

United States Senate

WASHINGTON, DC 20510

April 30, 2021

The Honorable Miguel Cardona
Secretary
U.S. Department of Education
400 Maryland Avenue, S.W.
Washington, D.C. 20202

Dear Secretary Cardona:

We write today regarding reports that the Accrediting Commission of Career Schools and Colleges (ACCSC) voted to withdraw accreditation from the Center for Excellence in Higher Education’s (CEHE) Independence University (IU).¹

As you know, in order to be eligible to participate in Title IV, an institution must be accredited by a nationally recognized accrediting agency or association.² But, ACCSC’s recent decision was not the first event to raise serious questions about IU’s Title IV eligibility—and that of other CEHE-affiliated schools, including CollegeAmerica and Stevens-Henager College. On August 21, 2020, a Colorado State court found that CEHE defrauded students and violated Colorado’s consumer protection law. CEHE’s Chairman Emeritus Carl Barney and CEO Eric Juhlin were found individually liable.³ Under 20 U.S. Code § 1002(a)(4)(B), an institution becomes statutorily ineligible to participate in Title IV programs if the institution itself, the institution’s owners, or the institution’s CEO “has been judicially determined to have committed fraud.”

On November 6, 2020, we raised the court’s decision and its implications for CEHE’s Title IV eligibility with then-Secretary Betsy DeVos.⁴ She did not provide us with a response—nor take action to protect students and taxpayers. Instead, it seems, the Department of Education continued to provide Title IV dollars to CEHE. According to the Department, since August 21, 2020, CEHE has received nearly \$127 million in Title IV funds. How many additional students were allowed to be put at risk by enrolling in CEHE-affiliated institutions since August 21, 2020?

¹ Halpern, David, Republic Reporter “Breaking: Citing Performance Failures, Accreditor Dumps Independence University” April 23, 2021. <https://www.republicreport.org/2021/breaking-citing-performance-failures-accreditor-dumps-independence-university/>

² 20 U.S.C. §1001(a)(5)

³ *Colorado v Center for Excellence in Higher Education*, 14cv34530, Finding of Fact, Conclusions of Law, and Judgement (hereinafter, “Order”), filed Aug, 21, 20120, available at <https://www.republicreport.org/wp-content/uploads/2020/08/FINDINGS-OF-FACT-CONCLUSIONS-OF-LAW-AND-JUDGMENT.pdf>.

⁴ Press Release Office of Richard J, Durbin, U.S. Senator “Durbin, Senators Call For Borrower Defense Relief For Student Borrowers Harmed By CEHE” Nov 11, 2020. <https://www.durbin.senate.gov/newsroom/press-releases/durbin-senators-call-for-borrower-defense-relief-for-student-borrowers-harmed-by-cehe>

United States Senate

WASHINGTON, DC 20510

While we appreciate the action the Department took on April 26 to issue a suspension order against Mr. Juhlin,⁵ we ask you for a response to our original letter and questions—including the borrower defense eligibility of CEHE students. In light of ACCSC's recent decision related to IU, we urge you to take additional steps to protect students and taxpayers.

Thank you for your attention to this very serious matter. We look forward to your prompt response.

Sincerely,



Richard J. Durbin
United States Senator



Sherrod Brown
United States Senator

cc: The Honorable Denis McDonough, Secretary of Veterans Affairs
The Honorable Lloyd Austin, Secretary of Defense

⁵ Federal Student Aid Letter to CEO of Center for Excellence in Higher Education. April 23, 2021. [Eric-Juhlin-Suspension-Notice-4.23.21_Redacted.pdf \(republicreport.org\)](#)