

## Reinstating The Federal Recognition Of An Accreditor That "Rubber-Stamped" Fraudulent For-Profit Colleges

**Betsy DeVos Ignored Repeated Staff Recommendations By Reinstating The Accrediting Council For Independent Colleges And Schools (ACICS), A For-Profit College Accreditor That Had Lost Recognition From The Obama Administration For Flouting "Nearly 60 Federal Regulations" And "Rubber-Stamp[ing]" Fraudulent For-Profit Schools That Cheated Students.**

**In Late September 2018, The Education Department "Effectively Reversed" An Obama-Era Decision And Reinstated The Accrediting Council For Independent Colleges And Schools (ACICS), A "Derelict Accreditor" That Flouted "Nearly 60 Federal Regulations" And "Rubber-Stamped" Fraudulent For-Profit Schools That Cheated Students.**

In September 2018, The Department Of Education "Effectively Reversed" An Obama-Era Decision And Reinstated the Accrediting Council for Independent Colleges and Schools (ACICS), A "Derelict Accreditor" That "Rubber-Stamped" Fraudulent For-Profit Schools That Cheated Students And Flouted "Nearly 60 Federal Regulations." "Nearly two years ago, the U.S. Education Department finalized a decision to strip a controversial accrediting agency of its federal recognition, ending its ability to serve as a gatekeeper for federal student aid. However, following a court decision and review of more than 30,000 pages of documents, a senior official at the department has now effectively reversed that decision. A letter to the Accrediting Council for Independent Colleges and Schools, dated September 28, concluded that the council was now in compliance with all but two of the necessary standards for recognition." [The Chronicle of Higher Education, [09/29/18](#)]

**Betsy DeVos Ignored The Recommendations Of ED Officials Who "For The Second Time In Less Than Two Years" Recommended Against ACICS' Approval And Found The Accreditor "Fail[ed] To Meet Nearly 60 Federal Regulations On Accreditation."** "For the second time in less than two years, officials at the U.S. Department of Education have recommended against approving a controversial accrediting agency that primarily oversees for-profit colleges. But their finding may have little effect on the accreditor's future. [...] the department released a 244-page document advising that the Accrediting Council for Independent Colleges and Schools, known as Acics, fails to meet nearly 60 federal regulations on accreditation. The analysis is a draft of a report that was meant to be released in May at a hearing scheduled to consider the accreditor's status. That hearing was cancelled following a judge's order in a lawsuit filed by the council." [The Chronicle Of Higher Education, [06/09/18](#)]

**In November 2018, Betsy DeVos Official Restored ACICS Federal Recognition After A Recommendation From Diane Auer Jones, A For-Profit College Lobbyist.** "Education Secretary Betsy DeVos will restore federal recognition to a for-profit college accreditor for which the Obama administration withdrew recognition. DeVos will act on the recommendation of a senior department official who recommended in September that the Accrediting Council for Independent Colleges and Schools be reinstated with the condition that it demonstrate full compliance with federal standards within 12 months. The decision means colleges overseen by the accreditor that failed to find recognition elsewhere will maintain their access to federal student aid. DeVos outlined the decision in a nine-page document Nov. 21. [...] Jones concluded in her review, though, that the

Obama administration's decision to terminate the accreditor appeared to be politically motivated -- a finding DeVos appeared to endorse Wednesday." [Inside Higher Ed, [11/26/18](#)]

## **Diane Auer Jones, The Trump Administration's "Top Higher Education Official," Spent Nearly Five Years Lobbying For A For-Profit College Corporation That Drew The Fire Of Federal And State Regulators For Deceiving Students.**

### **Diane Auer Jones Is The Trump Administration's "Top Higher Education Official."**

**Principal Deputy Under Secretary Of Education Diane Auer Jones Has Been Described As The Trump "Administration's Top Higher Education Official."** "In an exclusive interview with *Inside Higher Ed*, the administration's top higher education official described the philosophy behind the latest proposed regulatory overhaul, which the U.S. Department of Education unveiled Monday by introducing a wide-reaching rule-making session." [Inside Higher Ed, [07/30/18](#)]

- **Jones Was Delegated The Duties Of The Under Secretary And Assistant Secretary For Postsecondary Education.** "Diane Auer Jones serves as principal deputy under secretary at the U.S. Department of Education. In this role, she is delegated to perform the duties of under secretary and assistant secretary for postsecondary education." [Department of Education, [09/27/18](#)]

### **For Nearly Five Years, Diane Auer Jones Was A Chief Lobbyist For Career Education Corporation.**

**From 2010 To 2015, Diane Auer Jones Worked On "Regulatory Operations" And "Government Affairs" As An Executive At Career Education Corporation.** Diane Auer Jones was "SVP and Chief External Affairs Officer" of Career Education Corporation from October 2010 to March 2015. She said she, "[s]erved as the senior executive responsible for company-wide regulatory operations, licensure and accreditation, corporate communications, public relations, government affairs and centralized academic services." [[LinkedIn Profile for Diane Jones](#), accessed 05/23/18]

### **Career Education Corporation Has Faced "Near Constant Scrutiny From Accreditors And Law Enforcement Entities," Including The Senate, FTC, SEC, And 22 Attorneys General For "Misleading And Deceptive Recruiting Tactics."**

**Career Education Corporation "Is One Of The Largest For-Profit Education Companies" That "Has Been Under Near Constant Scrutiny From Accreditors And Law Enforcement Entities."** "Career Education Corporation ('CEC') is one of the largest for-profit education companies offering many types of programs from certificate to Bachelor's degrees. Like many for-profit education companies, in recent years CEC has experienced significant growth in student enrollment, Federal funds collected, and profit realized. At the same time, the company has been under near constant scrutiny from accreditors and law enforcement entities." [[For Profit Higher Education: The Failure to Safeguard the Federal Investment and Ensure Student Success](#), U.S. Senate Health, Education, Labor and Pensions Committee, 07/30/12]

**During Jones' Tenure At CEC, A Senate HELP Committee Report Noted There Were "Allegations of Misleading And Deceptive" Recruiting Practices Against CEC.** "The company appears to offer little in the way of student support services, and has struggled to address allegations of misleading and deceptive

recruiting tactics as well as misrepresentations in its job placement rates.” [[“Career Education Corporation,”](#) U.S. Senate Committee on Health, Education, Labor, and Pensions, accessed 10/11/18 and [“FOR PROFIT HIGHER EDUCATION: The Failure to Safeguard the Federal Investment and Ensure Student Success,”](#) U.S. Senate Committee on Health, Education, Labor, and Pensions, 07/30/12]

**Career Education Corporation Has Been Investigated By The FTC, SEC, And Twenty-Two Attorneys General.** “In recent years the company has been under investigation for deceptive practices by the Federal Trade Commission; the Securities and Exchange Commission; and the attorneys general of Arkansas, Arizona, Connecticut, Idaho, Iowa, Kentucky, Missouri, Nebraska, North Carolina, Oregon, Pennsylvania, Washington, Illinois, Tennessee, Hawaii, New Mexico, Maryland, Florida, Massachusetts, Minnesota, New York, and the District of Columbia.” [Republic Report, [03/06/18](#)]

**In 2013 Career Education Corporation Had To Pay \$9.25 Million In Restitution And A \$1 Million Penalty For Having “Significantly Inflated Its Graduates’ Job Placement Rates.”** “Attorney General Eric T. Schneiderman today announced a \$10.25 million settlement with Career Education Corporation (‘CEC’), a for-profit education company. The settlement resolves an investigation that revealed that in disclosures made to students, accreditors, and New York State, CEC significantly inflated its graduates’ job placement rates. CEC will pay \$9.25 million in restitution to students, a \$1 million penalty, and has agreed to substantial changes in how the company calculates and verifies placement rates.” [Press Release, [08/19/13](#)]

**In 2011 Career Education Corporation Settled A \$40 Million Class Action Lawsuit For Claiming Its Job Placement Rate Was 97% Without Noting That A “Substantial Majority” Of The Jobs Paid Less Than \$12 An Hour And Were Largely Entry-Level.** “In 2011, CEC agreed to pay \$40 million to settle a class action lawsuit involving another of one its subsidiaries, the California Culinary Academy in San Francisco. In that case, former students allege that the college’s admissions representatives and catalog boasted a job placement rate of 97 percent, but that the college did not tell applicants that the statistics included graduates working as baristas, prep cooks, line cooks and waiters, jobs for which no degree was necessary. The complaint also contends that wages for a ‘substantial majority’ of the jobs included in the statistics paid \$12 an hour or less.” [[“Career Education Corporation,”](#) U.S. Senate Committee on Health, Education, Labor, and Pensions, accessed 10/11/18]

**Diane Auer Jones Is Intent On Loosening Accrediting Standards To Let More For-Profit Schools Feed On Federal Funding.**

**Diane Auer Jones Is Focusing On Loosening Oversight Of Accreditors, Giving Them A “Safe Space,” Having Them “Tolerate Some Risk,” And Arguing That They And Other Regulators Should “Stay In Their Lanes.”**

**Under Diane Auer Jones And Betsy DeVos, ED’s Higher Education Policy Is “A Stark Contrast To The Obama Administration’s [...] Tougher Scrutiny Of Accreditors.”** “The broad plan from Education Secretary Betsy DeVos to ‘rethink’ higher education is a stark contrast to the Obama administration’s approach, which made a signature policy of tougher scrutiny of accreditors, often citing oversight failures involving low-performing for-profit colleges. ‘Accreditation is right at the crux of almost everything you do in higher ed,’ Jones said last week. ‘We’re looking at every aspect of accreditation and saying, ‘Does this make sense?’” [Inside Higher Ed, [07/30/18](#)]

**Diane Auer Jones “Said The [Trump] Administration’s Goal Is To Reduce Compliance Requirements For Accreditors.”** “Diane Auer Jones, the department’s principal deputy under secretary, delegated to perform the duties of under secretary and assistant secretary for postsecondary education, said the administration’s goal is to reduce compliance requirements for accreditors, freeing them up to focus on educational quality

while more clearly defining the college oversight roles of those agencies, state governments and federal regulators.” [Inside Higher Ed, [07/30/18](#)]

**Jones Worked To Have Accreditors “Tolerate Some Risk” To More Easily Grant Title IV Funding To Schools.** “Jones said DeVos wants to allow accreditors to ‘tolerate some risk.’ For example, she said, the administration is interested in encouraging colleges to offer degrees through new online models at more affordable prices. The federal government outsources much of its gatekeeping role for student aid to accreditors. Without their approval, colleges and universities can’t maintain their access to Title IV federal funds.” [Inside Higher Ed, [07/30/18](#)]

**Jones Has Argued That Accreditors, Federal Regulators, And State Regulators Should “Stay In Their Lanes,” And That Accreditors Should Not Have Oversight Of For-Profits Converting To Nonprofits.** “Part of the administration’s goal with the accreditation overhaul, Jones said, is to better define oversight roles and to ensure that accreditors and state and federal regulators ‘stay in their lanes,’ focusing on their core strengths.” [Inside Higher Ed, [07/30/18](#)]

- “For example, she said, accreditors tend to be ill suited to properly scrutinizing the financial health of colleges or the specifics of complex financial interactions, including the wave of large for-profits that are seeking to convert to nonprofits. Those jobs are best left to the feds and state regulators, she said. “Their expertise is not in evaluating contract terms,” Jones said of accreditors. “The role of the accreditor is to make sure the institution is well run.” [Inside Higher Ed, [07/30/18](#)]

**Jones Said, “The Credit Hour Probably Interferes With Innovation Almost More Than Anything” While Issuing A “Controversial Proposal” To Undo Obama-Era Rules To Hold Accreditors More Accountable For Overseeing Credit Hours.** “The credit hour probably interferes with innovation almost more than anything,’ she said. ‘I think most educators believe we should go back to the way we did it for 100 years where institutions determine what the credit hour should be and justify it to their accreditor.’” [Inside Higher Ed, [07/30/18](#)]

- **Diane Auer Jones Described Plans To Drop The Obama Administration’s “Standardized Definition For Academic Coursework.”** “In what will be the one of the most controversial proposals, [Jones] said the department wants to drop a standardized definition for academic course work, known as the credit hour, that the Obama administration rewrote in 2010 to curb credit inflation.” [Inside Higher Ed, [07/30/18](#)]
- “The Obama administration issued the credit-hour definition in 2010 after the inspector general found that colleges had inflated the value of credits to get more federal student aid.” [Inside Higher Ed, [07/30/18](#)]

**Jones Argued In 2018 That “We Have To Give Accreditors A Safe Space To Support That Innovation.** “We have seen some accreditors that want to be bold. Too many times they’ve done it with the department’s blessing and have gotten blindsided after the fact,’ said Jones, a former assistant secretary of education in the George W. Bush administration. [...] ‘If we really want innovation to take place, we have to give accreditors a safe space to support that innovation.’” [Inside Higher Ed, [07/30/18](#)]

- **However, in 2009, Jones Criticized A “Funding Model In Education That Favors Constant Change And Innovation.”** [National Association of Scholars, [06/29/09](#)]

**Although Diane Auer Jones Acknowledged That Some Lenders “Behaved Badly,” She Defended Them, Claiming That They Have “Have Benefited Thousands If Not Millions Of Students.”** “We must also acknowledge that while some FFEL lenders have behaved badly and all have enjoyed generous government guarantees for the non-secured loans they make, they have enabled millions of low- and middle-income

individuals to attend college. These lenders have also achieved dramatic reductions in borrower default rates due to improved consumer counseling and customer service. In addition, many have used their profits to establish scholarship and college-readiness programs, which have benefited thousands if not millions of students.” [National Association of Scholars, [06/29/09](#)]

## **Senators Warned That Diane Auer Jones Could Restore An ED-Rejected Accreditor That “Rubber-Stamped” For-Profit Schools Like The Ones She Lobbied For...And Jones Went Ahead And Did Just That.**

### **In April 2018, Senators Warned That Diane Auer Jones “Has A History Of Participating In The Revolving Door” And Voiced Specific Concern About Her Reinstating ACICS, An Accreditor That “Rubber-Stamped” For-Profit Colleges Like The Ones She Lobbied For.**

In An April 2018 Letter, Ten Senators Raised Concerns That Betsy DeVos’ ED Would Reinstiate The Accrediting Council For Independent Colleges And Schools (ACICS), An Accreditor That “Oversaw The Biggest Collapse of For-Profit Colleges In The History Of Federal Student Aid.” “Among the concerns raised in the eight-page letter: Lawmakers say they are suspicious of Jones having the power to recommend whether the Accrediting Council for Independent Colleges and Schools should be fully reinstated. The Obama administration stripped the organization of its power in December 2016, after deciding it was incapable of rectifying years of lax oversight. The organization accredited some of the biggest names in the for-profit college industry, including several once owned by Career Education, where Jones worked from 2010 to 2015.” [Washington Post, [04/28/18](#)]

- **Sen. Richard Blumenthal (D-CT) Said He Had “Significant” Concern That Betsy DeVos’ Appointee Diane Auer Jones Might Favor An Accreditor That “Rubber-Stamped” Fraudulent And Abusive Schools.** “I have significant, specific concerns regarding Ms. Jones’ ability to oversee a derelict accreditor that has rubber-stamped the flow of federal dollars to colleges and universities that engaged in widespread fraud and abuse — the very same colleges and universities she has worked for most of her career,” Sen. Richard Blumenthal (D-Conn.), one of the 10 lawmakers who signed the letter, said in an email to The Washington Post.” [Washington Post, [04/28/18](#)]

**The Senators Wrote, “Ms. Jones Has A History Of Participating In The Revolving Door.”** The Senators wrote, “Ms. Jones has a history of participating in the revolving door of government and lobbying, including a position as the chief lobbyist for a for-profit education company operating colleges accredited by ACICS.” [[Letter from Richard Blumenthal et. al to Betsy DeVos](#), 04/26/18]

**The Senators Were Concerned About Jones’ Authority To Reinstiate An Accreditor That “Rubber-Stamped” For-Profit Schools, Like The Ones She Worked For.** “Among the concerns raised in the eight-page letter: Lawmakers say they are suspicious of Jones having the power to recommend whether the Accrediting Council for Independent Colleges and Schools should be fully reinstated. The Obama administration stripped the organization of its power in December 2016, after deciding it was incapable of rectifying years of lax oversight. The organization accredited some of the biggest names in the for-profit college industry, including several once owned by Career Education, where Jones worked from 2010 to 2015.” [Washington Post, [04/28/18](#)]

- “I have significant, specific concerns regarding Ms. Jones’ ability to oversee a derelict accreditor that has rubber-stamped the flow of federal dollars to colleges and universities that engaged in widespread fraud and abuse — the very same colleges and universities she has worked for most of her



career,' Sen. Richard Blumenthal (D-Conn.), one of the 10 lawmakers who signed the letter, said in an email to The Washington Post." [Washington Post, [04/28/18](#)]

## **The Senators Noted That Jones Served As An Expert Witness For The Center for Excellence in Higher Education, A Chain Of For-Profit Schools That Tried To Gain Nonprofit Status But Was Rejected By ED.**

"The lawmakers said they also are wary of the senior policy adviser's ties to the Center for Excellence in Higher Education, a Utah-based chain of career colleges that are seeking to convert from for-profit status to nonprofit for federal financial aid purposes. The Education Department in 2016 rejected the company's bid to convert to nonprofit status. Jones served as an expert witness when the company sued the Education Department over its decision." [Washington Post, [04/28/18](#)]

## **In September 2018, Diane Auer Jones Confirmed The Senators' Fears When She "Effectively Reversed" ED's Prior Decision To Strip ACICS' Accreditor Status, Arguing That It Was A Victim Of "Government Strong-Arming" Although ED Has Found That ACICS Had Flouted "Nearly 60 Federal Regulations."**

**In September 2018, Diane Auer Jones "Effectively Reversed" An Obama-Era Decision To End ED's Recognition Of ACICS' Accreditor Status.** "Nearly two years ago, the U.S. Education Department finalized a decision to strip a controversial accrediting agency of its federal recognition, ending its ability to serve as a gatekeeper for federal student aid. However, following a court decision and review of more than 30,000 pages of documents, a senior official at the department [Diane Auer Jones] has now effectively reversed that decision. A letter to the Accrediting Council for Independent Colleges and Schools, dated September 28, concluded that the council was now in compliance with all but two of the necessary standards for recognition." [The Chronicle of Higher Education, [09/29/18](#)]

**Jones Argued That "ACICS Was Likely In Compliance" With ED Accreditation Standards.** "In making her decision, Auer Jones largely faulted the department's staff, its political appointees, and the federal panel that advises the secretary on accreditation decisions for not considering additional evidence and measures the accreditor had taken to meet the standards before the 2016 decision. 'Acics was likely in compliance with many of these criteria in 2016 at the time of the secretary's decision,' Auer Jones wrote in her 77-page decision, which was completed without input from the staff in the department's accreditation division." [The Chronicle of Higher Education, [09/29/18](#)]

**Jones Argued That ACICS Was A Victim Of "Government Strong-Arming" And Suggested That ED Staff "Predetermined" Its Decision.** "Not reviewing the additional documents 'is an example of government strong-arming that is simply unacceptable and, in my opinion, is a strong sign that the department had predetermined' the accreditor's 'destiny, whether or not the evidence provided did or did not justify the determination,' Auer Jones wrote." [The Chronicle of Higher Education, [09/29/18](#)]

**In 2018, ED Issued A Report Finding That ACICS Was "Out Of Compliance With Nearly 60 Federal Regulations.** "The latest decision conflicts with a separate staff analysis, completed earlier this year, that found the accreditor out of compliance with nearly 60 federal regulations. Auer Jones dismissed that report, however, saying that it could not be considered because it was done for a different process, as the accreditor sought to reapply for recognition." [The Chronicle of Higher Education, [09/29/18](#)]

**Steve Gunderson, The For-Profit College Industry’s “Chief Lobbyist,” Influenced Education Secretary Betsy DeVos’ Decisions To Reinstate ACICS, “The Accreditor Of Predatory School Chains,” And To Restore Federal Aid For The Family That Owned Globe University, Which Had Engaged In “Consumer Fraud And Deceptive Trade Practices.”**

**The For-Profit College Industry’s “Chief Lobbyist” Is Steve Gunderson, CEO Of Industry Group Career Education Colleges And Universities (CECU).**

The For-Profit College Industry’s “Chief Lobbyist” Steve Gunderson, CEO Of Industry Group Career Education Colleges And Universities (CECU) And A Former Congressman. “But at the outset of the administration, newly-released documents show, the industry’s chief lobbyist, Steve Gunderson, expressed increasing frustration over not getting something else he clearly wanted badly: a face-to-face meeting with Trump education secretary Betsy DeVos. Gunderson, a Republican former congressman from Wisconsin and now the CEO of the trade group Career Education Colleges and Universities (CECU), made clear to DeVos aides that the for-profit school executives he represented deserved the meeting because they had supported Donald Trump over Hillary Clinton.” [Republic Report, [02/26/20](#)]

**In Early 2017, During Betsy DeVos’ First Weeks As Education Secretary, Gunderson Was Already Working To Have Her Department Reinstate ACICS, The “Accreditor Of Predatory School Chains” Like ITT Tech And Corinthian Colleges”— In 2018, Betsy DeVos Did Just That.**

In Betsy DeVos’ First Weeks As Education Secretary, CECU Was Trying To Have The Education Department “Reinstate ACICS, The Asleep-At-The-Switch Accreditor Of Predatory School Chains Including Corinthian Colleges And ITT Tech.” “The records also indicate that in the first weeks of DeVos’s tenure, CECU was aiming to get the Department to reinstate ACICS, the asleep-at-the-switch accreditor of predatory school chains including Corinthian Colleges and ITT Tech.” [Republic Report, [02/26/20](#)]

“In 2018, DeVos Reinstated ACICS, Giving Gunderson What He Sought.” “In 2018, DeVos reinstated ACICS, giving Gunderson what he sought. But the discredited accreditor is still struggling to do an adequate job.” [Republic Report, [02/26/20](#)]

**In April 2017, Gunderson Asked The Department Of Education To Reverse The Obama Administration’s Decision To Cut Globe University Off From Federal Aid And Provide “Justice” To The Family That Owned The School—Two Years Later, DeVos’ Department Restored Eligibility For Some Of That Family’s Schools.**

In April 2017 Steve Gunderson Emailed Betsy DeVos’ Aides Asking Them To Reverse An Obama-Era Decision To Cut Federal Aid For Globe University And “Provide Some Level Of Justice” For The Myhre Family, Which Owned Globe. “Gunderson’s April 12, 2017, email to the DeVos aides, where he pushed hard for a meeting with DeVos, also referenced his continuing concern about Minnesota-based Globe University, which he apparently had discussed at an in-person meeting with the aides the day before. Gunderson wrote that the Obama administration’s decision to cut off aid to Globe ‘represents one of the most blatant political/ideological decisions I’ve seen by any administration in all my years in government.’ He added, ‘My hope is that you take the appropriate actions to provide some level of justice to the incredible work’ of the family that owned Globe.” [Republic Report, [02/26/20](#)]

- **The Myhre Family Were The Owners Of Globe University.** “Gunderson is a long-time friend of the Myhre family, owners of Globe.” [Republic Report, [02/26/20](#)]
- **The Obama Administration Suspended Globe After A Minnesota Court Ruled It Engaged In “Consumer Fraud And Deceptive Trade Practices.”** “In fact, the Obama education department’s suspension of Globe was hardly ‘political.’ It came after a Minnesota court ruled in 2016 that Globe had engaged in consumer fraud and deceptive trade practices by misleading recruits to its criminal justice program about the job opportunities they would have, and after Minnesota’s higher education agency moved to shut down the school.” [Republic Report, [02/26/20](#)]

**In August 2019, Betsy DeVos Education Department “Took Action To Keep Some Of The Myhre’s Schools, [...] Eligible For Federal Aid, Reversing A Separate Obama-Era Decision.”** “In August 2019, the DeVos Department took action to keep some of the Myhre’s schools, based in Wisconsin, eligible for federal aid, reversing a separate Obama-era decision.” [Republic Report, [02/26/20](#)]

## **Betsy DeVos Has A History Of Investing In Companies That Profit Off The Backs of Student Loan Borrowers Like For-Profit Colleges And Student Loan Refinancers.**

### **For-Profit Colleges Account For a “Disproportionately Large Segment” Of The Student Loan Crisis.**

**For-Profit Colleges Are A “Disproportionately Large Segment” Of The Student Loan Crisis – Accounting For Half Of The Top 25 Schools Where Students Held The Most Student-Loan Debt In 2014.** “A new report from the Brookings Institution shows that for-profit colleges aren’t just part of the student-loan crisis—they’re a disproportionately large segment, and one that has swelled in recent years. Between 2000 and 2014, the number of students holding education debt doubled to 42 million, their total debt outstanding quadrupling to over \$1 trillion. In 2000, there was only one for-profit institution among the 25 colleges and universities where students held the most student-loan debt. In 2014, there were 13, and University of Phoenix topped the list. The amount of debt owed by those attending for-profit colleges has grown from \$39 billion in 2000 to \$229 billion in 2014—which is more attributable to increases in the rate of borrowing at those schools than to increases in enrollment.” [Gillian B. White, “[The Empty Promises of For-Profit Colleges](#),” *The Atlantic*, 09/15/15]

### **Betsy DeVos Has Invested In Laureate Education, Which Operates Private For-Profit Colleges.**

**Betsy DeVos Has Held Investments Tied To Laureate Education, “A Private For-Profit College Operator.”** “Pages 15 and 45 of [Betsy DeVos’] ethics paperwork list investments in Avery Point VII CLO. While the full investments of that fund are not clear, it does show up as a key investment in an amended loan agreement with Laureate Education—a private for-profit college operator. Laureate is also the company for which former president Bill Clinton served as an honorary chancellor.” [Center for American Progress, [01/27/17](#)]

- **Laureate Education Was The “Largest For-Profit College Company On The Planet” In 2017.** [Forbes, [02/01/17](#)]
- **Laureate Owns Walden University, “The Largest Recipient Of Federal Graduate Student Loans.”** “Laureate, which has a substantial international presence, also owns Walden University—the largest recipient of federal graduate student loans. Laureate is expected to produce an initial public offering



soon, which could mean substantial windfalls for the company. Notably, the ethics agreement that DeVos signed in relation to her nomination does not require her to divest her holdings in Avery Point VII.” [Center for American Progress, [01/27/17](#)]

## **DeVos Also Invested In Delta Educational Systems, Which Operates Private For-Profit Colleges.**

**DeVos Has Investments Tied To Delta Educational Systems Inc., Which “Operates Several Dozen Private For-Profit College Campuses.”** “DeVos has money in Apollo Investment Corp., which currently has investments in Delta Educational Systems Inc., a company that operates several dozen private for-profit college campuses. According to a spreadsheet of the first official gainful employment results from the Office of Federal Student Aid, Delta has 40 programs at risk of losing access to federal financial aid under the gainful employment regulation. Moreover, Delta also has accreditation through ACICS. DeVos’ investment in Apollo is also noteworthy because it is a subsidiary of Apollo Global Management, the company expected to purchase the University of Phoenix in the next few weeks.” [Center for American Progress, [01/27/17](#)]

## **Separately, DeVos Indirectly Invested In Online Lending Company SoFi, Which Refinances Student Loans.**

**Betsy DeVos Was An “Indirect Investor” In Online Lending Company SoFi, Which Refinances Student Loans.** “Betsy DeVos, tapped by President-elect Donald Trump to run the U.S. Department of Education, is an indirect investor in online-lending company Social Finance Inc., a startup whose fortunes hinge in part on policies crafted by the department Ms. DeVos would run. Ms. DeVos and her husband Dick DeVos are investors in RPM Ventures, an Ann Arbor, Mich.-based venture-capital firm that was one of SoFi’s earliest backers, according to the firms’ websites. Founded in 2011, SoFi is worth about \$4 billion and in the midst of raising a new round of money. Much of SoFi’s business stems from refinancing student loans; the Department of Education is by far the country’s biggest student lender, with \$1.3 trillion in outstanding loans. Ms. DeVos and her husband have a family investment office, Windquest Group, that is an investor in RPM Ventures.” [Wall Street Journal, [12/05/16](#)]

- **RPM Ventures “Participated In SoFi’s Initial Equity Fundraising Soon After Its Launch In 2011” And “Helped SoFi Establish Relationships With Many Universities.”** “RPM has a longstanding relationship with SoFi. It participated in SoFi’s initial equity fundraising soon after its launch in 2011. Back then, SoFi’s model was to raise money from alumni of a given university to invest in loans to current students at that school. Mr. Weiser said RPM helped SoFi establish relationships with many universities. Last year, RPM participated in SoFi fundraising rounds that involved Japanese conglomerate SoftBank Group Corp. and hedge-fund firm Third Point LLC.” [Wall Street Journal, [12/05/16](#)]

**DeVos Sold Her RPM Ventures Investment In January 2017.** “DeVos received attention before her hearing for having an investment in SoFi, a company that refinances federal student loans into private student loans. The OGE form shows that DeVos just recently liquidated her stake in the firm that had invested in SoFi, RPM Ventures, in January 2017.” [Center for American Progress, [01/27/17](#)]

**In June 2020, Betsy DeVos Helped Shield ACICS Once Again By Delaying Of Its Evaluation Before "A Federal Panel On College Accreditation" Until After The Election In February 2021.**

**The Education Department Delayed Its Evaluation Of ACICS , Currently Under Three Separate Investigations At The Department, Until February 2021.**

**The Education Department Pushed An Evaluation Of ACICS By "A Federal Panel On College Accreditation" Until "February 2021."** "The Trump administration is putting off until after the November election a decision on the fate of a controversial college accreditor revived by Education Secretary Betsy DeVos. The Education Department announced on Wednesday that it was removing the Accrediting Council for Independent Colleges and Schools, which mostly accredits for-profit colleges, from the agenda of next month's meeting of a federal panel on college accreditation. ACICS will be rescheduled for February 2021, the department said." [Politico Pro, [06/24/20](#)]

**The Education Department Was "Set To Consider Whether ACICS Is Now Meeting The Federal Standards That DeVos Concluded That The Organization Had Failed To Meet" Even Though She Also "Extended Its Federal Powers In December 2018."** "The panel had been set to consider whether ACICS is now meeting the federal standards that DeVos concluded that the organization had failed to meet — even as she extended its federal powers in December 2018. DeVos said at the time that she was giving ACICS an extra year to meet two standards, which relate to 'competency of representatives' and 'conflict of interest.'" [Politico Pro, [06/24/20](#)]

**The Education Department Opened Two Additional "Inquiries Into Potential Problems At ACICS" Which Were So Severe That Even DeVos Said "She Was Personally Disturbed By Those Reports."** "Since then, the Education Department has also opened two new inquiries into potential problems at ACICS. One review, which started last year, focused on the accreditor's oversight of two troubled nonprofit colleges, Virginia International University and San Diego University for Integrative Studies. Another investigation into ACICS began earlier this year after USA Today reported that the accreditor had approved Reagan National University, an entity that apparently had no students or faculty. DeVos told Congress earlier this year that she was personally disturbed by those reports and had launched an inquiry." [Politico Pro, [06/24/20](#)]