



FOR IMMEDIATE RELEASE

CEHE Files Litigation Against Department of Education for Improper Actions

December 6, 2022. Salt Lake City, UT. Today, Center for Excellence in Higher Education, Inc., a nonprofit organization that formerly operated a group of degree-granting career colleges, announced that it has filed suit in the Federal Court of Claims against the U.S. Department of Education. CEHE is seeking up to \$500 million dollars in damages for claims that include breach of contract, breach of fiduciary duties, breach of good faith, and illegal taking of funds. CEHE's lawsuit exposes the nefarious tactics that the Department has wielded for over a decade to advance an ideological attack against proprietary career colleges. CEHE acquired the affected group of colleges as part of its nonprofit mission to improve American career education. Although CEHE owned and operated the colleges as nonprofit institutions, the Department and for-profit education critics refused to accept that the colleges could shed their former "for-profit" label and leveraged their tactics to force CEHE's closure. A copy of CEHE's litigation against the Department is attached.

Statements from Eric Juhlin, CEHE's Acting CEO, regarding the litigation:

"For over a decade, in coordination with ideological confederates, the Department has been on a campaign to cripple and close as many private career colleges as possible. In 2021, CEHE's nonprofit colleges became a victim of this campaign. However, CEHE is fighting back, shining a light on the Department's nefarious tactics and seeking damages for the Department's illegal actions."

"Private career colleges provide critical career training opportunities, often to members of disadvantaged communities underserved by traditional universities. Career colleges led the development of online education, which proved invaluable during the COVID lockdown. Notwithstanding a focus on disadvantaged students, career colleges consistently outperform community colleges. Using data from the Department's College Scorecard and Integrated Postsecondary Education Data System ("IPEDS"), Career Education Colleges and Universities ("CECU") found that career colleges have similar graduation rates for bachelor's degree programs to public institutions (41.9% and 47.8%, respectively) and associate's degree graduation rates more than double those at public institutions (61.2% and 30.5%, respectively)."

"Congress has recognized the value of career colleges, and the Higher Education Act specifically authorizes their participation in Title IV financial aid programs. But the Department's leadership and ideological critics of the sector (including some members of Congress) disagree with federal aid going to proprietary institutions, and they have coordinated efforts to wage a ten-year campaign to eliminate proprietary colleges in circumvention of legislative intent. Their hostile campaign has resulted in thousands of campuses being closed."

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