

May 13, 2022

ELECTRONIC DELIVERY

██████████
President
Central Career School
126 Corporate Boulevard
South Plainfield, New Jersey 07080

School #M070255
Withdrawal of Accreditation

Dear ██████████

At the May 2022 meeting, the Accrediting Commission of Career Schools and Colleges (“ACCSC” or “the Commission”) considered its previous decision to place Central Career School located in South Plainfield, New Jersey on Probation due to the school’s failure to submit required reports, responses, and fees. Upon review the March 29, 2022 Probation letter, the school’s continued failure to fully respond to requirements, and the overall history of this matter, the Commission voted to withdraw the school’s accreditation on the following grounds:

1. Central Career School failed to demonstrate that the school has complied on a continuous basis with accreditation standards and requirements; fulfilled all process, reporting, and substantive change requirements; maintained compliance with all applicable local, state, and federal requirements; and paid all sustaining fees, processing fees (including late fees), and on-site evaluation fees as required on a timely basis (*Section I (G)(2), Rules of Process and Procedure, Standards of Accreditation*).
2. Central Career School failed to submit a Financial Report each year in accordance with the Commission’s *Rules*/required timeframe that includes the school’s financial statements prepared in accordance with the ACCSC Instructions for the Preparation and Submission of Financial Statements and Related Information (*Section V (C)(1), Rules of Process and Procedure, Standards of Accreditation and Appendix I, Substantive Standards, Standards of Accreditation*).¹

The history of this matter and the bases for the Commission’s decision follow below.

History of the Commission’s Review

February 2022

At its February 2022 meeting, the Commission considered Central Career School’s delinquent reports, responses, and fees outlined below:

- December 8, 2020 Outcomes Report – due September 30, 2021
- 2019 Audited Financial Statements – due June 30, 2020
- 2020 Audited Financial Statements – due June 30, 2021
- FY2021 Sustaining Fees: \$4,431.95 + \$150 Annual Report Processing Fee – due June 30, 2020
- FY2022 Sustaining Fees: ██████████ Annual Report Processing Fee – due June 30, 2021
- Late Fees: ██████████

¹ Since the school has not submitted the required financials, there cannot be a determination made as to whether 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*).

The Commission also considered the lack of communication from the school regarding these delinquencies. Specifically, after multiple attempts had been made to contact the school, both via telephone and email, with no resolve, the Commission notified the school on January 21, 2022 that the matter would be forwarded to the Commission for review at its February meeting. On February 2, 2022, ACCSC staff connected with the school via phone, at which time the school stated that it would respond to the Outcomes Report by Friday, February 4, 2022 and submit all fees the following week. ACCSC staff followed up that phone call with an email dated February 2, 2022, attaching all outstanding invoices and reports, informing the school of the scheduled February 2022 review by the Commission, and notifying Central Career School that the school could submit additional information to be considered in conjunction with the matter at hand.

Subsequent to the phone conversation, Central Career School submitted a letter dated February 2, 2022 requesting additional time to submit the abovementioned reports and fees. The school stated in the letter that the delays were due to health issues and COVID-19 but provided no additional information regarding why these issues had caused the delinquencies. The school did state in the letter that: the “response will be delivered by February 10, 2022,” the audits have been “in process since July April 2021,” and the “auditor assured [the school] he will be done with both by Feb 25, 2022.” The request, however, was not clear as to which reports would be submitted by February 10, 2022. Furthermore, the Commission had concerns regarding the financial stability of the school given the delinquent status of the school’s unpaid fees and the school’s failure to submit audited financial statements.

Due to the scope and history of the school’s delinquency in submitting the required reports, information, and fees, the Commission voted to place Central Career School on Warning with a review scheduled for its March 2022 meeting. In the February 10, 2022 Warning letter, the Commission informed the school that if the required reports, information, and fees were not received by the due date set forth therein, the Commission would take further appropriate action, including to withdraw the school’s accreditation in accordance with *Section VII (P), Rules of Process and Procedure, Standards of Accreditation*.

Subsequent to the Commission’s February 10, 2022 Warning letter, the Commission received notification from the U.S. Department of Education (“the Department”) that Central Career School was placed on the Heightened Cash Monitoring 2 (“HCM2”) Method of Payment. The Commission issued Central Career School a letter dated February 17, 2022 requesting additional information related to the Department’s action with a response due date of March 18, 2022. After the due date passed with no response from the school, ACCSC sent emails on both March 18, 2022 and March 21, 2022 inquiring about the school’s response and notifying Central Career School that the matter would be forwarded to the Commission for review at its March 2022 meeting.

March 2022

At its March 2022 meeting, the Commission considered its previous decision to place Central Career School on Warning for failure to submit required reports, responses, and failing to respond to the Commission’s request for additional information pertaining to the Department’s HCM2 action.

On March 24, 2022 ACCSC received a phone call from [REDACTED] from Central Career School inquiring if a response could still be submitted. ACCSC staff notified [REDACTED] at that time that Central Career School should submit all outstanding responses and fees to ACCSC as soon as possible.

On March 29, 2022 – subsequent to the Commission’s March meeting – Central Career School submitted a response via email to the February 17, 2022 request for information pertaining to the Department’s HCM2 action. The school’s response indicates that:

Central Career School has a new financial partnership with [REDACTED] ... that has committed to injecting [REDACTED] that will cover all current department and operating expenses for more than six months.

The response also included:

- A cash flow analysis for the period January-September 2022;
- A list of the location of the school’s consumer information/documents prepared for the Department’s Program Review;
- An incomplete “Recipient Data Spreadsheet” pertaining to federal student aid disbursements;
- A confirmation letter from the Department confirming a September 27, 2021 off-site Program Review;
- A Message Format and Instructions form for Fed-Wire EFT; and
- An unsigned Escrow Agreement with the Department.

While the information does constitute a response to the Commission’s February 17, 2022 letter, it fails to sufficiently address or answer the specific concerns and requirements listed in that letter. The information does not contain the requested teach-out plan, a description of the school’s plan to adhere to HCM2 requirements or new or revised policies and procedures regarding HCM2 requirements, and in fact brought up new questions. Specifically, the response raised questions as to whether the school’s new “financial partner” which is injecting cash into the school to sustain operations now has an ownership or equity stake in the school. The terms used by the school to describe the new relationship with [REDACTED], LLC suggested that to be the case. If the [REDACTED] mentioned by the school constituted a loan, then the Commission was interested in the terms of that loan and its short- and long-term impact on the school’s balance sheet.

In addition the school had not fully responded to February 10, 2022 Warning letter or submitted the other required reports and fees.² Based on the school’s failure to submit all of the required information and fees, the Commission determined that Central Career School was out of compliance with the cited requirements and standards and accordingly voted to place Central Career School on Probation with a subsequent review scheduled for the Commission’s May 2022 meeting.

May 2022

At its May 2022 meeting, the Commission considered its previous decision to place Central Career School on Probation for failure to respond to submit required responses, reports, and fees. Upon review of the Commission’s March 29, 2022 Probation Order and the school’s failure to yet again provide the required response, the Commission determined that Central Career School failed to meet the burden to demonstrate continuous compliance with the *Standards of Accreditation* in the following areas:

² On February 11, 2022 Central Career School submitted a response to the Commission’s December 8, 2020 Outcomes Report and one late fee payment of [REDACTED], which were two of the items listed in the February 10, 2022 Warning letter as being delinquent.

1. Central Career School failed to demonstrate that the school has complied on a continuous basis with accreditation standards and requirements; fulfilled all process, reporting, and substantive change requirements; maintained compliance with all applicable local, state, and federal requirements; and paid all sustaining fees, processing fees (including late fees), and on-site evaluation fees as required on a timely basis (*Section I (G)(2), Rules of Process and Procedure, Standards of Accreditation*).
2. Central Career School failed to submit a Financial Report each year in accordance with the Commission's *Rules*/required timeframe that includes the school's financial statements prepared in accordance with the ACCSC Instructions for the Preparation and Submission of Financial Statements and Related Information (*Section V (C)(1), Rules of Process and Procedure, Standards of Accreditation* and *Appendix I, Substantive Standards, Standards of Accreditation*).³

Based upon the foregoing, the Commission voted to withdraw Central Career School's accreditation and to remove the school from the list of ACCSC-accredited schools.

TEACH-OUT PLAN AND TEACH-OUT AGREEMENT:

Pursuant to federal law, an accrediting agency recognized by the U.S. Department of Education must require a teach-out plan from an institution subject to an adverse accreditation decision to withdraw accreditation. In addition in accordance with *Section IV (F)(2)(b, d, & f) Rules of Process and Procedure, Standards of Accreditation* and federal law, the Commission may require a Teach-Out Agreement with another accredited institution. Therefore, Central Career School must submit a completed ACCSC [Institutional Teach-Out Plan Approval Form](#) and [Teach-Out Agreement Approval Form](#).⁴ The information provided must demonstrate how, in the face of possible consequences of the withdrawal of accreditation, Central Career School will ensure the opportunity for students to complete their program of study either by Central Career School or through an agreement with another accredited institution(s) approved to offer a comparable program. The [Institutional Teach-Out Plan Approval Form](#) and [Teach-Out Agreement Approval Form](#) should be submitted **on or before May 23, 2021**.

APPEAL AND REAPPLICATION PROCESS AND PROCEDURE

Central Career School may opt to appeal the Commission's decision to withdraw accreditation or may elect to reapply for accreditation. Details regarding the reapplication and appeal procedures are outlined in the *ACCSC Rules of Process and Procedures, Standards of Accreditation*.

- If Central Career School elects to appeal this decision, the school must sign and return the enclosed Letter of Intent to Appeal a Commission Decision, along with the Appeal Expense Fee of \$6,000.00, **on or before May 23, 2022**.
- If Central Career School elects to appeal this decision, the school's Application for Appeal of a Commission Decision and Grounds for Appeal must be submitted **on or before 30 days from date of this letter June 13, 2022**.
- If Central Career School elects not to appeal this decision, the Commission's decision will become effective **May 23, 2022**. The school may submit comments **on or before May 23, 2022** in accordance with the enclosed Public Comment Disclosure Form. Comments submitted by the school will

³ Since the school has not submitted the required financials, there cannot be a determination made as to whether 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*).

⁴ Copies of these forms can be found on the Commission's website <https://www.accsc.org/Forms-and-Reports/Forms-And-Reports.aspx>.

accompany any public disclosure of a final Commission action pursuant to *Section X (D)(4), Rules of Process and Procedure, Standards of Accreditation*.

- In accordance with *Section VII (N)(3) Rules of Process and Procedure, Standards of Accreditation*, the school may reapply no sooner than nine months from the date on which the withdrawal of accreditation becomes effective.

For additional information regarding the Commission's decision, please contact me directly at

[REDACTED]

Sincerely,

[REDACTED]

Michale S. McComis, Ed.D.
Executive Director

Encl: Letter of Intent to Appeal a Commission Decision
ACCSC Standing Appeals Panel Members
Public Comment Disclosure Form