



Accrediting Commission of Career Schools and Colleges

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December 7, 2017

ELECTRONIC DELIVERY

[Redacted]
[Redacted]
The International Culinary Center
[Redacted]
[Redacted]

*School #B072345
Continued Probation Order*

Dear [Redacted]:

At the May 2017 meeting, the Accrediting Commission of Career Schools and Colleges (“ACCSC” or “the Commission”) considered its previous decision to place the ACCSC-accredited schools owned by International Culinary Center LLC and Affiliates (“ICC”) on Probation. In addition, The Commission also considered an Outcomes Report for The International Culinary Center (“ICC-Campbell”) located in Campbell, California. Upon review of the Commission’s July 10, 2017 Probation Order and the school’s response, the Commission voted to continue ICC-Campbell on Probation with a subsequent review scheduled for ACCSC’s **May 2018** meeting. The reasons for the Commission’s decision and the Commission’s requirements for the schools to demonstrate compliance are set forth below.

FINANCIAL SOUNDNESS

History of the Commission’s Review:

November 2015 Review

At the November 2015 meeting, the Commission considered the audited consolidated financial statements for fiscal years ended December 31, 2014 and 2013 submitted by ICC. Upon review of the financial statements, the Commission voted to place ICC on System-wide Financial Reporting. A review of the fiscal year ended December 31, 2014 and 2013 consolidated financial statements found the following:

- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]

May 2016 Review

At the May 2016 meeting, the Commission considered its previous decision to place ICC on System-wide Financial Reporting. Upon review of the Commission’s January 12, 2016 Financial Reporting letter and the school’s response, the Commission voted to continue ICC on System-wide Financial Reporting. [Redacted]

- [Redacted]
- [Redacted]

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED].

August 2016 Review and Action

At the August 2016 meeting, the Commission considered its previous decision to continue ICC on System-wide Financial Reporting. Upon review of the Commission’s June 17, 2016 Continued System-wide Financial Reporting letter and the schools’ response, the Commission voted to place ICC on Warning. [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]

- [REDACTED]
[REDACTED]
[REDACTED]
- [REDACTED]
[REDACTED]

May 2017 Review and Action

At the May 2017 meeting, the Commission considered its previous decision to place ICC on System-wide Warning. Upon review of the Commission’s September 7, 2016 System-wide Warning letter and the schools’ response, the Commission voted to place ICC on Probation. A review of ICC’s fiscal year ended December 31, 2016 audited consolidated financial statements found the following:

[REDACTED]

[REDACTED]

The Commission requested an update on ICC’s current status with the U.S. Department of Education (“the Department”) due to a low composite score. [REDACTED]

[REDACTED]

[REDACTED]

Based on the review of the financial information provided, the Commission remains concerned regarding ICC’s ability to operate the schools in compliance with accreditation requirements for financial soundness.

[REDACTED]

Based on the foregoing, the Commission directs ICC to submit the following:

- a. Audited financial statements for the fiscal year-end December 31, 2017, prepared and submitted in accordance with requirements set forth in ACCSC’s [Instructions for the Preparation and Submission of Financial Statements and Related Information](#);
- b. An updated MD&A narrative examining and explaining the schools’ current financial condition and ability to project future financial soundness to include a plan to increase the composite score and return to profitability; implemented actions with results; and the anticipated inflow of cash and debit associated with the implemented actions of the plan;
- c. ICC’s fiscal year 2017 budget with a budget-to-actual analysis as of December 31, 2017;
- d. ICC fiscal year 2018 budget with a budget-to-actual analysis as of March 31, 2018; and

- e. Any other information or documentation that ICC believes will assist the Commission in its review of the school's financial position; and

OUTCOMES REPORTING

ICC-Campbell must demonstrate successful student achievement through reporting acceptable rates of graduate employment in the career field for which the school provided education (*Section VII (B)(1)(b), Substantive Standards, Standards of Accreditation*). In response to the Commission's monitoring of below-benchmark employment rates in the 7-month Italian Culinary Experience, ICC-Campbell stated that the school "has not offered the Italian Culinary Experience class since October 1, 2014" and, as such, did not have data to provide a Graduation and Employment Chart as required. Additionally, the school stated that "ICC will notify the Commission at such time as the Italian Experience program is offered again." ACCSC's Rules of Process and Procedure state that "where a program has not had any enrollments or graduates for one year, the Commission may, at its discretion, request additional supporting information from the school to determine whether it has maintained the capacity to offer the program" (*Section IV (E)(6)(f), Rules of Process and Procedure, Standards of Accreditation*). In addition, the response did not address the Commission's previous questions with regard to the vocational nature of this program. Accordingly, the Commission determined that additional information is needed regarding the viability of the program, as well as the school's ongoing capacity to offer the program.

Based on the foregoing, the Commission directs the school to submit the following:

- a. If the school intends to discontinue the program, the school must submit a Programmatic Teach-Out Plan Approval Form (available at accsc.org), in accordance with the instructions and provide a copy of the submission with the response to this report (*Section IV (F)(2)(a), Rules of Process and Procedure, Standards of Accreditation*).
- b. If the school intends to continue offering the program, the school must provide
 - i. A detailed explanation of the educational objective of the 7-month Italian Culinary Experience program and how this program can be considered vocational in nature and thus within the scope of ACCSC's institutional accreditation and
 - ii. Evidence that the school has maintained the capacity to offer the program to include an explanation as to how the school has maintained the proper equipment, facilities, faculty, curriculum, and learning resource system necessary to deliver the program, as well as a description of the current employment opportunities for graduates of this program.

PROBATION REQUIREMENTS:

In cases where the Commission has reason to believe that a school is not in compliance with accreditation standards and other requirements, the Commission may, at its discretion, place a school on Probation. A school subject to a Probation Order must demonstrate corrective action and compliance with accrediting standards. **Failure of the school to demonstrate compliance with accrediting standards or other accrediting requirements by the due date set forth herein may result in a revocation of accreditation action.**

The Commission will not consider substantive changes, a change of location/relocation, or additions (i.e., separate facilities, new programs) to a school or its separate facilities while the school is on Probation. However, a school that is subject to Probation may seek the Commission's approval for the transfer of

accreditation that would result from a change of ownership as described in *Section IV, Rules of Process and Procedure, Standards of Accreditation*.

In accordance with *Section X, Rules of Process and Procedure, Standards of Accreditation*, a summary of the Probation Order is made public and provided to the U.S. Department of Education, appropriate State agencies, and appropriate accrediting agencies. Moreover, in accordance with *Section X (C)(6), Rules of Process and Procedure, Standards of Accreditation*, the Commission has notified the U.S. Department of Education of this action pertaining to the findings related to the school's federal financial aid responsibilities.

In accordance with *Section VII (L)(8), Rules of Process and Procedure, Standards of Accreditation*, a school subject to a Probation Order must inform current and prospective students that the school has been placed on Probation and that additional information regarding that action can be obtained from the Commission's website.

MAXIMUM TIMEFRAME TO ACHIEVE COMPLIANCE:

Based on *Section VII (M), Rules of Process and Procedures, Standards of Accreditation* and the school's longest program of nine months, the maximum timeframe allowed for ICC-Campbell to achieve and demonstrate compliance with the *Standards of Accreditation* is twelve months. Thus, the timeframe to achieve compliance began as of July 10, 2017 and ends on **July 10, 2018**. Please also be advised that the Commission is under no obligation to wait for the maximum timeframe to expire and may take an adverse action prior to the expiration of the maximum allowable timeframe.

RESPONSE REQUIREMENTS:

By applying for accreditation, a school accepts the obligation to demonstrate continuous compliance with the *Standards of Accreditation*. While the Commission employs its own methods to determine a school's compliance with accrediting standards, the burden rests with the school to establish that it is meeting the standards. The Commission's deliberations and decisions are made on the basis of the written record and thus a school must supply the Commission with complete documentation of the school's compliance with accrediting standards.

ICC-Campbell must provide a response to the items expressed above that provides the information requested along with any additional information that the school believes supports a demonstration of compliance with accrediting standards.¹ If the school's response contains documentation that includes personal or confidential student or staff information that is not required for the Commission's review (e.g., social security numbers, dates of birth, etc.), please remove or redact that information.

ICC-Campbell must upload the school's electronic response directly to ACCSC's College 360 Database. The ACCSC College 360 database can be accessed by [clicking here](#). Please note that the password utilized by the institution to access the Annual Report Portal is the same to access the School Submission section of the College 360 database. The Instructions for College 360 DMS Submissions can be found [here](#). A detailed overview on how to upload a school submission can be found [here](#).

¹ ACCSC has issued two modules of the **Blueprints for Success Series** – [Organizing an Effective Electronic Submission](#) and [Preparing a Comprehensive Response for Commission Consideration](#) – which provide a framework for submitting a well-documented, organized, electronic response for Commission consideration. ACCSC encourages the school to review these modules when formulating its response to this letter. More information is available in the [Resources section](#) at www.accsc.org.

Keep in mind, the school's response must be prepared in accordance with ACCSC's Instructions for Electronic Submission (e.g., prepared as one Portable Document Format ("PDF") file that has been prepared using Adobe Acrobat software (version 8.0 or higher) and which has a .pdf extension as part of the file name). The school will receive an e-mail confirmation that the file has been received within 24 hours of the submission.

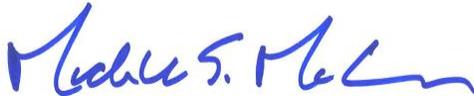
As stated in the [July 1, 2016 Accreditation Alert](#), at the Commission's discretion ACCSC assesses a \$1,000 processing fee when a school is placed on Probation. Given ACCSC's concerns regarding ICC-Campbell's financial soundness, the Commission has decided to reduce the fee to \$500.²

The school's response must include a signed certification attesting to the accuracy of the information and be received in the Commission's office **on or before April 6, 2018**. If a response, the required fee, and the certificate of attesting to the accuracy of the information is not received in the Commission's office **on or before April 6, 2018**, the Commission will consider further appropriate action.

For assistance with the password or for any other questions regarding the electronic submission requirements, please contact [REDACTED]. Please note that any password requests to access College 360 must be made by the school director, or designated member of the school's management team, via e-mail.

For further assistance or additional information, please contact [REDACTED] or [REDACTED]

Sincerely,



Michale S. McComis, Ed.D.
Executive Director

c: [REDACTED]
[REDACTED]

² ICC will receive an invoice for \$500.00 separately.