

# United States Senate

WASHINGTON, DC 20510

August 30, 2018

The Honorable Betsy DeVos  
Secretary  
U.S. Department of Education  
400 Maryland Ave, SW  
Washington, DC 20202

Dear Secretary DeVos:

We write today to call for an immediate response to troubling allegations made in a recent article<sup>1</sup> that Diane Auer Jones, Principal Deputy Under Secretary delegated to perform the duties of Under Secretary and Assistant Secretary for Postsecondary Education, encouraged Dream Center Education Holdings (DCEH) to misrepresent the accreditation status of its Illinois Institute of Art and Art Institute of Colorado campuses. If true, Ms. Jones' actions would amount to a serious breach of the public trust.

We have long been concerned about the acquisition by DCEH of institutions formerly owned by for-profit Education Management Corporation.<sup>2</sup> As part of the approval of that transaction, the Higher Learning Commission (HLC) removed accreditation from DCEH's newly acquired Art Institute of Colorado and the Illinois Institute of Art which included campuses in Chicago and Schaumburg, Illinois and Michigan – transitioning these institutions for “candidates for accreditation.” HLC noted that the loss of accreditation could have serious consequences for current and prospective students and that students “should know that their courses or degrees are not accredited by HLC and may not be accepted in transfer to other colleges and universities or recognized by prospective employers.” Because of these risks, HLC required the institutions to provide students with “proper advisement and accommodations.”<sup>3</sup>

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<sup>1</sup> Halperin, David. Republic Report. *DeVos Aide Tailors Decisions to the Predatory Colleges that Employed Her*. August 2, 2018. <https://www.republicreport.org/2018/devos-aide-tailors-decisions-to-the-predatory-colleges-who-employed-her/>

<sup>2</sup> Senators Warren, Durbin, Brown, Harris and Congresswoman DeLauro to WASC Senior College and University Commission President Mary Ellen Petrisko regarding acquisition by Dream Center Education Holdings of institutions formerly owned by for-profit Education Management Corporation. June 22, 2017. [https://www.durbin.senate.gov/imo/media/doc/2017-6-22\\_Letters\\_to\\_accreditors\\_re\\_EDMC\[1\].pdf](https://www.durbin.senate.gov/imo/media/doc/2017-6-22_Letters_to_accreditors_re_EDMC[1].pdf)

<sup>3</sup> Higher Learning Commission. Public Disclosure: Illinois Institute of Art and Art Institute of Colorado from “Accredited” to “Candidate” Effective: January 20, 18, Updated: July 7, 2018. July 7, 2018. [https://www.hlcommission.org/download/\\_PublicDisclosureNotices/PDN%20-%20EDMC%20CofC%20Candidacy%20july%202018.pdf](https://www.hlcommission.org/download/_PublicDisclosureNotices/PDN%20-%20EDMC%20CofC%20Candidacy%20july%202018.pdf)

On June 26, Senator Durbin wrote<sup>4</sup> to the Higher Learning Commission and copied Department of Education Chief Enforcement Officer Julian Schmoke, after the *Pittsburgh Post-Gazette* reported that DCEH failed to inform students of the loss of accreditation and disclose the potentially negative impact on students' ability to transfer credits or get a job. According to the *Post-Gazette*, DCEH continued to actively claim "in statements online and in school catalogs" that the campuses remained accredited by HLC despite the accreditor's clear statement to the contrary.<sup>5</sup> These allegations demand the Department's immediate attention. If true, DCEH's actions would be a serious violation of law and appear to give Illinois and other students a legitimate basis for federal student loan discharges under the Borrower Defense provision of the Higher Education Act.

But in an incredible twist, a new report alleges that Ms. Jones is behind the misrepresentation. According to the article, in a meeting at Department headquarters earlier this year a group of Department staff led by Ms. Jones told a delegation from DCEH, including CEO Brent Richardson, to publicly represent that the Art Institute of Colorado and Illinois Institute of Art continued to be accredited. If the allegations against Ms. Jones are true, the Department of Education could be complicit in the illegal deception of students – taking this deception of students under your leadership to an unimaginable level.

Please respond, no later than September 13, to the following:

1. Did Ms. Jones – verbally or in writing – direct or advise Dream Center Education Holdings to publicly represent that the Illinois Institute of Art and the Art Institute of Colorado “remain accredited” despite the schools’ accreditor telling DCEH that they were not accredited?
2. Did any other Department staff or official – verbally or in writing – direct, or advise Dream Center Education Holdings to publicly represent that the Illinois Institute of Art and the Art Institute of Colorado “remain accredited” despite the schools’ accreditor telling DCEH that they were not accredited? If so, please provide their names and positions and at whose direction the Department staff provided this guidance.
3. What was the stated purpose of the above referenced meeting between the Department and the DCEH delegation? Please provide a list of individuals present at this meeting.
4. Please provide all documents and communications pertaining to any directive or advice from Department officials to DCEH that the latter publicly represent that the Illinois Institute of Art and the Art Institute of Colorado “remain accredited” despite the schools’ accreditor telling DCEH that they were not accredited – including any notes from the above referenced meeting.

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<sup>4</sup> Senator Durbin to Dr. Barbara Gellman-Danley regarding DCEH accreditation status. June 26, 2018. <https://www.durbin.senate.gov/imo/media/doc/Dream%20Center%20Letter%206.26.18.pdf>

<sup>5</sup> Moore, Daniel. *Post-Gazette. Deal Under Scrutiny As Art Institutes Face Accreditation Setbacks*. June 19, 2018. <http://www.post-gazette.com/business/career-workplace/2018/06/19/Deal-under-scrutiny-Art-Institutes-accreditation-setbacks-dream-center/stories/201806140022>

5. Has the Department's Enforcement Unit opened an investigations into allegations that DCEH misrepresented the accreditation status of the Art Institute of Colorado and Illinois Institute of Art?

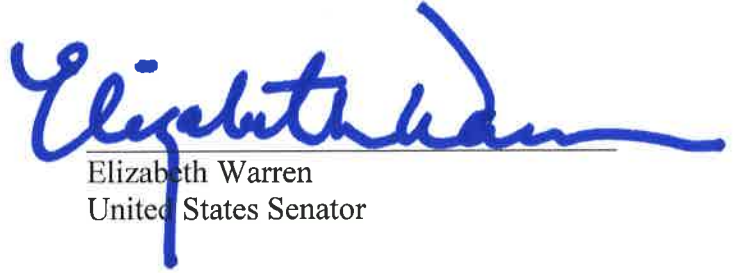
We look forward to your timely response. Thank you.

Sincerely,



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Richard J. Durbin  
United States Senator



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Elizabeth Warren  
United States Senator



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Richard Blumenthal  
United States Senator



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Sherrod Brown  
United States Senator