



August 9, 2017

ID Code 00050228(MC)

VIA E-MAIL AND REGULAR DELIVERY

acics@acct.edu

Dr. William Schipper
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Subject: Denial of Application for the Renewal of Accreditation

Dear Dr. Schipper:

At its August 2017 meeting, the Council considered your institution's application for renewal of its accreditation and the show-cause directive issued to the institution on January 3, 2017, which is incorporated herein in its entirety by reference. The Council reviewed the reports by the teams that conducted site visits to the institution's Virginia and California campuses in May and June 2017 and the institution's responses to these site visit reports. The Council also considered the May 2017 Consent Agreement that the institution reached with the State Council of Higher Education of Virginia (SCHEV) regarding the institution's certificate to operate in Virginia; and the July 27, 2017, correspondence to the institution from SCHEV advising you that SCHEV staff again is recommending that SCHEV revoke the institution's certificate to operate in Virginia following a SCHEV audit conducted at the institution in June 2017.

The Show-Cause Directive listed eight significant findings of noncompliance, which the Council directed the site visit teams to incorporate into their review. The site visit reports completed by the teams identified 18 findings of noncompliance at the Virginia campus and 41 findings of noncompliance at the California campus. In its response, the institution provided sufficient documentation to address many of the findings at the Virginia campus, although several findings remain, as outlined in more detail below. The institution chose not to provide a substantive response to the findings of noncompliance at the California campus.

The Council's review found that several critical components of operational and academic effectiveness remain from the Show-Cause Directive as documented by the evaluation teams and the institution's responses:

1. The institution has not been able to demonstrate the efficiency and effectiveness of the administration's oversight of basic operations (Section 3-1-202(a)). This finding is made on the basis of the following observations and determinations, which document a lack of administrative capability:
 - a. The institution first became accredited by ACICS in May 2015, following a prolonged and challenging application process. In early 2016, the Council was advised by SCHEV that the institution was significantly out of compliance with SCHEV standards, which are similar in material ways to Council accreditation standards, and that SCHEV was moving to revoke the institution's certificate to operate. Following receipt of the SCHEV action, the Council conducted a limited June 2016 site visit to the Virginia campus to review the campus's operations. The resulting site visit report identified 13 findings of noncompliance, many of them significant, just a year after the institution first became accredited. After reviewing the June 2016 team report and the institution's response, the Council directed the institution to show cause why its accreditation should not be withdrawn, and it directed full-team special visits to both campuses. These October 2016 site visit reports identified a total of 32 findings of noncompliance for the two campuses, less than 18 months after the institution first gained accreditation. The most recent team visits identified a total of 59 findings of noncompliance across both campuses. This history is persuasive evidence that the institution has failed continuously and materially to demonstrate a basic understanding of accreditation standards and the Council's expectations for accredited institutions.
 - b. Many of the findings of noncompliance are recurring, indicating an inability or unwillingness by the institution to follow through on commitments to the Council regarding efforts to prevent repeated findings. Repeat findings include, without limitation, concerns about the efficiency and effectiveness of the institution's administration; accuracy and completeness of institutional records; curriculum issues, including complete and correct course syllabi and identification of course prerequisites; publications and advertising; and the actual and documented qualifications of faculty to teach their assigned courses. The institution in some cases has provided documentation that these issues have been corrected, only for the Council to find the same issues on subsequent site visits.
 - c. Rather than respond to the site visit report regarding the 41 findings of noncompliance at the California campus, many of them significant, the institution instead advised the Council of its intention to cease new enrollments and to close the campus. This decision fails in any way to address the inadequacies of the educational

experience the institution is providing to its students enrolled at the California campus and the campus's continuing failure to comply with fundamental accreditation expectations.

2. The site visit team found that, at the time of the visit to the Virginia campus, only two students were enrolled in the Associate of Arts in Business Administration (AABA) program, and only four students were enrolled in the Bachelor of Science in Accounting (BSA) program. The team found, and the Council concurs, that these enrollments are insufficient to support regularly scheduled instruction in these programs. The institution's response states that it plans to discontinue all associate's degree programs in Virginia. The institution's response to the issue of inadequate enrollment in the bachelor's degree program states, in its entirety, "ACCT believes that by no longer offering the associate degree and enrolling its students in the bachelor's degree, it will better serve each of the bachelor degree programs by providing a continuous flow of students throughout the bachelor degree program." The institution provided no reasoning that would demonstrate how discontinuing the AABA program is going to have any material impact on the enrollment in the BSA program or any reason for the Council to conclude that the resulting enrollments will be sufficient to support regularly scheduled classes in the BSA program (Section 3-5-204).
3. The repeated findings of material noncompliance with the Council's accreditation standards, along with the institution's ongoing issues with SCHEV, call into question the integrity of the institution and the professional competence of its leadership (Section 3-1-202).

Council Action

Therefore, the Council acted to **deny the institution's application for renewal of accreditation.**

The institution has the right to appeal this decision to the Review Board of Appeals. The Council must be notified, in writing, within ten (10) business days of receipt of this notice if the institution desires to appeal this decision to the Review Board. The appeal notification must include payment in the amount of \$10,000. The Council's decision is final if the appeal notice and appropriate fee are not provided within the ten business days following your receipt of this notice. If the institution elects to appeal this action to the Review Board and remits the appropriate fee by the established deadline, then the institution will remain accredited through the length of the appeal, and more detailed appeal procedures and information will be forwarded to the institution.

If the institution elects not to appeal this action, the institution must submit any comments regarding this decision to the Council office within two weeks of the date of this letter. Should the institution choose to submit any comments, these comments will be included in the summary

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detailing the reasons for the Council's decision that will be made available to the U.S. Secretary of Education, the appropriate State licensing or authorizing agency, and the public through www.acics.org.

Institutional Teach-Out Plan

Finally, if the institution exercises its appeal rights, in compliance with Section 2-2-303 of the *Accreditation Criteria*, the institution is directed to provide the Council with an Institutional Teach-Out Plan, utilizing the **online Institutional Teach-Out Plan** application in the ACICS Member Center. This Institutional Teach-Out Plan must be completed as part of the institution's appeal and must pertain to both campuses.

The Council expects that the institution will take the appropriate steps to assist its students through any transition to successfully complete their programs in an orderly manner. The institution is advised that Section 2-3-900 of the ACICS *Accreditation Criteria* stipulates that the Council may bar any person or entity from being an owner or senior manager of an ACICS-accredited institution if that person or entity was an owner or manager of an institution that loses its accreditation as a result of a denial or suspension action or that closes without providing a teach-out or refunds to students matriculated at that time of closure.

Please contact Mrs. LaToya Boyd at lboyd@acics.org or (202) 336-6777 if you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "Michelle Edwards". The signature is written in black ink and is positioned over a faint, light-colored watermark or background image that appears to be a stylized torch or flame.

Michelle Edwards
President

- c: Dr. Cynthia Worthen, Alhambra branch campus (alhambra.acics@acct.edu)
- Ms. Cathy Sheffield, Accreditation and State Liaison, U.S. Department of Education (aslrecordsmanager@ed.gov)
- Ms. Nancy Gifford, U.S. Department of Education, School Participation Team, Region III (nancy.paula.gifford@ed.gov)
- Ms. Martina Fernandez-Rosario, U.S. Department of Education, School Participation Team, Region IX (martina.fernandez-rosario@ed.gov)
- Ms. Sylvia Rosa-Cassanova, State Council of Higher Education for Virginia (sylviarosacasanova@schev.edu)
- Ms. Leeza Rifredi, California Bureau for Private Postsecondary Education (Leeza.Rifredi@dca.ca.gov)