

United States Senate
Washington, DC 20510-1304

June 26, 2018

Dr. Barbara Gellman-Danley
President
The Higher Learning Commission
230 South LaSalle Street, Suite 7-500
Chicago, IL 60604

Dear Dr. Gellman-Danley:

I write today about troubling reports that Dream Center Education Holdings (DCEH), the owner of Art Institutes, misled students about the accreditation status of several of its campuses including the Illinois Institute of Art in Chicago and Schaumburg.

In June 2017, several of my colleagues and I wrote to you with concerns about the proposed acquisition by Dream Center Education Holdings of institutions owned by for-profit Education Management Corporation (EDMC) – which required Higher Learning Commission (HLC) approval.¹ In our letter, we noted EDMC's record of unfair, deceptive, and abusive practices. In your July 13 response, you wrote:

Certainly EDMC's corporate history, particularly with regard to its treatment of students, and [DCEH's] willingness and ability to change that history once the institutions are under their control, is an important consideration. A key inquiry is whether the details of the transaction truly demonstrate that it will be in the best interest of students.

HLC subsequently approved the acquisition but, in doing so, also removed accreditation from DCEH's newly-acquired Art Institute of Colorado, the Art Institute of Michigan, and the Illinois Institute of Art in Chicago and Schaumburg – transitioning these institutions to “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.” Given these serious risks, HLC required the institutions to provide students with “proper advisement and accommodations.”²

¹ Senator Richard J. Durbin. “Letter from Senator Durbin to the President of the Higher Learning Commission.” June 22, 2017. Retrieved from <https://www.durbin.senate.gov/newsroom/press-releases/durbin-senators-call-for-review-by-accreditors-of-edmcs-sale-of-for-profit-colleges>

² Higher Learning Commission. “Public Disclosure: Illinois Institute of Art and Art Institute of Colorado from “Accredited” to “candidate.”” Effective January 20, 2018. Retrieved from

But, a recent *Pittsburgh Post-Gazette* article³ reports that DCEH failed to inform students of the loss of accreditation and the potentially negative impact on students' ability to transfer credits or get a job – seemingly in direct defiance of HLC's directive. In addition, the article notes that DCEH continued to claim “in statements online and in school catalogs” that the campuses remained accredited by HLC.

If true, it appears these omissions and misrepresentations would give Illinois and other students a legitimate basis to seek and receive a federal student loan discharge under the Borrower Defense authority in the Higher Education Act. In addition, it would show that DCEH has not departed from the predatory practices of EDMC – making it even harder to see how their ownership and management of these campuses is in the best interest of students – and should put future accreditation by HLC in serious doubt. I urge HLC to immediately investigate the allegations made in the *Post-Gazette* article and take appropriate action to protect current and future students.

Thank you for your consideration of my concerns. I look forward to your response.

Sincerely,



Richard J. Durbin
United States Senator

Cc: Mr. Julian Schmoke, Chief Enforcement Officer, U.S. Department of Education
The Honorable Lisa Madigan, Attorney General, State of Illinois
Dr. Al Bowman, Executive Director, Illinois Board of Higher Education

<https://www.hlcommission.org/download/PublicDisclosureNotices/PDN%20-%20EDMC%20CofC%20Candidacy%20Jan%202018.pdf>

³ Moore, Daniel. “Deal Under Scrutiny as Art Institutes face accreditation setbacks.” *The Pittsburg Post-Gazette*. July 19, 2018. Retrieved from <http://www.post-gazette.com/business/career-workplace/2018/06/19/Deal-under-scrutiny-Art-Institutes-accreditation-setbacks-dream-center/stories/201806140022>