



January 29, 2016

Ms. Julia Lowder  
CEO  
Computer Systems Institute  
8930 Gross Point Road  
Skokie, IL 60077

Sent Overnight Via UPS  
Tracking Number: 1ZA879640199966347

Re: Denial of Recertification Application to Participate in the Federal Student Financial Assistance Programs—Computer Systems Institute, 8930 Gross Point Road Skokie, IL 60077 OPE-ID: 03416300

Dear Ms. Lowder:

The U.S. Department of Education (Department) has reviewed Computer Systems Institute's (CSI's) application for recertification to continue to participate in the student financial assistance programs authorized pursuant to Title IV of the Higher Education Act of 1965, as amended, 20 U.S.C. §§ 1070 *et seq.* (Title IV, HEA programs). CSI consists of a main location in Skokie, IL, and additional locations at 318 West Adams, Chicago, IL; 29 E. Madison, Chicago, IL; 5330 Grand Avenue, Gurnee, IL 60031-1735; and 400 Airport Road, Elgin, IL. Another additional location in Lombard, IL closed on April 4, 2011. In the normal course, CSI's provisional Program Participation Agreement (PPA) would have expired on March 31, 2012. Because CSI timely submitted its recertification application, however, the Department extended CSI's previous PPA on a month-to-month basis while the Department reviewed the application and related matters. *See* 34 C.F.R. § 668.13(b)(2).

In addition to the recertification application materials, the Department reviewed, among other things, the results of the Department's January 2014 program review of CSI, including, but not limited to, CSI's job placement rate documentation collected during the review, and the statements of students who completed their programs of study for whom CSI claimed were placed, as well as their alleged employers. As set forth below, the information the Department obtained and reviewed establishes that CSI breached its fiduciary duty to the Department by failing to comply with Title IV, HEA program requirements. Specifically, CSI submitted false job placement data to its accreditor to maintain the accreditation of its schools, and disclosed false placement data to current and prospective students. CSI's misconduct will not be tolerated by the Department, and therefore, its recertification application is denied. As a result of this

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denial, the institution can no longer participate in the Title IV, HEA programs, as of January 31, 2016. *See* 34 C.F.R. § 668.13(b)(2).

As of January 31, 2016, CSI will no longer be eligible to participate in the following Title IV, HEA programs: Federal Pell Grant (Pell Grant), Federal Supplemental Educational Opportunity Grant (FSEOG), Iraq and Afghanistan Service Grants (IASG), Teacher Education Assistance for College and Higher Education (TEACH) Grant, Federal Work-Study (FWS), Federal Perkins Loan (Perkins Loan), and William D. Ford Federal Direct Loan (Direct Loan). The Direct Loan program includes the Federal Direct Stafford/Ford Loan Program, the Federal Direct Unsubsidized Stafford/Ford Loan program, and the Federal Direct PLUS Program. The FSEOG, FWS, and Perkins Loan programs are known as campus-based programs.

### **CSI BREACHED ITS FIDUCIARY DUTY TO THE DEPARTMENT BY CREATING FALSE JOB PLACEMENTS AND MISREPRESENTING ITS JOB PLACEMENT RATE TO ITS ACCREDITOR AND THE DEPARTMENT**

To begin and to continue participating in the Title IV, HEA programs, an institution shall demonstrate to the Secretary that it administers the Title IV, HEA programs in accordance with all statutory provisions of, or applicable to, Title IV of the HEA, and all applicable regulatory provisions prescribed under that statutory authority. 34 C.F.R. § 668.16(a).

On June 30, 2009, CSI executed its current provisional PPA with the Department, which likewise stated that CSI would comply with all Title IV, HEA program requirements, as well as any conditions specified by the Department in the PPA. 20 U.S.C. § 1094(a)(1); *see generally* 34 C.F.R. § 668.14. CSI's PPA encompassed each of the additional locations noted above. 34 C.F.R. § 668.14(a)(2). By entering into the PPA with the Department, CSI, and its officers, accepted the responsibility to act as fiduciaries in the administration of the Title IV, HEA programs. As fiduciaries, CSI and its officers are subject to the highest standard of care and diligence in administering the Title IV, HEA programs and in accounting to the Secretary for the funds received. 34 C.F.R. §§ 668.82(a) and (b).

In the case of an institution that advertises job placement rates as a means of attracting students to enroll, it must make available to prospective students, at or before the time that those students apply for enrollment-- (i) the most recent available data concerning employment statistics, graduation statistics, and any other information necessary to substantiate the truthfulness of the advertisements; and (ii) relevant State licensing requirements of the State in which the institution is located for any job for which an educational program offered by the institution is designed to prepare those prospective students. 34 C.F.R. § 668.14(b)(10); 20 U.S.C. § 1094(a)(8).<sup>1</sup> 34 C.F.R. § 668.14(b)(10)(ii) was added through the 1992 amendments to the HEA, and again, is a direct quote from the statute at § 487(a)(8).

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<sup>1</sup> When these regulatory requirements were adopted, the Preamble to regulations stated that: "The Secretary regards the statutory requirement on advertising (and some related "consumer information" provisions) as 'self-explanatory' and, thus, not in need of regulatory embellishment." 59 Fed. Reg. 9,526, 9,537 (Feb. 28, 1994). The ordinary dictionary definition of "advertise" is therefore applicable, and *Merriam-Webster's* dictionary defines "to advertise" as: "To make public, to make known, to notify, to proclaim, to announce, to call attention to."

Also, “[i]f the Secretary determines that an eligible institution has engaged in substantial misrepresentation, the Secretary may ... [d]eny participation applications made on behalf of the institution...” 34 C.F.R. § 668.71 (a)(3). A substantial misrepresentation is defined as “any misrepresentation on which the person to whom it was made could reasonably be expected to rely, or has reasonably relied, to that person's detriment,” whereas a misrepresentation consists of “any false, erroneous or misleading statement an eligible institution, [or] one of its representatives... makes directly or indirectly to a student, prospective student or any member of the public, or to an accrediting agency, to a State agency, or to the Secretary.” A misleading statement “includes any statement that has the likelihood or tendency to deceive,” and a “statement is any communication made in writing, visually, orally, or through other means.” A prospective student is “any individual who has contacted an eligible institution for the purpose of requesting information about enrolling at the institution or who has been contacted directly by the institution or indirectly through advertising about enrolling at the institution.” 34 C.F.R. § 668.71(c).

Effective July 1, 2010, an institution must make available to any enrolled or prospective students through appropriate publications, mailings, or electronic media, information concerning the placement of, and types of employment obtained by, graduates of the institution's degree or certificate programs. 34 C.F.R. § 668.41(d)(5). The information may be gathered from the institution's placement rate for any program, if it calculates such a rate, or other relevant sources. 34 C.F.R. § 668.41(d)(5)(i). The institution must identify the source of the information, as well as any timeframes and methodology associated with it. 34 C.F.R. § 668.41(d)(5)(ii). The institution must disclose any placement rates it calculates. 34 C.F.R. § 668.41(d)(5)(iii). An institution may satisfy the requirement to disclose the information required under 34 C.F.R. § 668.41(d) for enrolled students by posting the information on an internet website or an intranet website that is reasonably accessible to the individuals to whom the information must be disclosed; and to prospective students by posting the information on an internet website. 34 C.F.R. §§ 668.41(b)(1) and (2).

Beginning July 1, 2011, an institution that offers an educational program that prepares students for gainful employment in a recognized occupation, and that is required by its accrediting agency or State to calculate a placement rate on a program basis, must disclose the rate and identify the accrediting agency or State agency under whose requirements the rate was calculated. 34 C.F.R. § 668.6(b). The institution must include the information required under 34 C.F.R. § 668.6(b)(1) in promotional materials it makes available to prospective students and post this information on its website, prominently provide the information in a simple and meaningful manner on the home page of its program website, and provide a prominent and direct link on any other Web page containing general, academic, or admissions information about the program to the single Web page that contains all the required information. 34 C.F.R. § 668.6(b)(2).

During the program review, the Department requested data from CSI, which included placement rates, graduation rates, and statistical data to verify the employment of students post-graduation. Upon review of the data, the Department found that at least part of the institution's placement data, as CSI presented it to the Accrediting Council for Independent Colleges and Schools

(ACISC), in order to become accredited by that accreditor,<sup>2</sup> as well as directly to the Department during the program review, contained substantial misrepresentations about the placement of its students who completed their programs of study. The following examples illustrate these substantial misrepresentations.

### **1. Home Health Consultants (HHC)**

HHC is an “employer,” which, according to the placement rate backup data provided by CSI to the Department, employed some 42 students who completed either the Health Care Career program or the Business Career program. The Department conducted follow-up interviews with several of the 42 students who CSI claimed it placed with this “employer.”

Preliminarily, the Department’s research and investigation showed that on August 18, 2014, Zoharel Quinn, AKA “Dr. Quinn” or “Quinn” filed an assumed business name application for HHC with the Cook County Clerk's Office (Illinois), which listed a business address of 310 West 116th Street, Chicago, IL 60628. The website identified that the business purpose of HHC was “to assist seniors and people with disabilities at home.” It is unknown if HHC had been registered prior to the August 18, 2014 filing date. The structure at 310 West 116th Street, Chicago, IL appears to be a single-family residence. When visited by the Department, a Cook County business license hung in the front window, which turned out to be Quinn’s home.

Department personnel interviewed Quinn on the front porch of his home, through a closed screen door. Quinn claimed that he started working with CSI in 2013 or early 2014 and that he “matched up” CSI students with home healthcare employers. Despite that statement, he explained that the students “cook and clean for the elderly.” He said that he did not place “all that many CSI students,” but said that he provided a presentation for “around 40 CSI students” at the Chicago location. He said that those CSI students he placed obtained home health worker positions or “marketing” positions. He maintained that his contact at CSI was a Mr. Dechazalon Bennett, and a CSI vice president, whom he described as a white male, whose name he could not recall. Quinn initially stated that HHC paid CSI graduates that he worked with, but later in the interview, he provided different answers about how CSI graduates were paid. Quinn stated that HHC did not receive payment from either CSI or the Illinois Department of Aging. He claimed that he “just did it.” It was “his thing.”

Most of the students who were interviewed signed, and swore to, declarations. In brazen contrast to CSI’s misrepresentation, not a single one of the randomly-interviewed students had ever been employed by HHC. The majority had never heard of this entity. Two students told the Department that HHC was not a “real” company; rather it was a single individual, a “Dr. Quinn,” who “hired” them to hand out flyers to elderly persons on the street for what the students said were “bogus medical services.” Only one of these two students received any monetary

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<sup>2</sup> CSI’s former accreditor, North Central Association – Commission Accreditation and School Improvement (NCA-CASI) lost recognition by the Secretary as an approved accreditor. The Department provided CSI with an 18-month grace period to find a new accreditor on February 1, 2013. CSI provided the placement rate data referred to herein to ACICS, in order to become accredited by that accreditor. ACICS granted CSI accreditation in August 2014, just in time to meet the Department’s 18-month deadline.

remuneration for her efforts. *See* Student #8, below, who said she was paid \$100 for more than 80 hours of work, for an effective hourly rate of only \$1.25.

A summary of the interviews with students whom CSI claimed were placed through HHC follows. CSI claimed in its job placement back-up data that each of these students was placed at HHC, that their “supervisor” was Dr. Quinn, and that the address they worked at was 310 West 116<sup>th</sup> Street, Chicago Illinois. Absolutely none of this was true.

Student #1:

In August 2012, this student enrolled at CSI’s Chicago location in the Health Care Career program, for training as a medical assistant. She met with a female recruiter, who told her that 90% of the graduates received jobs. Her recruiter also said that CSI would prepare her to get a job. The tuition was \$9,500. She received federal financial aid including both Pell Grant funds and Direct Loan funds. She received grades of A or B in each of her classes, and received a diploma upon graduating from the program in June 2013. She passed the Certified Clinical Medical Assistant (CCMA)<sup>3</sup> certification exam for phlebotomy but not for medical assisting.

She has never been hired in the health care field since graduating from CSI, nor has CSI helped her to find any kind of a job. CSI staff referred her to a man named Mr. Quinn. She called him, and he said that he wanted her to knock on the doors of elderly people’s homes for nursing services for home medical care. She called him six or seven times a week for over a period of three months to arrange to meet with him, so that he could give her further information, because she did not understand exactly what he wanted her to do. He would not answer many times, but, if he did, he always put her off by saying he was “too busy” to meet with her. As a result, she never laid eyes on him. She finally gave up even trying to call him after she got a job on her own as a security officer for home security for Yale Enforcement. She has never been to 310 W. 116<sup>th</sup> Street in Chicago.

This student worked for Yale Enforcement for about a year and a half, making \$10.75 an hour, but then she was laid off. Subsequently, she got a job at CEB Security as a security guard at a Walgreen’s Drug Store for \$9 an hour, where she worked for about one year. Recently, she was hired at Kates Security, as a street security officer, making \$11 an hour. She got all of these jobs without any help from CSI, even though she still wants to work in her field of study – medical assisting. On occasion, she receives an email from CSI providing potential job leads, but when she tries to follow up, each company tells her that it is not hiring.

This student has not been able to make any payments on her loan, because she cannot afford to do so with the meager earnings she has secured. She laments that she ever enrolled in CSI and would not have done so but for all the false promises that were made to her.

Student #2:

This student enrolled in January 2012 at CSI’s Chicago location in the Health Care Career

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<sup>3</sup> The National Healthcare Association, (NHA) is a private association that administers tests for students to become a Certified Clinical Medical Assistant (CCMA). NHA’s website explains that “[b]ecoming a CCMA with NHA shows that you are knowledgeable and ready to be a valued member of a healthcare team.” CSI students said that most reputable doctors, hospitals, and other medical providers will not hire a student who is not a CCMA.

program, to train as a medical assistant, after she received a call from a female, who enrolled her. This recruiter asked her to “come in for an interview to get started in a job in the health care field.” The recruiter explained that CSI would help her get an externship as part of her program of study. She also told her that CSI would provide her with assistance in finding a job, and gave her the impression that she would have no problem finding a job after she graduated. Armed with this information, she enrolled and took out a student loan for \$15,000. She completed the program in September 2012, graduating with honors.

This student was very unhappy with the quality of her teachers. Many simply had no idea what they were supposed to be teaching, or acted like they did not care. She could not pass either of the required tests to become certified as a CCMA, which is a prerequisite to working at most medical facilities. She took one of the tests twice at a cost of \$120 to retake. She still did not pass, and cannot afford to retake any more tests.

The CSI career service office staff members she knew were “Nicole,” “Chazelon,” and Rhonda Stephens. That office had a lot of turn over. She was provided with a few job leads, but some of them were miles and miles too far to get to via public transportation, and she does not have a car. A few of the leads also required the applicant to speak Spanish, which she does not. Not a single place she went to, based on leads from CSI, had a job opening for her. Eventually, after a lot of effort on her part at trying to find a job in the medical field, she gave up searching. She eventually found a job at O’Hare Airport at Hudson News, a convenience store, as a cashier in February 2014. After that, she worked at the same airport as a cashier at a McDonald’s, for about a month and a half, beginning in February 2015. She then got a job at Cook County Hospital as a janitor.

All of CSI’s placement backup data claims that she was placed at HHC, but she asserts that she has never spoken to anyone at HHC, has never worked there, never set foot on the premises, and never heard of “Dr. Quinn.” She said that she would have never enrolled in CSI but for all the false promises that were made to her. To this day, she has been unable to afford to make a single payment on her student loan. She said that she is trying to enroll at a community college so that she can finally get a professional job.

Student #3:

This student completed two separate CSI programs. First, from January 2012 through August 2012, she enrolled in the Health Care Career program, specializing in Medical Billing and Coding. She passed the CCMA certification test, but did not pass the coding CCMA certification test. In her second program of study to become a Medical Assistant, she passed all four certification tests. She did not work while attending CSI, and she did not work in any position following her 2012 and 2014 periods of attendance at CSI.

This student is a rare example of one who had at least heard of HHC, because a CSI advisor had called her and discussed a job at HHC with her. But she did not want to work on the streets, and decided against pursuing it. Despite this, CSI listed her as placed with HHC.

Student #4:

This student heard about CSI from her sister, who was enrolled in the Health Care Career program for about three months before this student decided to enroll in the same program;

however, her sister dropped out about a month after the student enrolled. According to this student, her sister did not like the way the teachers kept leaving CSI, and new teachers would come and teach the same things the students had already learned. The sister believed she was making no progress, and she also did not like how overcrowded the classes were.

This student enrolled in July 2011, and graduated in September 2012. The reason she enrolled is because her recruiter assured her that CSI would find her a job. In fact, the recruiter told her that every graduate received a job in the medical assisting field. She also said that if the student did not get a job within six months, she could qualify for assistance from the school to pay her rent. Based on this information, she enrolled and took out a student loan for \$15,000. She has not been able to make any payments on this loan, because she still has no job.

This student received grades of Bs and Cs throughout her program. She took a test for certification for phlebotomy, but failed. She did not try to retake the test, because it cost \$150 to retake it, and she did not have the money. She also claims that she did not have a high school diploma or a General Education Development (GED) certificate when she enrolled, nor did her sister. She is, as of right now, in the process of getting her GED, and expects to receive it in May 2016. Her sister still has no high school diploma or GED.<sup>4</sup>

About a month after she graduated, this student returned to CSI to request the job placement assistance she was promised upon enrolling. A female named “Vanessa” from the career office gave her contact information to a Mr. Quinn. Although she called him many times, she never heard from Mr. Quinn. She also kept calling Vanessa, but when she was able to get through to her, Vanessa kept telling her that she would have to wait to hear from Mr. Quinn. Vanessa would not provide her with any other job leads.

This student tried hard to find a job on her own, and eventually applied for an unpaid internship at Saint Bernard Hospital. The nurse at the hospital told her that she would have to have CSI arrange the internship for her. She called Vanessa to request that she arrange the internship, but Vanessa kept telling her that she had to be patient, and that her internship was “in progress.” The student called Vanessa every week for two months, and then gave up. Vanessa never called her back, even though she left messages for her when could not reach her.

This student has never been hired in the health care field since graduating from CSI. CSI did not help her find a job, as it had led her to believe it would. Since graduating she has worked at a housekeeping job for a Miss Sudor, who owns her own housecleaning service. She went to individuals’ homes to clean, working for her from November 2014 until February 2015. During that same time period, the student also worked at a warehouse that made Ziploc bags and foam cups, which she packed for shipping. She continues to work there on occasion. She gets paid \$9.50 an hour, but it is not a full-time job. She works the second shift from 2:30 P.M. until 10:45 P.M. She only works on an on-call basis, every now and then, only about three evenings a month. She continues to search diligently for jobs on her own in the health care field, but she has had no success. She hopes that once she receives her GED, she will be able to get a better

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<sup>4</sup> In accordance with 34 C.F.R. § 668.32 (e), students are ineligible to receive Title IV funds unless they possess a secondary education credential. Apparently, CSI has also routinely ignored this essential Title IV eligibility requirement.

job.

Despite CSI's claims that this student was employed by HHC, she has never heard of HHC and has never worked for Mr. Quinn. She has never been employed at an address at 300 West 116th Street, nor has she ever been to that address.

This student would not have enrolled in CSI considering how she was treated after she graduated. She was so surprised, because her recruiter told her that if she graduated, she would get a job. She believes that CSI put no effort into placing her or in assisting her in securing a job.

Student #5:

This student received an unsolicited telephone call from CSI, requesting that she come in for an interview. Because of this call, during which the CSI person told her that if she enrolled CSI would help her find a job, she went to the school and enrolled in the Medical Career program, specializing in the Medical Assistant program. She said that CSI made it sound like as soon as a student finished his or her program, CSI would place him or her in a job. CSI told her that after she completed this program, she could take a test to become a Registered Medical Assistant, if she worked hours for the "CSI work program." CSI placed her in an unpaid position at a "Professional Eye Center," where she worked for 180 hours performing work unrelated to her program of study.<sup>5</sup> She could not continue to work without pay, so she quit. She currently works at a nursing home, where she does not use any of the skills she learned at CSI. Prior to finding this job without any assistance from CSI, she attended another school, called "National Latino Educational Institute." This school's program is what landed her the job at which she currently works. She said that she had never heard of HHC, nor had she ever worked for it.

Student #6:

This student was interested in a medical assistant program. She called CSI, and CSI set up an interview with the student. The female recruiter, with whom she met, assured the student that after she graduated, she would get a job in the medical assistant field. Based upon this representation, the student decided to enroll at CSI's Chicago location in the Health Care Career program in 2011-2012. She completed the program at the end of 2012.

Despite having good grades throughout the program, she failed the certification test, which was her main reason for going to CSI. Yet, she still received a diploma. She has never been hired in the health care field since graduating from CSI, and CSI certainly has not assisted her in finding

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<sup>5</sup>CSI's catalog describes that the ideal learning experiences supplement academic coursework with real-life employment situations. Therefore, students are encouraged, but not required to for graduation, to participate in externships in order to allow students to engage in employment related to their area of study to the maximum extent possible, given the demands of their academic schedules. The catalog further describes that CSI's practicum or field experience is an integral part of the education process, but it is not compulsory. Further, CSI's catalog description regarding externships states that the "Career Development Department maintains a current list of employer contacts and job openings to help students identify opportunities for off-campus employment that relate to their areas of study. All students are provided with career development opportunities that include advice on writing resumes and cover letters, managing the interview process, and networking for success."

a job. While CSI offered job placement skills, such as how to interview and how to write a resume, they did not help her find employment.

This student has never heard of HHC, or of a Mr. Quinn. She is not currently employed in her field, although she does housekeeping as part of a program run by the Illinois Department of Human Services. She said she would not have enrolled in CSI but for all the false promises that were made to her. She has a Direct Loan for about \$10,000 that she cannot repay, which is currently in forbearance. She said that, “[g]oing to CSI was a waste of time.”

Student #7:

In December 2011, this student enrolled at CSI’s Chicago location in the Health Care Career program in billing and coding. She received a small grant, and took out student loans for about \$8,000. She is currently paying \$200 a month on these loans. She completed the program in August 2012 and received a diploma. She received all As and Bs, except for one C. She was recruited by a black male, who told her that she would be able to find a job, which was her objective in enrolling. He told her that the job placement rate was great, which convinced her to enroll. She has, however, never been hired in the health care field since graduating from CSI. CSI has not helped her to find a job.

Her recruiter’s promises did not pan out. The student feels as if she went to school for no reason. No one will hire her without experience, so she considers CSI to have been a complete waste of time. The recruiter never told her that she could not get a job without experience. She tried to find a job on her own, without CSI assistance, at Mt. Sinai Hospital. The hospital would not hire her, but she did volunteer there for about a month. She received her certification to be a medical administrative assistant by passing the CCMA test. That certification still did not help her get a job.

“Chaz,” a career services representative at CSI, finally called her about six months after she graduated. He told her about HHC, which he said would pay her about \$10.50 an hour. She called and emailed many times to a male contact, Mr. Quinn, and he never responded. She never laid eyes on him. Eventually, his phone number was disconnected. She never spoke with anyone else about HHC or with anyone at HHC. The extent of her knowledge of HHC was through Chaz. She has never held a job at 310 W. 116<sup>th</sup> Street, in Chicago. She also never received an opportunity for an externship and never heard from Chaz again.

After she graduated from CSI, this student worked at Walmart for a few months, as an overnight stocker. Then she was unemployed for a long time before she got a job at Home Depot, as a cashier. She then worked at Target as an overnight stocker, and then at Ifco, a company that supplies grocery stores with trays for produce. She cleaned and stacked those trays. She is about to begin working at Amazon, where she will package up orders to send to customers.

This student said that she would not have enrolled at CSI but for all the false promises that were made to her. Plus, she has student loans to pay off and no job in her field of study to show for it. It was a waste of her time and money, she said. She is also not aware of any of her classmates getting a job. She would never recommend CSI to anyone.

Student #8:

In September 2012, this student enrolled at CSI's Chicago location in the Health Care Career program, specifically in the Medical Assistant courses, because she was interested in getting a better paying job and in improving her life. A man named "Patrick" recruited her by telling her that her credits would transfer to any other institution, that she would receive an associate's degree from CSI, and that the education she would receive in the medical assistant program would be the equivalent of those for a licensed practical nurse. None of these promises were true. Patrick also told her that CSI guaranteed job placement assistance, and that CSI would place her in a job. He said that she would be given an internship, which did not occur.

This student completed the program in May 2013. She received a Pell Grant and a Federal Loan to pay tuition, but she has not been able to make any payments on the loan. Her recollection was that the tuition was \$20,000. If she got As and Bs during a term, CSI told her that the school would give her \$100, as partial payment of her living expenses, but she had trouble with achieving those grades due to her learning disabilities.<sup>6</sup> She did not receive \$100 very often, and even though she needed some tutoring to improve in her coursework, CSI would not provide her with any.

This student also did not receive any help from CSI finding a job after she graduated and received her diploma. She had to pass the CCMA and RMA (Registered Medical Assistant) tests to receive certification, but she could not pass the RMA, which she had to pay extra to re-take. She has never been hired in the health care field since graduating from CSI. CSI has not found her any "real" job.

While this student was briefly employed by HHC, she said that it was not a real company. It seemed like a scam to her. Plus, she said she did not go to school to be a street salesperson. Her supervisor was named Mr. Quinn. He required her to hand out pamphlets on the street, promising home health care with a nurse or doctor who would come to people's homes. He wanted her to be sure that any recipient had Medicare before she gave them a pamphlet. Mr. Quinn paid her \$100 for about two weeks' worth of working at least eight hours a day (again, an effective hourly rate of pay of \$1.25).

Before she attended CSI, this student worked for eight years as a certified nursing assistant, but she had to be recertified by the state of Illinois, and the state required her to get more schooling. During those eight years, she primarily worked in Florida with an agency called Nurse's Choice and another called Nurse Staffing at a variety of medical providers. She would not have enrolled at CSI if not for all the false promises that were made to her.

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<sup>6</sup> In accordance with 34 C.F.R. § 668.164(e), students are entitled to receive any credit balances that are owed to them within 14 days, as specified in the regulation. The regulations further allow, at § 668.165(b), that institutions may retain credit balances with a student's written authorization to do so. However, there are conditions on the authorization process, including required institutional disclosures along with the ability for students to cancel or modify the authorization at any time. The regulations do not permit withholding a student's credit balance on the basis of a student's grades, provided they are meeting satisfactory academic progress, especially if the student has requested that those funds be disbursed. This appears to be another area where CSI ignored its regulatory responsibilities and shortchanged its students.

Student #9:

This student said she saw an advertisement on television about CSI's Chicago location. She wanted to be a medical assistant. She called and was asked to come in to enroll. She met with a man who told her that CSI would find her a job, so she enrolled. She began attending in April 2012, and she graduated in December 2012. She got straight As, except for one B. She had to pass four tests in phlebotomy, clinical medical assistant, CPR, and customer service in order to be certified. She passed all four of them, which granted her CCMA certification.

CSI failed to provide her with any assistance in finding a job. She tried for six months to find a job on her own, but she never even got an interview, even though she was very diligent in her job search. Also, eventually all of her certifications expired.

She finally got a job at UPS as a package handler in October 2014 until the end of December 2014, which paid \$9.50 an hour. After that, she was unemployed again until April 2015, when she got a job making \$10.25 an hour at O'Hare Airport at Gate Gourmet, a caterer for airline passengers, packing up the food.

This student has never been hired in the health care field since graduating from CSI. She had never heard of HHC, or Mr. Quinn, or an address at 310 W. 116th Street in Chicago. She had no idea why CSI would say that she was placed in a job. She said that such claims "are a total lie." She would not have enrolled in CSI but for all the false promises that were made to her. She believed that at least 50% of what she was told before enrolling was a lie. She wished that she had never gone to CSI. She has a loan to pay back and does not have the job CSI promised her, which is the reason why she enrolled.

Student #10:

This student saw an advertisement in a local newspaper about CSI's Chicago location in the Health Care Career/medical assisting program. She did not have either a high school diploma or a GED, which caught her eye, because the advertisement said that one did not need to have a GED to attend. The advertisement led her to enroll in February 2013, in addition to her own desire to have a professional job and needing the salary earned from such jobs. She eventually got a GED in late December 2014, but it was not until after she graduated from her program at CSI. She said that lots of her classmates did not have a high school diploma or a GED. She completed her studies in late October, but the graduation ceremony did not occur until mid-December 2014.

This student was enrolled by a female recruiter, who told her that she would receive job assistance, and that she could get an internship at a hospital, if she wanted one. The tuition was about \$15,000, and she received Pell Grant funds, along with a Direct Loan totaling about \$9,500. She has been making payments of \$109.34 every month since her loan became due.

If the student received all As and Bs during a month, and did not miss more than one or two days, after the third month of enrollment, she could receive a debit card for \$100, as part of the living expenses for her loan. Because she made all As and Bs and had good attendance, she received a card reloaded with \$100 five times while attending CSI, for a total of \$500. Because

these funds were her credit balance, again CSI had no right to qualify her access to them in any way.

This student graduated with a 3.7 grade point average. She took the NHA test for certification for phlebotomy, which she passed. But, she was unable to pass the certification test to be a CCMA. She was shocked that she did not pass, given her grades. She has never been hired in the health care field since graduating from CSI. CSI did not help her find a job as she had been led to believe. She did have one interview with a temporary agency called Ajilon, but that company would not hire her without a GED. Because she was not given any help from CSI, she searched hard for jobs on her own, but she had no success.

Six months after she completed the medical assisting program, she finally found a job in March 2015 at a South Chicago sleep lab. Her job duties include scheduling patients, getting insurance authorization, and billing. She said that she did not receive this job as a result of attending CSI. She does not use any of the skills she learned at CSI at this job. Her starting pay was \$10 per hour. She is currently making \$12 an hour. This is a full-time job.

Despite CSI's claims that she was placed with HHC, she has never heard of it. She did speak to a Mr. Quinn over the phone, but he was busy and asked her to call him back. She stated that Mr. Quinn did not sound professional at all, and was very abrupt with her. Someone named "Chaz" at CSI, who she thought was a career advisor, told her to call Mr. Quinn, and arrange to meet with him to talk about working for him. Chaz said this would be a "marketing" job. It sounded like a scam, and the area code was not familiar to her. She did not call him back again, because it seemed to be a waste of time—his abruptness put her off.

This student said that she would not have enrolled in CSI, considering the outcome. She said that "it was a waste of eight months of my life. I feel that CSI put no effort into placing, or assisting with placing, me in a job."

Student #11:

This student enrolled at CSI's Chicago location in the Health Care Career program, and took courses specifically in the medical assistant program. She enrolled through a female recruiter, who assured her that when she finished the program, the school would find employment for her. On the basis of this promise, she enrolled in June 2012, and completed the program in March 2013. The tuition was \$10,000. She received Pell Grant funds and Direct Loan funds totaling about \$9,000 to cover the tuition. She has not been able to repay this loan, because she is unemployed. Her loan is in deferment.

Her son also went to CSI about a year before her, and her daughter enrolled along with her. Her son was enrolled in a computer program but did not finish the program. He did not graduate from high school and he never got a GED, so he did not have these basic eligibility credentials before enrolling at CSI.

The student received all As and Bs and graduated on the honor roll. She had to take two tests for certification to be a CCMA. One was in phlebotomy, the other in medical assistance. She barely missed passing both tests, despite her excellent grades.

CSI gave her a piece of paper with the names and numbers of about 10 clinics that CSI claimed were hiring. When she called each one, none was hiring. She called to complain to CSI, and the career counselor said she would send the student another list of potential employers, but she never did. The student called her back at least 15 times. She also went back several times in person. Often her calls were not returned, but when they were, she was just told that she would receive more job leads. But she never received another lead from CSI.

As stated previously, she went to CSI with her daughter, who was in the same program. They graduated together. This student's daughter made the Dean's list at CSI, but she also could not find a job in the medical field. She works at Wendy's. CSI did not help her find a job. Many times the student and her daughter went together to CSI after they graduated, but CSI gave no job assistance to either one of them. Her daughter went even more times than did the student but was no more successful in receiving job placement assistance than her mother was.

This student has not worked in the medical field since graduating from CSI. One of her neighbors had Alzheimer's and asked her to take care of him in June 2013. She took care of his housekeeping, grocery shopping, bathing, paying bills-- all of his basic needs. He had a nurse who provided his medical care. She worked for him until he passed away in December 2013. He paid her \$200 in cash each week. Since he passed away, she has not worked. She has tried everything she can think of to find another job, but so far, she has not had any success. She never told anyone at CSI that she had this job working for her neighbor.

CSI has not found her any job, despite the information from CSI claiming that she was placed at HHC. She said that she has never heard of HHC, Mr. Quinn, or an address at 310 W. 116<sup>th</sup> Street in Chicago.

She would not have enrolled in CSI but for all the false promises that were made to her. She went to school to get a job. She got nothing but a bill for a loan that she cannot repay. She said that "It hurts me that I cannot work. It was my passion to work as a medical assistant, and CSI took that joy from me. It is cruel."

## **2. Dream Team Hope Health Care Services (DTH)**

This alleged "employer" purportedly provided jobs for 14 CSI students in 2013, according to the placement rate backup data provided by CSI to the Department. The CSI placement rate backup data claimed that DTH operated out of 70 East 63rd Street, Chicago, Illinois. This address is a large, warehouse-type, structure which contained a large capacity garage on the day it was visited by the Department, and was completely empty inside except for a vehicle and a small office in the northeast corner. No business signs or posted phone numbers on the building related to DTH. No mailboxes were located on the exterior. Three individuals who were inside the structure stated they had never heard of DTH, and that they did not know a Samuel Hunter or a Patrick Hunter, who CSI identified as DTH's "Owner/Operator."

Shortly after the Department's visit to the address noted above, DTH's supposed "Owner/Operator," Samuel Patrick Hunter, called the Department, and said that he heard that the Department was looking for him. He claimed that he heard from someone at the garage at 70 East 63<sup>rd</sup> Street that the Department had come to arrest him. Despite multiple assurances that he would be free to leave afterward, and after he failed to confirm an arranged in-person interview, Hunter consented to a telephone interview. During that interview, Hunter claimed he filed paperwork with the State of Illinois and made a down payment, but lost the opportunity to incorporate DTH because he failed to pay the remainder of the incorporation fee. Because of the above, DTH never operated as a licensed business, but he said that he was still "working on paperwork." He claimed to be homeless, and said that he splits his time between homeless shelters on the North and South sides of Chicago, which he refused to name.

Hunter claimed that his contact at CSI was a black male named "Chaz," whose last name he did not know. He claimed that Chaz said he would send CSI students to work for DTH. Hunter stated that he talked with CSI's vice president, Tom Claxton, on one occasion, although he did not say when. Hunter said that Claxton told him, that because Hunter did not possess the proper paperwork, CSI could not use DTH to place CSI's graduates. Hunter also stated that Claxton told him that some CSI students reported as placed with DTH were working as either "homemakers" or "in marketing."

Hunter said that DTH provided no employment in the home healthcare aspect of the business, but rather for "marketing," and that when employed, CSI students worked in marketing for yet another "company," called Ashia Healthcare (Ashia), a company Hunter claimed was owned by his ex-fiance, Kimberly Burton, rather than DTH. Despite this statement, neither Ashia nor Kimberly Burton is identified as an employer or supervisor on CSI's placement backup data.

When Burton was interviewed by the Department, she stated that she never owned, operated, nor had any affiliation with DTH. She admitted to working with Hunter who she thought operated DTH. She stated that she operated Ashia and is an independent contractor. Burton claimed that Hunter paid trainees out of his own income, and, if they did well, he would send them to another agency for employment.

The Department interviewed the following random students who CSI's backup placement data claimed were placed with DTH.

Student #12:

This student attended CSI during 2012-2013 in the Medical Career program. Because she did very poorly in the program, she did not receive a certificate or any other credential. She missed six points on her CCMA certification test, where missing only one point was a failing grade. She did not work while attending CSI, and she did not work after attending CSI. At the end of July 2014, more than a year after she stopped attending CSI, she obtained the first job she has held since attending CSI, a position she obtained herself without assistance from CSI. She neither worked at, nor heard of DTH, or a Samuel Hunter, despite the fact that CSI claimed that it placed her as a "marketer" at DTH Health Care

Services, that her supervisor was “Samuel Hunter,” and that the address of her employer was 70 East 63<sup>rd</sup> Street in Chicago.

Student #13:

This student saw advertisements for CSI, which enticed her to visit CSI’s Chicago location. A female enrollment advisor promised her a job in the Business Career field if she enrolled and graduated. This person convinced her to enroll in the Business Career program on August 21, 2011. The tuition was about \$22,000, which she paid for with Pell Grant funds and Direct Loan funds totaling \$9,500. She is not repaying this loan, because she did not receive a job as a result of attending CSI. Her loan balance is now up to \$15,447. The student claimed that “CSI was a waste of time. I wasted a year of my life. When I go to job interviews, the employers laugh at my diploma and ask me if I printed it myself. For instance, I went to a job interview at Kirby Vacuum Cleaners, and Office Team, and they said that CSI wasn’t a good enough school.”

This student said that the majority of her classmates did not have a high school diploma or a GED. She stated that she had already graduated from CSI before she received her GED in October 2012.

Since graduating from CSI, this student has worked as a cashier at Chi-Town Steak and Lemonade, Speedway Gas Station, and Mabco appliance store. She maintained that these jobs had nothing to do with her “education” at CSI, she had never been hired in the business career field since graduating from CSI, and that CSI had not helped her to find a job. She said that she called the career services staff at CSI “a million times asking for employment help. But I received absolutely no help.”

This student was shocked to see that CSI claimed to have placed her with a company called “DTH Health Care Systems.” She has never heard of DTH Health Care Systems, Dream Team Hope, Samuel Hunter, nor has she ever worked at an address at 70 E. 63<sup>rd</sup> Street, in Chicago.

This student had heard of a Mr. Quinn through a male career advisor at CSI, named Chaz. Mr. Quinn called her, and she worked for him for four days, nine hours each day, passing out pamphlets for what she described as “lies; tricking old people out of their money.” She said that Quinn told her when they first spoke that she would get paid every Friday, and that she would be his secretary/assistant. He claimed in these pamphlets that the senior citizens would get for free, a nurse who would come to their homes every day, along with other medical care. She said that Quinn would then bill these elderly persons. Quinn told her exactly what to say to them, to draw them in. He was always with her, doing the same thing during the four days. At the end of the fourth day, she quit. She thought she was going to work for a legitimate company as a secretary, not standing outside on the streets. She said that “It was a scam and I could not do it anymore. I asked him to pay me. He said that if the people took him up on his offer, I would get paid. If not, I wouldn’t. I never heard from him again. He never paid me.” This student told the same male career services person, Chaz, about her awful experience with Mr. Quinn. Chaz claimed that he would find her another place of employment, but that never happened.

This student stated that she would not have enrolled at CSI but for all the false promises that were made to her. She said that she got robbed of a year of her life.

Student #14:

This student enrolled at CSI's Chicago location in the Business Career program in or about August 2012. The purpose of the program, as it was explained to her upon enrolling, was to receive a job in the accounting field. She completed the program in April 2013. The recruiter tried to push her into the Medical Assistant program, but she insisted that she was not interested. The recruiter relented, and told her that when she finished the Business Career program, she would be qualified to work as an accountant in an office. The recruiter also told her that CSI would get her a job in the accounting field.

To pay for the tuition, this student took out Direct Loan funds in the amount of \$10,000 for an eight-month program. CSI told her that she did not qualify for a Pell Grant. Even though she understood that the loans were about \$2,000 more than the tuition, CSI would not give her the excess money. CSI required her to pay for books, school supplies, and bus passes with her own funds rather than her Title IV aid disbursements. Only after many, many student complaints, did CSI provide a stipend of \$300, in \$75 increments on a debit card, that she could use at most stores. But, the stipend could not be used to pay her rent, utility bills, and basic living expenses. All of the students she knew received only this stipend. She is currently repaying her student loan at a rate of \$125 per month.

This student said that students used "QuickBooks" for accounting, and they were taught how to create Excel spreadsheets. She was a straight A student, except for one C, but she did not receive a certification in either Excel or QuickBooks. CSI promised to call her to take the tests for certification, which was supposedly included in the price of tuition, and promised her that if she were to fail the tests, she could retake them free of charge. CSI failed to call her to take the tests. When she called about taking the tests, she said it was like talking to a brick wall. The only thing the people at CSI wanted to talk about was whether she had a job. She finally gave up. She did tell CSI that she had a job at Old Navy that she got entirely on her own in November 2013, many months after she graduated. At Old Navy, her job was working in the dressing rooms. She has never been hired in the Business/Accounting field since graduating from CSI. CSI has provided her with no job placement. She currently works as a security guard in a commercial building in downtown Chicago.

This student has never heard of DTH Health Care Systems, Dream Team Hope, or Samuel Hunter, nor has she ever worked at an address at 70 E. 63<sup>rd</sup> Street, in Chicago. She maintained that she would have never enrolled in CSI but for all the false promises that were made to her. As she states, "CSI was only concerned with getting my money."

Student #15:

This student enrolled in CSI's Business Career program in 2012-2013, and earned a diploma. She was unemployed while she attended CSI, and after completing her studies, she worked at a job which she obtained without assistance from CSI in a field unrelated to her field of study. She had neither worked at, nor heard of, DTH. She did not recognize the name Samuel Hunter. She talked with CSI's career service office after she graduated, and attempted to get a job through that office. She spoke with a man named Chaz, who tried to get her to work door-to-door soliciting people for medical services. She stated that she did

not go to school to do “soliciting out of doors,” but rather that she expected to work as an administrative assistant, business assistant, or as a data entry person in an office. Nothing like that ever happened for her despite the representations that had been made to her.

Student #16:

This student attended CSI in the Business Career Program, specializing in Medical Billing and Coding during 2011-2012. She received a diploma upon graduating. She did not work while attending CSI and has not worked in any job since completing her CSI program of study. Despite the fact that CSI listed her as being placed as a “marketer,” in the field of her studies, with DTH Health Services, and that her supervisor was named “Samuel Hunter,” this student has neither worked at, nor heard of, DTH, nor has she ever met, or heard of, Samuel Hunter.

Student #17:

This student said that she enrolled at CSI’s Chicago location in the Health Care Career program, specializing in medical billing and coding in September 2012. She completed the program in either March or April 2013, and received a diploma. She passed one of the required tests to be certified, but not the second. She still could have worked in her field, or so CSI told her, but the pay would not have been as high. But, she said that no employer would hire her. She received a Pell Grant and took out a loan to pay the tuition, but because she is not working, the loan is in deferment. She has never been hired in the health care field since graduating from CSI, and CSI has not helped her to find any kind of job.

After she graduated from the Health Care Career program, a CSI employee, Thomas Claxton, sent her a letter later in 2013, asking her to retake the medical coding test. She took the test two more times, but was unable to pass it. She reenrolled at CSI in the Business Career program in October 2015, and hopes to graduate in April 2016. She received a Pell Grant and took out loans to pay for the tuition.

She does not know why CSI would say that she worked for DTH Health Care Services. In fact, she has never heard of DTH Health Care Services, or of an individual named Samuel Hunter, nor has she ever held a job at an address at 70 E. 63<sup>rd</sup> Street in Chicago. She also has never worked for HHC. She did apply for a job with HHC and they called her for an interview, but she did not get to the interview, because she was frightened of the neighborhood and could not find the location. She called her contact at CSI’s career services, whose name she no longer recalls. She said that he promised to find her a job closer to her home, downtown, or on the west side of Chicago, but she never heard back from him.

Student #18:

This student attended CSI several times. She enrolled in the Business Career program in 2009, through a date she can no longer recall, and then again from August 2012 through June 2013 when she graduated with a diploma from that program. Sometime during the summer 2013 until 2014, she was enrolled in the Medical Career program, specializing in Medical Billing and Coding. She also graduated with a diploma from that program.

Upon enrolling the first time, this student’s recruiter told her that CSI would help her build her resume and help her find a job. After she graduated, a black male CSI career services employee set her up with an interview for a “telemarketing” job. She went for an interview, and the man who interviewed her did not know how to pay her. She explained that the interview took place in an auto body shop near the intersection of 53<sup>rd</sup> Street and Michigan Avenue, in Chicago. She described this man as “very unprofessional,” and kicked his shoes off during the interview. He wanted the student to sign up senior citizens for health care “things.” He told her to meet him at 79<sup>th</sup> Street and Cottage Grove Avenue, and that he would take her to Blue Island, a city 16 miles south of Chicago, to talk with senior citizens to sign them up for home health care services. He also told her that when she was done for the day, he would “have his people pick her up.” She did not feel comfortable with this arrangement, so she declined.

This student did not work while attending CSI and has been unemployed since 2008. She neither had worked at, nor heard of, DTH or Samuel Hunter.

If the Department determines that an institution has not met the fiduciary standard of conduct, either through its failure to comply with applicable Title IV, HEA program standards and requirements, or through acts of affirmative misconduct, a denial of the institution’s recertification application is warranted. *See* 34 C.F.R. § 668.13. As outlined above, the Department has determined that CSI failed to meet the fiduciary standard of conduct through misrepresentations regarding job placements to its accreditor, to current and prospective students, and to the Department, in violation of Title IV, HEA statutory and regulatory requirements. CSI’s recertification application is therefore denied.

In addition, as previously mentioned, by entering into a PPA with the Department, an institution agrees, among other things, that:

“In the case of an institution that advertises job placement rates as a means of attracting students to enroll in the institution, it will make available to prospective students, at or before the time that those students apply for enrollment...the *most recent* available data concerning employment statistics, graduation statistics, and any other information necessary to substantiate the truthfulness of the advertisements; and...relevant State licensing requirements of the State in which the institution is located for any job for which an educational program offered by the institution is designed to prepare those prospective students.”

34 C.F.R. § 668.14(b)(10). (*emphasis added.*)

CSI has consistently ignored this essential requirement of its Title IV eligibility. If it had not warranted that it would provide prospective students with the “most recent available [placement] data,” CSI would not have been made eligible to participate in the Title IV programs. When it created false data to illegally bolster its placement rates with reference to fictitious employers, it demonstrated that its Title IV eligibility must not be continued.<sup>7</sup>

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<sup>7</sup> As discussed in this letter, the Department selected only two identified “employers” to test the accuracy of CSI’s placement rate data, and CSI failed any meaningful test of its integrity. Its duplicity was exposed. Given CSI’s willingness to manufacture job placement data, the Department cannot possibly trust any other information that CSI

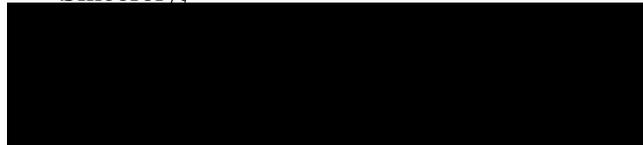
Should CSI have factual evidence to dispute the Department’s findings, and demonstrate their inaccuracy, CSI may submit that evidence via overnight mail to me at the following address:

Administrative Actions and Appeals Service Group  
U.S. Department of Education  
Federal Student Aid/Program Compliance  
830 First Street, NE (UCP-3, Room 84F2)  
Washington, DC 20002-8019

If any such material is received by February 12, 2016, it will be reviewed, and CSI will be notified if the recertification denial will be modified, rescinded, or left in place. If CSI does not submit such material by February 12, 2016, the denial of recertification will be effective as of January 31, 2016. The Chicago School Participation Division will then contact you concerning the proper procedures for closing out CSI’s Title IV, HEA program accounts.

In the event that CSI submits an application to participate in the Title IV, HEA programs in the future, that application must address the deficiencies noted in this letter. If you have any questions about this letter, you may contact Kathleen Hochhalter at (303) 844-4520.

Sincerely,

A large black rectangular redaction box covering the signature of Susan D. Crim.

Susan D. Crim  
Director  
Administrative Actions and Appeals Service Group

cc: Albert C. Gray, PhD, President and CEO, Accrediting Council for Independent Colleges and Schools (ACICS), via [agray@acics.org](mailto:agray@acics.org)  
Dr. James L. Applegate, Executive Director, Illinois Board of Higher Education (IBHE), via [applegate@ibhe.org](mailto:applegate@ibhe.org)  
Department of Defense, via [osd.pentagon.ousd-p-r.mbx.vol-edu-compliance@mail.mil](mailto:osd.pentagon.ousd-p-r.mbx.vol-edu-compliance@mail.mil)  
Department of Veteran Affairs, via [INCOMING.VBAVACO@va.gov](mailto:INCOMING.VBAVACO@va.gov)  
Consumer Financial Protection Bureau, via [CFPB\\_ENF\\_Students@cfpb.gov](mailto:CFPB_ENF_Students@cfpb.gov)

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were to provide it, and the Department has no basis to believe any of the other placement information that CSI has reported. The Department cannot allow such a dishonest operation to receive continued access to scarce Federal student financial assistance funds or believe that CSI could ever operate as its fiduciary in the future.