

United States Senate

WASHINGTON, DC 20510

April 30, 2021

The Honorable Denis McDonough
Secretary
U.S. Department of Veterans Affairs
810 Vermont Avenue, NW
Washington, DC 20420

Dear Secretary McDonough,

We write today in the wake of troubling developments related to the Center for Excellence in Education (CEHE)—which owns Independence University (IU), Stevens-Henager College, and CollegeAmerica. We urge the Department of Veterans Affairs (VA) to take steps to protect student veterans and taxpayers.

Last week, the Accrediting Commission of Career Schools and Colleges (ACCSC) voted to withdraw accreditation from CEHE’s Independence University.¹ According to the GI Comparison Tool, IU enrolls more than 700 veterans using GI Bill benefits. In FY20, IU received nearly \$7 million in GI Bill funds.

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.² The court identified that institutions run by CEHE used deceptive trade practices to make “false and misleading representations about the potential wages and types of employment” a student could expect after completing a program at these institutions.³ Further, the court identified that between 71 percent and 81 percent of students attending CollegeAmerica in Colorado were receiving financial aid through Title IV.⁴ Examples of the kinds of fraud identified by the court included: advertising potential wages twice that of CEHE graduates,⁵ intentionally withholding data showing CEHE graduates

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 *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>. https://www.republicreport.org/wp-content/uploads/2020/10/10.14.20_Coalition-CEHE-Ltr-to-DeVos.pdf

³ ¶ 585.

⁴ ¶ 409.

⁵ ¶ 585.

United States Senate

earnings were lower than national averages,⁶ and advertised programs such as training for X-Ray Technicians, which would not be acceptable for a state licensing exam, or a sonography program that never existed.⁷

In this case, CEHE—itsself and its executives—were judicially determined to have committed fraud. 38 U.S.C. § 3696(a) states that “the Secretary [of Veterans Affairs] shall not approve the enrollment of an eligible veteran or eligible person in any course offered by an institution which utilizes advertising, sales, or enrollment practices of any type which are erroneous, deceptive, or misleading either by actual statement, omission, or intimation.” What steps will VA take to protect student veterans and taxpayers in light of these troubling developments—including to fulfill its statutory responsibilities under 38 U.S.C. § 3696(a)?

Thank you for your consideration. We look forward to your prompt response.

Sincerely,



Richard J. Durbin
United States Senator



Sherrod Brown
United States Senator

cc: The Honorable Miguel Cardona, Secretary of Education
The Honorable Lloyd Austin, Secretary of Defense

⁶ ¶¶ 641-648.

⁷ ¶ 607.