

From: Tariq Habash
To: [Third Party Comments](#)
Subject: Written Comment: Oversight of For-Profit Institutions' Conversions to Non-Profit Entities
Date: Wednesday, May 09, 2018 4:31:36 PM
Attachments: [Complete History Series.pdf](#)
[Press on Nonprofit Conversions.pdf](#)
[Ashford.conversion.fraud.pdf](#)

Dear NACIQI,

This communication serves as my written comment in advance of the NACIQI discussion on the issue of nonprofit conversion by for-profit entities in higher education. I appreciate the time that NACIQI is taking to address this important issue which left unaddressed could directly impact quality and integrity of higher education structures and institutions.

The first attachment is The Century Foundation's 4 part history series on higher education regulations following abuses of the financial aid system, dating back to the original GI Bill. This history provides important context on the history of protections as well as the industries where the abuses most frequently occurred.

The second attachment is a compilation of recent media coverage on recent announcements of nonprofit conversions by large for-profit corporations. Many of these announcements have been covered in depth by media, and the concerns raised should be acknowledged by NACIQI members.

The last attachment includes coverage of the most recently publicized conversion announcement- that of Ashford University. While there is little information available on the details of this particular conversion, it is important to note that the school has a problematic history, most recently being sued by the state of California for ripping off students, and losing its GI Bill authorization in Iowa last year. If brands like Ashford with histories of problems are able to so easily get a fresh start with less oversight by claiming to be nonprofit, it could cause serious problems for students and taxpayers.

Any process that monitors and approves conversions should include public input, and there should be significant scrutiny of final decisions to ensure that a converted nonprofit does not end up profiting the individuals or entities making decisions for the institution. Accreditors can take on this role to ensure quality and integrity of institutions are protected by overseeing that the control of nonprofit entities are in fact nonprofit.

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