

September 20, 2019

ELECTRONIC DELIVERY

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Premier Education Group
545 Long Wharf Drive
New Haven, Connecticut 06511

Re: *Branford Hall Career Institute – Parsippany, New Jersey (School #M000360)*
Branford Hall Career Institute – Jersey City, New Jersey (School #B056051)
Harris School of Business – Voorhees, New Jersey (School #M001524)
Harris School of Business – Dover, Delaware (School #B070709)
Harris School of Business – Upper Darby, Pennsylvania (School #B072801)

Dear ██████████

At the August 2019 meeting the Accrediting Commission of Career Schools and Colleges (“ACCSC” or “the Commission”) considered the response to the July 18, 2019 Commission letter submitted by Premier Education Group (“PEG”). Upon review of the July 18, 2019 letter and PEG’s response, the commission voted to place PEG on **Warning** with a subsequent review scheduled for ACCSC’s **February 2020** meeting. The reasons for the Commission’s decision and the Commission’s requirements for PEG to demonstrate compliance are set forth below.

History of the Commission’s Review:

July 2019

In July 2019 PEG submitted the following notices to the Commission:

- A July 9, 2019 notice regarding the *United States of America, ██████████. v. Premier Education Group L.P., et al.* that has been pending in the United States District Court for the District of New Jersey;
- A copy of a July 10, 2019 notice submitted by PEG to the U.S. Department of Education (“the Department”) regarding the suit mentioned above as well as the Assurance of Discontinuation in a civil action currently pending in the Superior Court of the Commonwealth of Massachusetts regarding PEG and Salter College; and
- A July 17, 2019 letter stating PEG’s position related to media coverage of the two suits mentioned above.

In addition, the Commission received notice of a July 11, 2019 media report pertaining to a settlement between PEG and the Attorney General of Massachusetts. The notice indicates that PEG agreed to discharge ██████████ in debts owed by students and is to stop enrolling all Massachusetts students by the end of the year, yet this information was not disclosed in either the July 9, 2019 notice to ACCSC or the July 10, 2019 notice to the Department. Moreover, the schools’ notice indicates that “Premier does not admit liability or wrongdoing” in either action; however, the Attorney General for the Commonwealth of Massachusetts issued a plain statement that “Salter College misled students and deprived them of the information they needed to make informed choices about their education” and that “[t]his settlement will provide students the relief they deserve and stop this predatory for-profit school from doing business in our state.” This

statement from [REDACTED] makes it clear that while PEG may not have admitted to wrong doing, the Commonwealth of Massachusetts concluded it had acted in such a manner.

The media report states that the allegations raised in the civil actions include a lack of job placement, loan repayment, and graduation rate disclosures.

August 2019

At the August 2019 meeting, the Commission reviewed PEG's response to the July 18, 2019 letter regarding the PEG's settlement with the State of Massachusetts and the [REDACTED] considered by the United States District Court for the District of New Jersey. In response to the letter, PEG provided more detailed background information regarding the [REDACTED] and the Massachusetts Attorney General Settlement; an analysis of the settlements' financial impact; and documentation provided in response to the respective legal entity inquires. Upon review of the serious allegations raised in the civil actions, the Commission expressed concern as to whether there are systemic issues with regards to recruitment, admissions, student achievement, internal policies for attendance and grade changes, and student loan repayment throughout the PEG schools under consideration. Therefore, the Commission voted to place the PEG system of schools on Warning. Much of the documentation provided in response to the July 18, 2019 letter is from the timeframe of the lawsuits. As such, the Commission seeks to obtain information regarding the schools' current practices in the identified areas.

Based on the foregoing, the Commission directs PEG to provide the following:

1. PEG must demonstrate that the school's recruitment efforts describe the school to prospective students fully and accurately and follow practices that permit prospective students to make informed and considered enrollment decisions without undue pressure (*Section IV (A) (2), Substantive Standards, Standards of Accreditation*) and that the school has and enforces an acceptable code of conduct for all school personnel whose primary responsibilities are to engage in recruiting and admissions functions prior to and during admission and matriculation (*Section IV (A) (4), Substantive Standards, Standards of Accreditation*). Both civil actions included claims of alleged misrepresentation to prospective students in several areas. Specifically, the Qui Tam includes allegations concerning the transferability of course credits, and misrepresentation of graduate career placement performance. The Massachusetts Attorney General alleged failure to provide accurate information regarding loan nonpayment and failure to provide required disclosures to prospective students. In its response to the Commission, PEG stated its belief that the allegations were without grounds and provided examples of policies and procedures with regard to disclosure, transfer of credit, and educational policies. However, as noted in the July 18, 2019 letter, the Attorney General for the Commonwealth of Massachusetts stated "Salter College misled students and deprived them of the information they needed to make informed choices about their education." As such the Commission is interested in obtaining information regarding the current recruitment practices and training of recruitment and admissions personnel.

Accordingly, the Commission directs PEG to submit the following for each ACCSC-accredited school:¹

- a. The school's written policies with regard to admissions and recruitment to include expected qualifications for school personnel working in these areas;
- b. A roster of all staff members, by school, engaged in recruitment and admission activities;

¹ In response to each item in this letter, please organize and group the response by school.

- c. Documentation for each staff member to demonstrate that the school reviews and evaluates the performance of personnel involved in recruiting activities at least once annually (this may include completed Recruitment Employee Evaluation forms);
 - d. Documentation that each staff member participates in ongoing professional development and training;
 - e. Documentation that each staff member has signed a code of conduct; and
 - f. Any additional information the school believes will be useful to the Commission in making a determination regarding the school’s compliance with accrediting standards regarding recruitment personnel.
2. PEG must demonstrate that the schools disclose the graduation and graduate employment rate for each program as last reported to the Commission that includes the program population base and time frame upon which each rate is based (*Section IV (C)(3), Substantive Standards, Standards of Accreditation*). PEG stated that updates are made for each school “annually after the submission of the Annual Reports to ACCSC.” In addition, PEG stated that the Completion and Placement Disclosures are included as part of the admissions enrollment paperwork. The prospective students must acknowledge receiving the information by signing the Annual Report Admissions paperwork. Although PEG provided links to each school’s website with the disclosures provided to students and copies of signed disclosures utilizing data from the 2018 Annual Report, the disclosure form does not include the timeframe and program population base upon which each rate is based as required by accrediting standards. Accordingly, PEG must provide documentation to demonstrate that the disclosure form includes the timeframe and student population base, and is consistently signed by applicants as part of the admission process.

Based on the foregoing, the Commission directs PEG to submit the following for each ACCSC-accredit school:

- a. A description of the school’s internal process and procedures for ensuring that each school’s Completion and Placement Disclosure form is up-to-date, and how the school verifies that applicants sign the form prior to enrollment and starting class;
- b. A revised Completion and Placement Disclosure forms that include the timeframe and program population base upon which each rate is based, specifically updated to reflect information as reported in the 2019 Annual Report;
- c. A roster of at least 20 students per program that started classes from October 15, 2019 through December 31, 2019 as follows:

Student ID # ²	Program Name	Program Start Date	Date Completion and Disclosure Form Signed	Date Enrollment Agreement Signed & Accepted by the School

- d. Copies of signed Completion and Disclosure forms, organized by program, for each student captured in the roster in (c.) above;

² Do not submit Social Security Numbers. If the school uses the student’s Social Security Numbers as the Student ID, then provide the student’s name in lieu of the student ID number.

- e. An explanation for any student that did not sign the Completion and Disclosure form prior to the enrollment agreement being signed by the school or prior to the start of class, from item (c.) above; and
 - f. Any other information or documentation that PEG believes will assist the Commission with determining the school’s compliance with accrediting standards in this regard.
3. PEG must demonstrate that the Commission can place a high level of reliance upon information, data, and statements provided by the schools through supplying verifiable records of graduate initial employment (*Preamble, Introduction, Rules of Process and Procedure; Section VI (C)(2), Substantive Standards, Standards of Accreditation*). The schools must support reported rates of graduation and employment by maintaining verifiable records (*Section VI (C)(2) and Section VII (B)(1)(b), Substantive Standards, Standards of Accreditation*). PEG must also be able to justify the classification of each graduate as employed using the Commission’s Guidelines and must ensure that the employment classification is verified by the school (*Appendix VII, Guidelines for Employment Classification*). In response to the allegation regarding career placement statistics and verification of graduate employment, PEG provided the schools’ current policies and procedures for employment verification. PEG states that “the placement must require the student in question to use at least 50% of the skills he/she gains through study at a Premier school [and that] Premier only counted placements which satisfied the requirements of its accrediting agencies and its own internal guidelines.” Effective May 2017 PEG instituted an internal “Placement Verification Team” and also sends all verified employment records to MMI for an independent third-party review. The Commission noted that the policy requires that the school verifies the employment at least five (5) days from the start date of employment. Although the response indicates that policies and procedures have been updated, PEG did not provide any documentation of recent employment verifications. In addition, PEG stated that there is a “Placement Verification Team.” PEG, however, did not describe the training process for the corporate team or provide any documentation that the career services personnel at the campus level have been trained on the revised procedures. Given the concerns expressed in the civil actions, the Commission is interested in obtaining documentation that PEG schools are following the processes and procedures described in the response.

Based on the foregoing, the Commission directs PEG to provide the following information for each program offered at each ACCSC-accredited school:

- a. A copy of the current policies and procedures for employment verification, including documentation that career services personnel have been trained;
- b. A list of each graduate who gained employment in the career for field for which the school provided education from September 30, 2019 to December 1, 2019, provide the following information:

Count	Student Name	Program	Graduation Date	Employer, Contact, Address & Phone #	Date of Initial Employment	Descriptive Job Title
1	Doe, John	HVAC Technician	01/10/2018	HVAC Repair Industries Lane Myer 123 Sample Way, Greendale, CA 222.333.1234	2/1/2018	HVAC Technician
2	Smith, John	HVAC Technician	01/10/2018	AC Service Lloyd Dobbler 456 Maple Dr. Seattle, WA 333.444.5678	3/1/2018	HVAC Technician

- c. The following supplementary information:

- i. A copy of the school's completed verification form, for each employed graduate identified in (b.) above;
 - ii. For each graduate classified as self-employed, provide a signed statement from the graduate that includes the graduate's name and contact information acknowledging that the position is aligned with the individual's employment goals, is vocational, and is based on the education and training received, and that the graduate is earning training-related income. In addition, the school must provide some form of verifiable documentation to demonstrate that the employment is valid; and
 - iii. For each graduate reported as "Career Advancement" provide supporting and verifiable documentation to demonstrate that the classification is appropriate and meets the Commission's defined allowances.
4. PEG must demonstrate that the schools engage in ongoing efforts to promote student loan repayment. To improve students' propensity to meet loan obligations, the school must adopt a written comprehensive program, addressing such areas as student loan information, advising and monitoring, (*Section I (E)(1), Substantive Standards, Standards of Accreditation*). Given the concerns expressed in the civil action regarding loan repayment, the Commission noted that the three-year cohort default rate for fiscal year 2015 as released by the U.S. Department of Education ("the Department") for the Harris School of Business is 28.1% and for the Branford Hall Career Institute is 27.9%. Given the high rates of student loan default, the Commission is interested in obtaining additional information regarding the schools' loan information provided to students and the schools' plans to ensure student loan repayment.

Based on the foregoing, the Commission directs PEG to provide the following for each ACCSC-accredited school:

- a. A copy of the school's comprehensive loan information program provided to students, including evidence that the information provided to students is accurate and timely;
 - b. The school's official three-year cohort default rate for fiscal-year 2016;
 - c. The updated processes put in place to improve cohort default rate management;
 - d. An updated roster of the school's cohort default rate task force membership;
 - e. An update regarding the school's status with the Department including copies of any correspondence from the Department regarding the school's cohort default rates, if applicable; and
 - f. Any additional information that the school believes will be useful to the Commission in making a determination regarding the school's compliance with ACCSC's student loan repayment requirements.
5. PEG must demonstrate that the financial structure of the school is sound, with resources sufficient for the proper operation of the school and the discharge of obligations to its students (*Section I (C)(1), Substantive Standards, Standards of Accreditation*). [REDACTED]

Based on the foregoing, the Commission directs PEG to provide the following:

- a. A Management Discussion and Analysis narrative examining and explaining the group's current financial condition;
 - b. A discussion that addresses PEG's financial performance goals and results;
 - c. Specific comments relative to the group's financial position and condition regarding the ongoing effects of the settlement payments; and
 - d. For PEG and for each individual school, the 2019 fiscal year budget with a budget-to-actual analysis for the eleven-months to cover the period of January 1, 2019 through November 30, 2019.
6. PEG must demonstrate that members of school management and administrative employees participate in ongoing development and training activities that support their particular roles in the school (*Section I (A)(3), Substantive Standards, Standards of Accreditation*). Allegations raised in the civil action in New Jersey include falsification of student grades and attendance records for the period under investigation. In the response, PEG provided copies of revised training materials for recording classroom attendance (updated August 31, 2018) and policies and procedures revised July 2018. Although PEG provided documentation for training new faculty (2019) on the attendance policies and training for Directors of Education, Program Chairs, and Directors completed in November 2017, the response does not include documentation of any training completed for all staff subsequent to the policy revision in July 2018.

With regards to policies and procedures for recording grades, the response includes a revised policy for submitting grades and "Premier Education Group Policy on Grades and Grade Changes." The response, however, does not include evidence of any training held after the policy revision. In addition, PEG provided copies of "Grade Change Request" forms from the timeframe included in the lawsuit and sample grade changes processed in 2018 and 2019. The Commission noted that the changes include the rationale for the proposed grade changes and most signatures as required; however, for forms completed in 2018 and 2019, the Registrar has not signed the forms. Thus it is unclear if the grade change was officially changed per PEG's policies and procedures. Accordingly, the Commission is interested in whether all appropriate staff are trained to accurately record attendance and appropriately administer academic policies and procedures.

Based on the foregoing, PEG must submit the following for each ACCSC-accredited school:

- a. A list of all management and administrative staff and faculty;
- b. The attendance policy and academic policies (to include any grade change policy);
- c. Evidence of training of all staff and faculty identified in (a.) above on current policies and procedures for recording attendance and processing grade changes;
- d. Sample attendance records for at least 50 students; and
- e. Sample grade change requests for at least 25 students.

Warning Requirements

In accordance with accrediting rules, the school must inform all current and prospective students of this Warning and provide a summary of the reasons for the Warning Order.

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.

PEG must provide a response to this reporting requirement that provides the information requested along with any additional information that the school believes supports a demonstration of compliance with accrediting standards.³ 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.

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.

The school's response must also include a signed certification attesting to the accuracy of the information and be received in the Commission's office **on or before December 6, 2019**. If a response, the required fee,⁴ and the certificate of attesting to the accuracy of the information is not received in the Commission's office **on or before December 6, 2019**, 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] at [REDACTED].

Sincerely,



Michale S. McComis, Ed. D.
Executive Director

³ 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 under the [Resources section](#) at www.accsc.org.

⁴ ACCSC assesses a \$500 processing fee to a school placed on Warning.