications raise an “other” allegation. Of the 20 allegations sampled, none contained an allegation that might warrant BD relief.</p>
Recommended Next Steps	<p>Based on our search for public information (including public records, news articles, court documents and filings), Department of Education internal resources (FRPDs, AASG, and OIG investigations), and the sampling of claims, there is insufficient evidence of widespread misconduct by Mountain State University to warrant further investigation. Additionally, as there is no evidence of widespread misconduct, notice to the school on these claims is not required.</p> <p>We recommend that these cases be adjudicated using the standard protocol.</p>
Recommended Focus Area(s)	
APPROVED BY:	Michael Page
DATE:	5/14/2020

Evidence Considered	<input type="checkbox"/> Attorney Submission <input checked="" type="checkbox"/> Borrower Submission <input type="checkbox"/> Consumer Protection Financial Bureau (CPFB) <input type="checkbox"/> Department of Education-Office of Investigator General (OIG) <input type="checkbox"/> Documents Submitted by the school in response to your application <input checked="" type="checkbox"/> Evidence Obtained by the Department in conjunction with its regular oversight activities <input type="checkbox"/> Federal Trade Commission (FTC) <input type="checkbox"/> Department of Justice (DOJ) <input type="checkbox"/> U.S. Securities and Exchange (SEC) <input type="checkbox"/> Attorney General _____ (state) <input type="checkbox"/> Other <input type="checkbox"/> No Other Evidence Considered
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Advanced Letter Requests	<input type="checkbox"/> Standard Letter <input type="checkbox"/> Standard Letter Plus: <ul style="list-style-type: none"> •
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Links: In this section please provide the Sharepoint links to working documents and evidence reviewed. Example of items to provide links for below.

- Advanced Letter (if applicable)
- Salesforce Allegation Report
- Program Review Report

DOE00011953-DOE00011955

Initial Review of Medium Batch Applications

BACKGROUND

Name of Institution	Ohio Media School
Corporate Owner(s)	Ohio Center for Broadcasting
Open or Closed	Open
Total Number of Applications	14
Patterns of Alleged Misconduct	The majority of the borrower defense claims against Ohio Media School are regarding their inability to find a job after graduation, program cost and their overall dissatisfaction with the academic experience they received while enrolled.
Evidence/Litigation	No Litigation on record. The Ohio Media School is based in Columbus, Ohio. However, the school has 6 other campuses across the country. The school was once called the "The Ohio School for Broadcasting" but was later renamed "Ohio Media School". However, no credible evidence of misconduct was found.
Name of Reviewer	Joshua DuBoise
Date Review Completed	9/24/19

SUMMARY APPLICATION OVERVIEW

BD Case Number	School/Campus listed on App	Program(s)	Year of Enrollment	Nature of Allegation(s)	Evidence
01256100	Ohio Center For Broadcasting - Whitehall (Whitehall, OH)	Broadcasting	2012	Employment Prospects, Transferring Credits, Career Services	None
01284715	OHIO MEDIA SCHOOL - (Cleveland, OH)	N/A	2013	Employment Prospects, Program Cost and Nature of Loans, Transferring Credits, Career Services, Educational Services, Other	None
01364565	Ohio Media School	Radio Broadcasting	2007	Employment Prospects, Admissions and Urgency to Enroll,	None

				Program Cost and Nature of Loans	
01430509	Ohio Center of Broadcasting	Broadcasting	2013	Educational Services, Employment Prospects, Program Cost and Nature of Loans	None
01438038	Ohio Center of Broadcasting	Television broadcasting	2011	Employment Prospects, Career Services	None
01478994	Colorado Media School	Media Specialist	2014	Career Services, Program Cost and Nature of Loans	None
01520094	The ohio center for broadcasting - independence (valley view, OH)	Broadcasting	2012	Employment Prospects, Program Cost and Nature of Loans, Transferring Credits, Career Services, Educational Services, Admissions and Urgency to Enroll, Other	None
01564292	Columbus Ohio center for broadcasting - Columbus (Columbus, OH)	Radio broadcasting	2009	Employment Prospects, Program Cost and Nature of Loans, Career Services, Educational Services, Admissions and Urgency to Enroll	None
01566414	Ohio Media School (Valley View, OH)	Media Studies	2012	Employment Prospects, Career Services, Educational Services, Other	None
01569709	Ohio Center Of Broadcasting - (Valley View, OH)	Multimedia School	2010	Employment Prospects, Career Services, Other	None
01588203	Colorado Media School (affiliate of the Ohio Center for Broadcasting) - Lakewood Colorado (Lakewood, CO)	Broadcasting and Media	2017	Employment Prospects, Program Cost and Nature of Loans, Career Services, Admissions and Urgency to Enroll	None

RECOMMENDATION: My recommendation is that the cases against Ohio Media School be adjudicated. Most of the borrower defense claims against Ohio Media School address the student's dissatisfaction with job prospects, excessive program cost and do not state an actual claim.

The few borrowers that do state a adequate claim for misrepresentation, allege that the misrepresentations took place in the form of verbal communication with school administrators and were not supported by any additional evidence. Therefore, I do not believe that any further investigation is needed.

APPROVED BY: John Stephenson

DATE: 9/24/2019

DOE00012087-DOE00012088



PROUD SPONSOR of
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Initial Review of Mid-Size Batch Applications

BACKGROUND

Name of Institution and OPEID	Pinnacle Career Institute 01040500
Open or Closed	Closed (05/12/95)
Date Advanced Letter Sent	
Additional Locations • Add closure date if applicable	02613000 (Closed 08/15/2017)
Corporate Owner(s)	Manufacturer's Technical Institute, Inc.
Total Number of Applications	As of August 25, 2020, there are 9 applications already adjudicated and 25 applications awaiting adjudication.
Internal ED Investigation(s) • PC, AAASG, OIG	<p><u>Program Compliance</u> A Program review was conducted, and a Final Program Review Determination was issued in September 2019, however, none of the findings were relevant to borrower defense.</p> <p><u>AAASG and OIG Investigations</u> Borrower Defense found no past or pending AAASG or OIG investigations.</p> <p><u>OGC/DOJ</u> Borrower Defense found no past or pending OGC/DOJ investigations.</p>
Internal Contact(s) for Further Investigation	N/A
External Investigations (AG), Evidence or Litigation Related to BORROWER DEFENSE	A review of publicly available information found no evidence related to Borrower Defense. If additional evidence is discovered or received in the future, these claims may be revisited as warranted. As such, it is recommended the cases be adjudicated
External Contact(s) for Further Investigation	N/A
Name of Reviewer	Kristen Yarows
Date Review Completed	August 25, 2020

Recommended Next Steps	Based on our search for public information (including public records, news articles, court documents and filings) and Department of Education internal resources (FRPDs, AASG, and OIG investigations), there is insufficient evidence of widespread misconduct by Pinnacle Career Institute to warrant
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	further investigation. If additional evidence is discovered or received in the future, these claims may be revisited as warranted. As such, it is recommended the cases be adjudicated. Additionally, as there is no evidence of widespread misconduct, notice to the school on these claims is not required.
Recommended Focus Area(s)	N/A
APPROVED BY:	Shana Metzger
DATE:	8/25/2020

Evidence Considered	<input type="checkbox"/> Attorney Submission <input type="checkbox"/> Borrower Submission <input type="checkbox"/> Consumer Protection Financial Bureau (CPFBI) <input type="checkbox"/> Department of Education-Office of Investigator General (OIG) <input type="checkbox"/> Documents Submitted by the school in response to your application <input checked="" type="checkbox"/> Evidence Obtained by the Department in conjunction with its regular oversight activities <input type="checkbox"/> Federal Trade Commission (FTC) <input type="checkbox"/> Department of Justice (DOJ) <input type="checkbox"/> U.S. Securities and Exchange (SEC) <input type="checkbox"/> Attorney General _____ (state) <input type="checkbox"/> Other <input type="checkbox"/> No Other Evidence Considered
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Advanced Letter Requests	<input type="checkbox"/> Standard Letter <input type="checkbox"/> Standard Letter Plus: <ul style="list-style-type: none"> •
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Links: In this section please provide the Sharepoint links to working documents and evidence reviewed. Example of items to provide links for below.

- [Salesforce Allegation Report](#)
- [Program Review Report](#)

DOE00012245-DOE00012258



PROUD SPONSOR of
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Initial Review of Medium Batch Applications

BACKGROUND

Name of Institution and OPEID	Remington College – 02599100; 03012107; 03026500; 00777700; 00520300; 02605500; 03394300; 00758600 Education America – 01046100
Open or Closed	Open
Additional Locations • Add closure date if applicable	See Attachment A – Remington College Additional Locations
Corporate Owner(s)	<u>Prior to 2011:</u> <ul style="list-style-type: none"> • Education America • Jerald M. Barnett • Jack W. Forrest <u>After 2011:</u> <ul style="list-style-type: none"> • Jerald M. Barnett • Remington College - BCL, Inc.
Total Number of Applications	Remington College – 492, as of April 3, 2020 Education America – 1, as of April 3, 2020
Patterns of Alleged Misconduct	Patterns of allegations include misrepresentations of employment prospects, career services, and transferability of credits.
Class Issue or Singular	Class issue
Internal ED Investigation(s) • PC, AAASG, OIG	Program Compliance: There are four Final Program Review Determination (FPRD) reports. The first two FPRDs were completed in 2012 (PRCN: 2012-3-04-27949 ¹ and 2012-4-06-27975 ²), the third was completed in 2013 (PRCN: 2013-1-04-28131 ³) and the fourth was completed in 2017 (PRCN: 2012-2-05-27971) ⁴ . <u>FRPD PRCN 2012-3-04-27949:</u> The program review report was completed for a Remington College Campus located in Tampa, Florida. The review listed four findings. The findings reported issues with Remington’s financial aid administration. It was determined that Remington College’s resolved all findings and no further action was required. None of the findings concerned borrower defense issues. <u>FRPD PRCN 2012-4-06-27975:</u> The program review reported was completed for a Remington College Campus located in Houston, Texas. The findings reported issues with Remington’s financial aid

¹ See Attachment B – Remington College FRPD No. 2012-3-04-27949, 10/15/2012.

² See Attachment C – Remington College FRPD No. 2012-4-06-27975, 11/21/2012.

³ See Attachment D – Remington College FRPD No. 2013-1-04-28131, 08/13/2013.

⁴ See Attachment E – Remington College FRPD No. 2013-1-04-28131, 04/11/2017.

	<p>administration. The Dallas School Participation Division determined that the finding should not have been included in the review. The program reviewed noted this and closed the report. None of the findings concerned borrower defense issues.</p> <p><u>FRPD PRCN 201310428131</u>: The program review report was completed for a Remington College Campus located in Mobile, Alabama. It had seven findings. The findings reported issues with Remington's financial aid administration and failure to meet the minimum academic year definition for the Medical Assisting program. It was determined that Remington College resolved all findings and no further action was required. None of the findings concerned borrower defense issues.</p> <p><u>FRPD PRCN 2012-2-05-27971</u>: The program review report was completed for a Remington College Campus located in Cleveland, Ohio. The report had ten findings. The findings noted issues with Remington's financial administration, failure to meet campus safety regulations, and failure to meet the Drug-Free Schools and Communities Act reporting requirements. It was determined that Remington College failed to correct the first, second, and eighth findings; as a result Remington College was fined \$1,560.00. None of the findings concerned borrower defense issues.</p> <p><u>AAASG and OIG Investigations</u> After review, Borrower Defense found no past or pending internal AAASG or OIG investigations.</p>
Internal Contact(s) for Further Investigation	N/A
External Investigations (AG), Evidence or Litigation Related to BD	In 2012, the Harkin Report ⁵ recognized a pattern of complaints for transferring of credits, program cost and nature of loans, and admissions and urgency to enroll against Remington College. However, the Report cited only student complaints, and did not identify any extrinsic evidence which BD could use to establish similar allegations.
External Contact(s) for Further Investigation	The Department of Veterans Affairs, Office of Inspector General
External Investigations, Evidence or Litigation NOT related to BD	<p>Outside Agency Investigations</p> <ul style="list-style-type: none"> In 2016, a settlement agreement was reached between Remington College and the United States Attorney's Office,

⁵ For Profit Higher Education: The Failure to Safeguard the Federal Investment and Ensure Student Success. Volume 4 of 4. One Hundred and Twelfth Congress, Second Session (July, 30, 2012). S. PRT. 112-37; https://www.help.senate.gov/imo/media/for_profit_report/PartI-PartIII-SelectedAppendixes.pdf, https://www.help.senate.gov/imo/media/for_profit_report/PartII/EducationAmerica.pdf

	<p>District of Hawaii, after the college agreed to pay \$295,000 to resolve alleged False Claims Act violations.⁶ The agreement was the result of the Department of Veterans Affairs, Office of Inspector General’s investigation alleging that Remington College submitted false statements and false claims to the Department of Veterans Affairs to receive educational benefit payments for beneficiaries who were not enrolled in a VA approved program.</p> <p><u>Lawsuits Under Education America’s Ownership:</u></p> <ul style="list-style-type: none"> • In <i>Bates v. United States</i>,⁷ the U.S. Attorney for the Northern District of Indiana charged Mr. Bates with “knowingly and willfully” misapplying funds from the federal guaranteed-student-loan program. Mr. Bates was an employee of Education America. In 1989, court documents show, that Education America instructed Mr. Bates to misapply funds. Mr. Bates was indicted. • The <i>Bowan v. Education America, Inc.</i>⁸ suit was brought forth alleging false certifications of compliance with regulations and statutes governing the participation in federal student aid programs. The Court of Appeals dismissed the case.
<p>News Articles/Media</p>	<p>Challenge Student Debt published an article titled Remington College Fraud Complaints.⁹ According to the Challenge Student Debt website, students and former students of the school have complained about their inability to get jobs after taking programs at Remington College and the inability to transfer Remington College credits to other schools, even though Remington College claimed they are accredited, and credits would transfer.</p> <p>On November 11, 2010, ABC News published an article titled ABC News Investigates For-Profit Education Again: Recruiters Caught Offering Bad Advice.¹⁰ According to ABC News, prospective and enrolled students of Remington College with criminal records were told by Remington College recruiters that they would be able to work in law enforcement as Sheriffs’ deputies, corrections officers, jailers and border patrol. Many found their criminal record to be a barrier when applying for jobs with law enforcement. An ABC reporter conducted an undercover investigation that caught a</p>

⁶ <https://www.justice.gov/usao-hi/pr/college-agrees-pay-295442-resolve-allegations-improper-claims-educational-benefit>; <https://www.va.gov/oig/pubs/highlights/VAOIG-highlights-201608.pdf>; <https://www.va.gov/oig/pubs/sars/vaoig-sar-2016-2.pdf>.

⁷ *Bates v. United States*, 96 F.3d 964 (7th Cir. 1996), *aff’d*, 522 U.S. 23, 118 S. Ct. 285, 139 L. Ed. 2d 215 (1997).

⁸ *U.S. ex rel. Bowan v. Education America, Inc.*, 116 F. App’x 531 (5th Cir. 2004).

⁹ <https://www.challengestudentdebt.com/remington-college-fraud-complaints/>

¹⁰ <https://abcnews.go.com/TheLaw/abc-news-investigates-profit-education-recruiters-caught-offering/story?id=12122004>

	Remington College recruiter providing false information about a convicted felon’s ability to work for Texas Department of Public Safety. The reporter found that in Texas a convicted felon does not have the ability to work in law enforcement.
Name of Reviewer	Nastashia Matos
Date Review Completed	4/28/2020

SUMMARY OF ALLEGATIONS AND RECOMMENDATION

Summary of Allegations Reviewed	<p style="text-align: center;"><u>Application Summary:</u>¹¹</p> <p>Borrower defense reviewed a sample of 30 allegations for each allegation category to identify potential trends in the applicant pool. As of April 3, 2020, there are 465 borrower applications under Remington College and one claim under Education America. The borrower application enrollment dates range from 1977 to 2020. The most common allegations are employment prospects, career services and transferring credits. Many of the allegations regard misrepresentations or omissions made by the school, but borrowers have not provided relevant supporting evidence to support their allegations.</p> <p style="text-align: center;"><u>Allegation Break Down</u></p> <p><u>Employment Prospects: 363 allegations</u> After sampling 30 allegations from various Remington campuses, programs and enrollment periods, 22 of the 30 made an employment prospects allegation that might warrant BD relief. The borrowers allege that: Remington guaranteed them jobs; they were told that career services would place them in a job after graduation; and the school misrepresented job placement rates. There was insufficient commonality of campus and/or time period to suggest a pattern that warrants further investigation, and the borrowers failed to provide relevant supporting evidence.</p> <p><u>Program Cost and Nature of Loans: 285 allegations</u> After sampling 30 allegations from various Remington campuses, programs and enrollment periods, the borrowers alleged that Remington College failed to educate them about the detail of the loans (for example, the interest rate on the loan, the type of loan that was taken out, or how the loan would affect them in the future). There was insufficient commonality of campus and/or time period to suggest a pattern that warrants further investigation, and the borrowers failed to provide relevant supporting evidence.</p> <p><u>Career Services: 333 allegations</u> After sampling 30 allegations from various Remington campuses, programs and enrollment periods, 21 of the 30 made a career services allegation that might warrant BD relief. The borrowers allege that Remington stated that they would place students into a job, that they had connections with employers for their field of</p>
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¹¹ See Attachment F: Remington College Summary of Application Overview

	<p>study, and that Remington College would provide resume writing services, help students find a job and assist with other career service needs. There was insufficient commonality of campus and/or time period to suggest a pattern that warrants further investigation, and the borrowers failed to provide relevant supporting evidence.</p> <p><u>Transferring Credits: 271 allegations</u> After sampling 30 allegations from various Remington campuses, programs and enrollment periods, 21 of the 30 made a transfer of credit allegation that might warrant BD relief. The borrowers allege that Remington misrepresented the accreditation of the school,¹² and the ability to transfer credits both into the school and to other educational institutions. There was insufficient commonality of campus and/or time period to suggest a pattern that warrants further investigation, and the borrowers failed to provide relevant supporting evidence.</p> <p><u>Educational Services: 217 allegations</u> After sampling 30 allegations from various Remington campuses, programs and enrollment periods, 11 of the 30 made an educational services allegation. The borrowers’ allegations discuss the quality of the education received, including personal opinions on the instructors, curriculum, and program resources.</p> <p><u>Admissions and Urgency to Enroll: 238 allegations</u> After sampling 30 allegations from various Remington campuses, programs and enrollment periods, 20 of 30 made an admissions and urgency to enroll allegation. The borrowers’ allegations state the Remington’s sales tactics were inappropriate because they pressured potential students into enrolling quickly, routinely called, sent many emails, and in some cases promised incentive programs that never occurred.</p> <p><u>Job Placement Rate: 2 allegations</u> There are only 2 job placement rate allegations in total; one of which alleges that Remington College stated they had a 99% job placement rate. The borrowers failed to provide relevant supporting evidence.</p> <p><u>Other: 261 allegations</u> After sampling 30 allegations from various Remington campuses, programs and enrollment periods, none of the 30 made an allegation that might warrant borrower defense relief.</p>
<p>Recommended Next Steps</p>	<p>Based on our search for public information (including public records, news articles, court documents and filings), Department of Education internal resources (FRPDs, AASG, and OIG investigations), and the sampling of claims, there is insufficient evidence of widespread misconduct by Remington College to warrant further</p>

¹² Remington College is regionally accredited by the Middle States Commission on Higher Education.

	<p>investigation. Additionally, as there is no evidence of widespread misconduct, notice to the school on these claims is not required.</p> <p>BD recommends that the cases be adjudicated using the standard protocol.</p>
Recommended Focus Area(s)	N/A
APPROVED BY:	Michael Page
DATE:	5/1/2020

Evidence Considered	<ul style="list-style-type: none"> <input type="checkbox"/> Attorney Submission <input checked="" type="checkbox"/> Borrower Submission <input type="checkbox"/> Federal Trade Commission <input type="checkbox"/> Department of Justice <input type="checkbox"/> Securities and Exchange Commission <input type="checkbox"/> Attorney General _____ (state) <input type="checkbox"/> Consumer Financial Protection Bureau <input type="checkbox"/> ED - FSA/OIG <input type="checkbox"/> Other
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Attachment A

Remington College Locations

OPE ID	Location	Status
02599100	Little Rock AR	Closed: 3/31/1998
02599101	Oklahoma City, OK	Open
02599102	Fayetteville, AR	Closed: 3/31/1998
02612900	Wichita, KS	Closed: 03/25/1998
03012100	Colorado Springs, CO	Open
03012101	Colorado Springs, CO	Open
03012102	Garland, TX	Open
03012103	Aurora, CO	Open
03012104	Honolulu, HI	Open
03012105	Billings, MT	Closed: 12/22/2000
03012106	Tempe, AZ	Closed: 09/22/2008
03012107	Lakewood, CO	Closed: 12/31/2006
03026500	Garland, TX	Open
03026501	Houston, TX	Open
03026502	Houston, TX	Open
03026503	Houston, TX	Open
03026504	Webster, TX	Open
03026505	Garland, TX	Open
03026506	Ft. Worth, TX	Open
03026507	Houston, TX	Closed: 01/14/2016
03026508	Tampa, FL	Closed: 04/07/2016
03026509	Lake Mary, FL	Closed: 01/21/2016
03026510	Lake Mary, FL	Open
03026511	Cleveland, OH	Open
03026512	North Olmsted, OH	Closed: 01/17/2014
03026513	Shreveport, LA	Open
03026514	Lafayette, LA	Open
03026515	Baton Rouge, LA	Open
03026516	Mobile, AL	Open
03026517	Memphis, TN	Open
03026518	Little Rock, AR	Open
03026519	Nashville, TN	Open
03026520	Columbia, SC	Open
03026521	Honolulu, HI	Closed: 01/08/2020
03026522	Cleveland, OH	Closed: 10/10/2018
03026523	Knoxville, TN	Closed: 07/01/2004
00777700	Cleveland, OH	Open
00777701	Cleveland, OH	Open
00777702	Blairsville, PA	Open
00777703	Blairsville, PA	Closed: 01/18/2000
00777704	N. Olmsted, OH	Open
00777705	Cleveland, OH	Open
00777706	Shreveport, LA	Open
00777707	Lafayette, LA	Open
00777708	Baton Rouge, LA	Open

00520300	Lafayette, LA	Open
00520301	Montgomery, AL	Open
00520302	Hot Springs, AR	Open
00520303	Shreveport, LA	Open
00520304	Little Rock, AR	Closed: 03/31/1998
00520305	Monroe, LA	Open
00520306	Baton Rouge, LA	Open
00520307	Garland, TX	Open
00520308	Garland, TX	Open
00520309	Garland, TX	Open
02605500	Mobile, AL	Open
02605501	Memphis, TN	Open
02605502	Memphis, TN	Open
02605503	Little Rock, AR	Open
02605504	Nashville, TN	Open
02605505	Columbia, SC	Open
02605506	Memphis, TN	Open
02605507	Honolulu, HI	Open
02065100	Metairie, LA	Closed: 08/25/2005
02065101	Metairie, LA	Closed: 08/25/2005
03394300	San Diego, CA	Closed: 04/15/2010
03394301	Honolulu, HI	Open
03394302	Tempe, AZ	Open
03394303	San Diego, CA	Open
00758600	Tampa, FL	Open
00758601	Tampa, FL	Open
00758602	Fort Worth, TX	Open
00758603	Fort Worth, TX	Open
00758604	Largo, FL	Closed: 09/30/2009
00758605	Jacksonville, FL	Closed: 07/10/2008
00758606	Tampa, FL	Closed: 07/21/2008
00758607	Jacksonville, FL	Closed: 07/12/2007
00758608	Lake Mary, FL	Open
00758609	Heathrow, FL	Open
01046100	Topeka, KS	Closed: 10/11/2002
01046101	Mobile, AL	Closed: 10/11/2002
01046102	Memphis, TN	Closed: 10/11/2002
01046103	North Little Rock, AR	Closed: 10/11/2002

Attachment B

Remington College Final Program Determination No. 2012-3-04-27949 10/15/2012

Attachment C

Remington College Final Program Determination No. 2012-3-04-27949 10/15/2012

Attachment D

Remington College Final Program Determination No. 2013-1-04-28131 08/13/2013

Attachment E

Remington College Final Program Determination No. 2013-1-04-28131 04/11/2017

Attachment F

[Remington College Summary Application Overview](#)

DOE00012388-DOE00012389

Initial Review of Medium Batch Applications

BACKGROUND

Name of Institution	San Diego College/ Career College of San Diego
Corporate Owner(s)	San Diego College
Open or Closed	Closed
Total Number of Applications	9
Patterns of Alleged Misconduct	N/A
Evidence/Litigation	N/A
Name of Reviewer	Maureen Taylor
Date Review Completed	10/10/2019

SUMMARY APPLICATION OVERVIEW

BD Case Number	School/Campus listed on App	Program(s)	Year of Enrollment	Nature of Allegation(s)	Evidence
01284129	Career College of San Diego	Medical Billing and Coding	8/1/2011	Career Services, Guaranteed Job, Other	Emailed Statement
01452281	Career College of San Diego	Not Listed	5/1/2011	Financial Aid, Transferability, Career Services, Pressure to Enroll, Other	Emailed Statement
01471742	Career College of San Diego	Business	1/1/2011	Career Services, Financial Aid, Educational Services, Pressure to Enroll, Other	Emailed Statement
01533060	San Diego College	Medical Billing and Coding	10/1/2014	Transferability, Program Cost, Career Services, Educational Services, Other	Emailed Statement
01538795	San Diego	Medical	10/30/2013	Career	Emailed

	College	Billing and Coding		Services, Educational Services, Other	Statement
01579343	San Diego College	Medical Assistant	4/16/2013	Career Services, Pressure to Enroll	Emailed Statement
01603605	San Diego College	Medical Billing and Coding	10/13/2013	Educational Services, Pressure to Enroll	Emailed Statement
01607534	San Diego College	Medical Assistant	11/17/2014	Guaranteed Jo, Career Services, Pressure to Enroll, Other	Emailed Statement
01897267	San Diego College	Medical Assistant	9/6/2014	Other, Educational Services,	Emailed Statement

RECOMMENDATION:

The allegations made by the applicants vary and do not violate state law. No lawsuits against the school were discovered. Further investigation is not recommended.

APPROVED BY: John Stephenson

DATE: 10/11/2019

DOE00012560-DOE00012561

Initial Review of Medium Batch Applications**BACKGROUND**

Name of Institution	Southwest University
Corporate Owner(s)	Southwest University
Open or Closed	Open
Total Number of Applications	5
Patterns of Alleged Misconduct	N/A
Evidence/Litigation	N/A
Name of Reviewer	Maureen Taylor
Date Review Completed	10/11/2019

SUMMARY APPLICATION OVERVIEW

BD Case Number	School/Campus listed on App	Program(s)	Year of Enrollment	Nature of Allegation(s)	Evidence
01249555	Southwest University	Medical Assistant	2/17/2015	Other, Career Services, Program Cost, Pressure to Enroll	Emailed Statement
01276186	Southwest University	Medical Assistant	2/16/2015	Guaranteed Job, Financial Aid, Transferability, Career Services, Educational Services, Pressure to Enroll, Other	Emailed Statement
01282353	Southwest University	Medical Assistant	9/22/2009	Career Services, Financial Aid, Pressure to Enroll, Other	Emailed Statement
01531031	Southwest University	Medical Assistant	9/8/2014	Guaranteed Job, Pressure to Enroll, Other, Transferability	Emailed Statement

01595932	Southwest University	Health Administration	2/18/2019	Transferability, Educational Services	Emailed Statement
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RECOMMENDATION:

The Allegations made by the applicants vary but do not violate state law. No lawsuits against the school were discovered. Further investigation is not recommended.

APPROVED BY: John Stephenson

DATE: 10/11/2019

DOE00012629-DOE00012633



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Initial Review of Mid-Size Batch Applications

BACKGROUND

Name of Institution and OPEID	Stenotype Institute of Jacksonville 00841700
Open or Closed	Closed 03/15/2016
Date Advanced Letter Sent	N/A
Additional Locations • Add closure date if applicable	N/A
Corporate Owner(s)	Gloria Wiley - Stenotype Institute of Jacksonville of Jacksonville, Inc.
Total Number of Applications	As of August 31, 2020, there are 66 applications awaiting adjudication.
Patterns of Alleged Misconduct	Stenotype Institute of Jacksonville does not have any current litigation pending. Based on a sample of 10 allegations of each category, the borrowers do not present evidence that indicates Stenotype Institute of Jacksonville committed overt or repetitive misconduct, fraud, or misrepresentations. The application narratives provide individual experiences, frustrations, or issues encountered as a customer of Stenotype Institute of Jacksonville. Additionally, although some of the allegations asserted may be relevant to Borrower Defense, the borrowers fail to provide any supporting evidence and FSA is not otherwise in possession of evidence to establish a pattern or practice of this type of misconduct.
Internal ED Investigation(s) • PC, AAASG, OIG	<p><u>Program Compliance</u> Program reviews conducted in 2017 and 2004, however, none of the findings were relevant to borrower defense. (PRCN: 2016-2-04-29225; PRCN: 2003-2-04-20987).</p> <p><u>AAASG and OIG Investigations</u> Borrower Defense found no past or pending AAASG or OIG investigations.</p> <p><u>OIG/DOJ</u> In 2019, Gloria Wiley, former owner of Stenotype Institute of Jacksonville, was sentenced to prison and ordered to pay over \$288,000 in restitution to former students, the Department of Education, and the U.S. Department of Veterans Affairs. Wiley improperly kept \$290,000 in financial aid refunds due to the Department of Education and to former students, and \$9,000 to the Department of Veteran Affairs. (DOJ Press Release)</p>

Internal Contact(s) for Further Investigation	N/A
External Investigations (AG), Evidence or Litigation Related to BORROWER DEFENSE	<i>Handforth v. Stenotype Institute of Jacksonville, Inc., No. 309-CV-361-J-32MCR, 2010 WL 55578, (M.D. Fla. Jan. 4, 2010)</i> Plaintiff brought a class action against Stenotype Institute of Jacksonville, alleging the promise of a two year program was virtually impossible to complete and was therefore a bait and switch. The Court found it lacked subject matter jurisdiction and the case was dismissed without prejudice.
External Contact(s) for Further Investigation	N/A
External Investigations, Evidence or Litigation NOT related to BORROWER DEFENSE	N/A
News Articles/Media	N/A
Name of Reviewer	Phuong Tran Giang
Date Review Completed	9/1/2020

SUMMARY OF ALLEGATIONS AND RECOMMENDATION

Summary of Allegations Reviewed	<p style="text-align: center;"><u>Summary of Allegations</u></p> <p>Borrower Defense reviewed a sample of 10 allegations of each category outlined below to identify potential trends and/or salient information provided by the applicant pool. The enrollment dates for the applicant pool range from 2003 through 2016 with the majority of applicants having enrollment dates between 2007-2013. The narrative allegations include complaints relating to: (i) the length of time to finish the program; (ii) the transferability of their credits; and (iii) the ability to get a job after graduation.</p> <p style="text-align: center;"><u>Employment Prospects:</u></p> <p>Based on the 10 allegations reviewed, borrowers most commonly allege that they were unable to sit for licensing exams and that the school promised to place borrowers in externships that would lead to job placements. One borrower attached a program curriculum description that read “Normal Program Length is 24 months” but no other borrowers provided any additional supporting evidence.¹ Although the allegations asserted may be relevant to Borrower Defense, the borrowers fail to provide sufficient supporting evidence and FSA is not otherwise in possession of evidence to establish a pattern or practice of this type of misconduct.</p> <p style="text-align: center;"><u>Program Cost and Nature of Loans:</u></p>
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¹ [Program Curriculum Attachment - 24 months](#)

Based on the 10 allegations reviewed, many borrowers made allegations regarding the high cost of their program or claimed they were not given enough explanation regarding their loans. A few borrowers alleged the institute misrepresented the nature of their financial aid or the cost of the program. Several borrowers alleged they were told the program would take on average 2 years to complete but it took them longer to complete the program. One borrower attached a program curriculum description that read “Normal Program Length is 24 months” but no other borrowers provided any additional supporting evidence. Although the allegations asserted may be relevant to Borrower Defense, the borrowers fail to provide sufficient supporting evidence and FSA is not otherwise in possession of evidence to establish a pattern or practice of this type of misconduct.

Transferring Credit:

Based on the 10 allegations reviewed, most borrowers alleged that the institute promised them their credits would transfer to other schools, but the credits did not transfer. Although the allegations asserted may be relevant to Borrower Defense, the borrowers fail to provide any supporting evidence and FSA is not otherwise in possession of evidence to establish a pattern or practice of this type of misconduct.

Career Services:

Based on the 10 allegations reviewed, many borrowers alleged they were unable to find a job upon graduation or the institute told them it would be easy to find a job. One borrower alleged they were promised career services assistance but was not provided any assistance. Although the allegations asserted may be relevant to Borrower Defense, the borrowers fail to provide any supporting evidence and FSA is not otherwise in possession of evidence to establish a pattern or practice of this type of misconduct.

Educational Services:

Based on the 10 allegations reviewed, a few borrowers alleged the Institute misrepresented the length of time to complete the program. Other borrowers alleged they were promised an associate’s degree but received a certification instead. Although the allegations asserted may be relevant to Borrower Defense, the borrowers fail to provide any supporting evidence and FSA is not otherwise in possession of evidence to establish a pattern or practice of this type of misconduct.

Admissions and Urgency to Enroll:

Based on the 10 allegations reviewed, borrowers commonly allege that they were told there was an urgency to sign up immediately and, if they did not sign up immediately, they would lose a seat in the class. These claims are not of the type that would warrant Borrower Defense relief absent a misrepresentation

Other:

	Based on the 10 allegations reviewed, a few borrowers alleged the program's instructors were not as experienced as advertised or they did not have a teacher in the class at all. Other borrowers described how the school was in the news for financial aid fraud. Although the allegations asserted may be relevant to Borrower Defense, the borrowers fail to provide any supporting evidence and FSA is not otherwise in possession of evidence to establish a pattern or practice of this type of misconduct.
Recommended Next Steps	Based on our search for public information (including public records, court documents and filings), Department of Education internal resources (FRPDs, AASG, and OIG investigations), and the sampling of claims, there is insufficient evidence of widespread misconduct Stenotype Institute of Jacksonville to warrant further investigation. If additional evidence is discovered or received in the future, these claims may be revisited as warranted. As such, it is recommended the cases be adjudicated.
Recommended Focus Area(s)	N/A
APPROVED BY:	Shana Metzger
DATE:	9/3/2020

Evidence Considered	<input type="checkbox"/> Attorney Submission <input checked="" type="checkbox"/> Borrower Submission <input type="checkbox"/> Consumer Protection Financial Bureau (CPFB) <input type="checkbox"/> Department of Education-Office of Investigator General (OIG) <input type="checkbox"/> Documents Submitted by the school in response to your application <input checked="" type="checkbox"/> Evidence Obtained by the Department in conjunction with its regular oversight activities <input type="checkbox"/> Federal Trade Commission (FTC) <input type="checkbox"/> Department of Justice (DOJ) <input type="checkbox"/> U.S. Securities and Exchange (SEC) <input type="checkbox"/> Attorney General _____ (state) <input type="checkbox"/> Other <input type="checkbox"/> No Other Evidence Considered
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Advanced Letter Requests	<input type="checkbox"/> Standard Letter <input type="checkbox"/> Standard Letter Plus:
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Links: In this section please provide the Sharepoint links to working documents and evidence reviewed. Example of items to provide links for below.

- [Salesforce Allegation Report](#)
- [PRCN: 2016-2-04-29225](#)

- [DOJ Press Release](#)
- [*Handforth v. Stenotype Institute of Jacksonville, Inc.*, No. 309-CV-361-J-32MCR, 2010 WL 55578, \(M.D. Fla. Jan. 4, 2010\)](#)
- [Program Curriculum Attachment - 24 months](#)

DOE00012658-DOE00012658

Strayer University – Evidence Considered Protocol

Applicable to:

Strayer University

Strayer Business College

Entering Evidence Considered Manually:

1. Open a case with a suggested closing correspondence value of Standard Denial with Evidence Considered in status 3.10
2. In the “Evidence Considered” field on the case select the following:
 - a. Evidence obtained by the Department in conjunction with its regular oversight activities
3. In the “Other Evidence” field on the case input the following:
 - a. [nothing is needed to be entered into this field for Strayer]
4. The case is now ready to process following the normal borrower notification letter creation process.

Bulk Update Options:

1. Bulk update (by work ticket to Accenture) all Strayer cases in 3.10 with the following:
 - a. In the “Evidence Considered” dropdown, select “Evidence obtained by the Department in conjunction with its regular oversight activities.”
2. Process following the normal borrower notification letter creation process.

DOE00012664-DOE00012668



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Initial Review of Medium Batch Applications

BACKGROUND

Name of Institution and OPEID	Strayer University - 00145900 Strayer Business College - 00465400 (closed 12/20/1991)
Open or Closed	Open
Date Advanced Letter Sent	N/A
Additional Locations • Add closure date if applicable	See Attachment A -Strayer University Additional Locations
Corporate Owner(s)	Strategic Education, Inc.
Total Number of Applications	As of February 21, 2020, there were 549 applications for Strayer University and one application for Strayer Business College awaiting adjudication.
Patterns of Alleged Misconduct	Strayer University currently does not have any pending litigation and no evidence suggests that the University is participating in fraudulent activity. Based on a sample of 50 applications below, the borrowers do not present evidence that indicate Strayer committed overt or repetitive misconduct, fraud, or misrepresentations. The application narratives provide individual experiences, frustrations, or misunderstandings encountered as a customer of Strayer University.
Internal ED Investigation(s) • PC, AAASG, OIG	<p><u>Program Compliance</u></p> <p>Two Final Program Review Determination (FPRD) were completed in 2014 (PRCN: 201340328425¹ and 2014406288027²).</p> <p>The first 2014 program review focuses on Strayer's self-reported noncompliance with a Title IV program at its Palm Beach Gardens campus. The program review finds that Strayer University improperly disbursed funds to one of seven students enrolled in its Master of Business Administration program. Strayer did not receive punishment from the Department for this error.</p> <p>The second 2014 program review relates to Strayer University's failure to resolve conflicting information provided by a student. The review determination closed the findings with no further action because Strayer took adequate corrective actions.</p> <p>Two additional FPRDs were completed in 2015. (PRCN: 201440428745³ and 201440328800⁴).</p>

¹ See [Attachment B – Strayer University FRPD 2/24/2014](#)

² See [Attachment C – Strayer University FRPD 10/21/2014](#)

³ See [Attachment D – Strayer University FRPD 1/7/2015](#)

⁴ See [Attachment E – Strayer University FRPD 4/29/2015](#)

	<p>A complete copy of the first 2015 program review could not be located by the Compliance Manager, however, a copy of the letter issued to Strayer University is attached. The letter specifically focuses on the Douglasville, GA location and shows that Strayer has resolved all findings related to a Title IV violation and no further action is required.</p> <p>The second 2015 program review relates to Title IV funds, and the miscalculation of a student refund. The program review instructs the University to return a specified amount to the student's outstanding Federal Direct Loans.</p> <p><u>AAASG and OIG Investigations</u> After review, Borrower Defense found no past or pending AAASG or OIG investigations.</p> <p><u>OGC/DOJ</u> DOJ <u>declined to intervene</u> in a qui tam action against Strayer University and the case was ultimately dismissed.⁵</p>
Internal Contact(s) for Further Investigation	N/A
External Investigations (AG), Evidence or Litigation Related to BD	N/A
External Contact(s) for Further Investigation	N/A
External Investigations, Evidence or Litigation NOT related to BD	In 2014, an admissions official was found to have fraudulently created 58 official Strayer University transcripts to commit immigration fraud by falsifying student visas. ⁶
News Articles/Media	<p>For-Profit Schools Target The Black Community. Here's How You Can Avoid The Scam.</p> <p>This article uses Strayer University as an example on how for-profit universities cater advertising to certain markets, enlisting well known celebrities and pointed advertising narratives. The article highlights the motives of universities like Strayer but does not direct the reader to any specific misrepresentations, misconduct, or malfeasance. Vice published a similar article titled: How For-Profit Colleges Have Targeted and Taken Advantage of Black Students.</p>

⁵ See *U.S. ex rel Hardy v. Strayer University*, 1:14-cv-00154 (U.S. District Court for the Eastern District of Virginia, Alexandria Division) (Feb. 12, 2014) ([on file with BDG](#)).

⁶ See *McLean business managers, Strayer University officials convicted of immigration fraud*, INSIDE NOVA (Aug. 30, 2014), https://www.insidenova.com/headlines/mclean-business-managers-strayer-university-officials-convicted-of-immigration-fraud/article_4d1ab724-2edf-11e4-8c22-001a4bcf887a.html ([on file with BDG](#)).

	<p>University Admits Mistake: Student Won't Graduate On-Time. A 2019 article found that a Strayer University counselor failed to enroll the student in a required course, delaying graduation. The University has since provided the student with resources and benefits as an apology.</p> <p>For-profit Strayer University opens its ninth campus in Florida Thursday in College Town. This 2020 article discusses how Strayer University continues to expand and has opened several new locations including its most recent location in Tallahassee, Florida location.</p>
Name of Reviewer	Robert Martin
Date Review Completed	2/21/2010

SUMMARY OF ALLEGATIONS AND RECOMMENDATION

Summary of Allegations Reviewed	<p style="text-align: center;"><u>Summary of Allegations</u></p> <p>Borrower Defense reviewed a sample⁷ of 50 applications to identify potential trends in the applicant pool. Approximately half the sampled applications participated in a Business or Business Administration program at varying credential levels. The remainder of the application programs include Criminal Justice, Information Technology, Computer Science, Accounting, and Human Resource Management, among others. The enrollment dates for Strayer University range from 1997 to 2019. One application is against Strayer Business College with a 1988 enrollment date. The narratives in the reviewed applications provide commentary on the quality of education, the cost of attendance, and frustrations arising from unemployment. Only two borrowers attached additional information. One borrower attached correspondence related to a dispute regarding academic probation and the second related to a dispute regarding the program printed on their certificate. Both disputes are unrelated to a Borrower Defense claim.</p> <p style="text-align: center;"><u>Employment Prospects</u></p> <p>Of the sampled applications, 37 raise an employment prospects allegation, with only 18 allegations asserting a relevant claim. The borrowers allege that Strayer University lied about job placement assistance, employment outcomes, and Strayer’s relationship with employers. Although the allegations asserted may be relevant to Borrower Defense, the borrowers fail to provide any supporting evidence that exhibits a pattern of practice consistent with misconduct.</p> <p style="text-align: center;"><u>Program Cost and Nature of Loans</u></p> <p>Of the sampled applications, 43 raise a program cost allegation. Of these 43 allegations, 25 borrowers allege that Strayer University lied about the cost of</p>
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⁷ See [Attachment F: Strayer University Summary Application Overview](#)

attendance, how the tuition would be paid, and the nature of their loans. A few borrowers allege that the cost of attendance increased routinely without prior notice throughout the program. Generally, the borrower's complaints focus on a lack of clarity in the cost of attendance. Without evidence of material falsities or proof of misleading information, there is no reason for further investigation.

Career Services

Of the sampled applications, 31 raise a career services allegation. Of those 31 allegations, 17 allegations relate to assistance with securing employment following graduation. The applications express frustrations with services that Strayer University both provided and failed to provide to its students. The allegations alone do not provide any support for misconduct relevant to Borrower Defense.

Transferring Credits

Of the sampled applications, 26 raise a transfer of credits allegation. Most transfer allegations express credit related issues encountered throughout the borrower's individual experience. Several borrowers state an inability to transfer credits in and out of Strayer University, however, do not provide any evidence of the credits' purported transferability. Additionally, Strayer is regionally accredited by the Middle States Commission on Higher Education. Based on these allegations, there is no evidence to support misconduct regarding transfer of credits.

Educational Services

Of the sampled applications, 10 raise an allegation relevant to Educational Services. The borrowers' allegations discuss the quality of the education received, including personal opinions on the instructors, curriculum, and program resources. Based on these allegations, there is no evidence to support misconduct regarding educational services.

Admissions and Urgency to Enroll

Based on 41 allegations, only 26 of those allegations are relevant to Admissions and Urgency to Enroll. The borrowers' allegations illustrate sales tactics that include pressuring potential students into enrolling quickly, routinely calling and sending emails, and in some cases incentive programs, such as Strayer providing the borrower with a laptop. The borrower statements do not show a pattern of practice consistent with general misconduct.

Other

Of the 50 applications reviewed, 31 borrowers provided an "other" allegation. These borrowers provided explanatory narratives relevant to their personal experiences, addressing the implications of acquiring educational debt without secure employment, or commenting on the quality of their educational experience. The borrowers do not appear to reveal a pattern of misconduct.