

February 27, 2019

TO: Ms. Michelle Edwards, President and CEO,
Accrediting Council for Independent Colleges and Schools (ACICS)
750 First St. NE, #980, Washington, DC 20002-4223

FR: Dr. Mikhail Brodsky, President of Lincoln University (LU)

RE: Show-Cause Directive – Institutional Integrity

Dear President Edwards,

This letter is Lincoln University's response to ACICS letter of January 25, 2019 informing us of the Council Executive Committee decision to direct LU to explain certain facts and observations related to the university's Doctor of Business Administration (DBA) degree program.

Background:

Lincoln University is a private, non-profit, non-sectarian educational institution, which was founded in 1919 in San Francisco. For 100 years of its uninterrupted operations, LU has consistently maintained high standards of integrity and quality of instructions. Lincoln University is a highly respected institution in the San Francisco Bay Area and more than 60 countries around the world.

The University has been accredited by Accrediting Council for Independent Colleges and Schools (ACICS) since 1990. Until the year 2016, LU had a smooth relationship with ACICS, and the compliance of LU academic programs and operations was validated through several evaluation site-visits. The latest renewal of LU's institutional accreditation occurred in 2015, when LU was accredited through Dec. 31, 2019.

Lincoln University maintained its commitment as an ACICS accredited institution despite the problems, which ACICS had been facing in its attempt to renew the U.S. Department of Education (USDOE) certification. We maintained our status as an ACICS accredited institution after ACICS was decertified in December 2016. Reluctantly, LU had to request voluntary withdrawal from ACICS in August 2017 (eight months after the decertification of ACICS) under pressure from California Bureau for Private Postsecondary Education (BPPE). Soon after the restoration of ACICS's certification by

USDOE, LU requested ACICS to reinstate its accreditation. In May 2018, ACICS confirmed that it has reinstated the accreditation of LU.

Although LU started pursuing institutional accreditation by Western Association of Schools and Colleges (as required by USDOE) in January 2017, the academic programs and administrative procedures at LU maintained their compliance with ACICS accreditation standards, without interruption. A Quality Assurance (QA) visit conducted by ACICS in July 2018 came up with a small number of relatively insignificant findings. Most of the required corrective actions have been taken. The administration of LU has already started preparing the application for ACICS renewal of accreditation beyond December 2019.

The focal point for the issues raised by ACICS in the show-cause notice is the Doctor of Business Administration (DBA) degree program, which was initially accredited by ACICS in 2010. All of the eight allegations related to (i) “institutional integrity, and capability to be manifested by the professional competence, personal responsibility, and ethical practices demonstrated by all individuals comprising the management” and (ii) the expectation that “ all representations by the institution be accurate and consistent with ACICS directives” are not well-founded in the context of the responsibility which the Council (ACICS) and its senior staff have in the creation of underlying circumstances.

Without going further in stressing the “lack of integrity and responsibility” attributable to ACICS with respect to the defensive and misleading directives issued by ACICS in an attempt to correct its own mistakes/misdemeanors in accrediting the doctoral programs at several institutions. Considering institutional history, and our history with ACICS, we are confident that the “show-cause” directive by the Council was unjust and based on inaccurate interpretation of facts.

We are providing our responses to the allegations contained in the ACICS show-cause notice:

ACICS

Narrative on its failure to truthfully disclose the ongoing admission activity into the DBA program.

The narrative is given in form of responses to the observations documented in the Council letter.

ACICS:

In its May 2017 correspondence to all institutions offering doctoral degrees, the Council required the prominent postage and distribution of notice to current and prospective

students to advise them of the permanent moratorium on doctoral programs, and a credible plan and path to completion for all enrollees. Institutions were advised that if the conditions were not satisfied, the institution will be subject to an adverse action.

LU Response:

The administration of Lincoln University has complied with all actions required by ACICS, following the disclosure that ACICS was not authorized to accredit doctoral programs. Here, it is appropriate to point out that well-established educational institutions are being penalized as a result of ACICS accrediting doctoral programs, apparently, without having proper authority to do so. Starting nearly ten years ago, ACICS assured LU and several other institutions that it will accredit any doctoral programs meeting its standards. In response to this encouragement, the administration, faculty, and outside consultants at LU created a doctoral degree program at the cost of several hundred thousand dollars. On top of this the rigorous accreditation application and approval process required by ACICS resulted in a substantial additional expense.

Soon after the award of the first DBA degree at LU, it became apparent that ACICS was trying to 'cover its track' which started with the initial assertion by ACICS that it had the required authority to accredit doctoral programs. The actions and retractions which ACICS imposed on the affected institutions, resulted in serious damage to the doctoral students' professional plans, and loss of credibility for institutional administrators in their interaction with the students who seemed to be on their way to acquisition of a terminal degree, but were placed in very unfavorable situations because of lack of accountability on the part of ACICS.

The ACICS-approved DBA degree program was planned for 5 years, with an upper limit of 7.5 years for graduation. ACICS gave our students, and LU administration, only three years to complete the study, and displayed complete lack of responsibility for the grievous harm done to the students and LU.

The administration of LU places the welfare of its students above all other priorities. Immediately after receiving the relevant ACICS communication, we informed existing DBA students, started to prepare a teach-out plan, and stopped DBA program admission. As the proof, please see attached letters to LU DBA students dated October 5, 2016 and April 18, 2017. We also arranged a meeting with Argosy University representatives for transfer of several mid-stream DBA students. The Argosy University letter confirming the transfer credits agreement is being submitted. 6 LU DBA students transferred to Argosy.

Presented below are the statistics for students registered in the LU DBA program,

starting in Fall 2016 (before ACICS problems) through Spring 2019.

Fall 2016 semester: **51** registered DBA students,
Spring 2017 semester: **34** students,
Summer 2017 session (not required): 1 student (part-time),
Fall 2017 semester: **17** students,
Spring 2018 semester: **16** students,
Summer 2018 session: 2 students (part-time),
Fall 2018 semester: **12** students,
Spring 2019 semester: **6** students.

The data clearly demonstrate a significant monotonic decline in the number of our DBA students. The administration at LU is diligently finding ways to enable mid-stream DBA students to: (i) complete their program before December 2019; or (ii) transfer to other suitable accredited institutions; or (iii) transfer to Lincoln University's master level degree programs.

We recognize our ethical obligation to support the remaining DBA students. We are also going to ensure that our DBA students are not adversely affected financially or academically as we assist them in making this transition.

ACICS:

In its May 2017 communication to ACICS concerning its doctoral activity, the institution was opposed to the phase-out and shared that doctoral students were scheduled to graduate through 2019. The institution indicated that it had suspended enrollment in the DBA program but would resume accepting students after receiving candidacy status from either the Western Association of Schools and Colleges (WASC) or International Accreditation Council for Business Education (IACBE).

LU Response:

The statement about LU's opposition to phase-out doctoral students is incorrect. During a telephone conversation with ACICS administration, we suggested that our catalog would indicate that DBA program was not accredited by ACICS in case we received a programmatic IACBE accreditation. Other institutions, which were also victimized by ACICS's decision and, therefore, were forced to look for alternative accreditors, suggested a similar approach. This proposal was rejected by ACICS, and we unconditionally complied with ACICS's directives.

ACICS:

The institution voluntarily withdrew its accreditation from ACICS on August 2, 2017.

LU Response:

This is correct. The request for the withdrawal followed BPPE directive to remove reference to ACICS from LU catalog.

ACICS:

In April 2018, the institution made a request for reinstatement of its accreditation and in its May 7, 2018, submission of materials, the following DBA information was provided (Attachment 5.1) for the Council's consideration:

“Active for teaching existing students only through the end of 2019. No new enrollment since 2017.”

There were 17 students enrolled at the time of this submission.

LU Response:

This statement is correct. Regrettably, it was my inadvertent oversight while writing the request for reinstatement. The Admissions office at LU interpreted withdrawal from ACICS as permission to enroll students to the DBA program (all six students were admitted during the time period between the voluntary withdrawal from ACICS and subsequent reinstatement of ACICS accreditation). The upper-level management of the university was not aware of this action by the Admissions office.

Of the six students admitted, five had been studying at LU for several semesters; they had applied for the DBA prior to 2016, but were required to complete the master's degrees first to satisfy the DBA program admissions requirements. It was an inadvertent error on our part and a correction has been made already. By the beginning of Spring 2019, semester all these students had transferred from the DBA to other programs at LU, or to other universities. The details of the actions taken are presented below.

ACICS:

The institution's accreditation was reinstated on May 17, 2018. The Quality Assurance Visit (QAV), which was a required component of the reinstatement, was conducted on July 24, 2018. The team's report noted that the DBA program had two (2) part-time students enrolled at that time.

LU Response:

The correct statement provided to the ACICS QAV team was “only two DBA students are currently taking classes during Summer 2018 session, and both are part-time”. The visit occurred during Summer 2018 session. Summer sessions are not mandatory for students.

ACICS:

A review of the institution's 2018 Campus Accountability Report (CAR) for the 2017- 2018 reporting year shows the following six (6) students as **January 2018** starts in the doctoral program, all of whom are on student visas with scheduled to graduate dates in 2023:

- a. Abdupattoev, Ikhtiyorjon; Student ID 8368
- b. Bhatia, Sumit; Student ID 8588
- c. Cengiz, Sinan; Student ID 10855
- d. Nkomo, Mteule Amon; Student ID 10807 (withdrawn)
- e. Ramteke, Gunjan Vasant; Student ID 10325
- f. Yagtu, Cumali; Student ID 13907

These new students were in the program for four months prior to the institution's request for reinstatement. As noted above, in that request, the institution attested that there were no new enrollments since 2017.

LU Response:

The above-listed students were enrolled because of series of misunderstandings / misinterpretations, which occurred after ACICS decertification and LU's withdrawal from ACICS. When the fact was detected, prior to the preparation of the 2018 CAR, we did not try to hide our error. The enrollment numbers for DBA program enrollment were properly recorded in the 2018 CAR report. As indicated by the student-status information presented below, none of the six students identified in the IACBE list is currently enrolled in the DBA program at LU:

Abdupattoev, Ikhtiyorjon; Student ID 8368 – withdrew from LU

Bhatia, Sumit; Student ID 8588 – transferred to MS in Finance Management

Cengiz, Sinan; Student ID 10855 – withdrew from LU

Nkomo, Mteule Amon; Student ID 10807 – withdrew from LU

Ramteke, Gunjan Vasant; Student ID 10325 – transferred to MS in International Business

Yagtu, Cumali; Student ID 13907 – transferred to MS in Finance Management

ACICS:

To date, the institution's website, at the pages below, is actively admitting students to and promoting the doctoral program with no disclosure identified of ACICS' permanent moratorium and LU's corresponding plans for the program, and the institution's accreditation:

<http://www.lincolnuca.edu/admission/index#/admission/dbaadmreqs>

<http://www.lincolnuca.edu/academics/index#%2Facademics%2Findex>.

LU Response:

Lincoln University does not admit students to its DBA program. This is confirmed by the DBA enrollment data provided earlier. **LU application forms do not even contain the DBA program as an option** (the form is attached), it can be also verified by downloading the LU admission application forms from “Apply on Line” link on the university website http://file.lincolnuca.edu/forms/Application_Form.pdf. As stated earlier, only during the Spring 2018 semester, when LU was not affiliated with ACICS, six new DBA students were admitted. We have remedied our error by relocating those students in graduate programs, other than the DBA program or transferring to others schools.

Because of our well-focused efforts to satisfy ACICS requirements/restrictions, the number of active DBA students dropped from 51 in Fall 2016 semester to 6 in Spring 2019 semester.

The link <http://www.lincolnuca.edu/admission/index#/admission/dbaadmreqs> stayed active on LU web site due to an oversight, and has been removed. Another link and the catalog reflect only academic information of programs taught at the university. That link is not a marketing or recruitment tool. The ACICS QAV team carefully reviewed our catalog and website and did not give us any findings/recommendations concerning the DBA program description.

To clarify the current DBA program status, following heading has been inserted in the catalog: **“The Doctor of Business Administration (DBA) Degree with concentrations in Finance and Investments and Human Resources Management (active until 1/1/2020)”**.

Please see our pages 8 (introduction of programs taught in the school), 12 (accreditation section), and 54 (description of the DBA program) in the edited LU catalog, and on the website.

ACICS:

The online catalog also includes the doctoral program (page 54) without reference to not accepting applications and a phase-out for current students or its plans to find alternative institutional accreditation:

<http://www.lincolnuca.edu/academics/index#%2Facademics%2Findex>

LU Response:

The catalog is an academic document describing the programs taught and does not contain messages to students. As mentioned above, in the response to the prior ACICS

statement the information about time-limitation for the DBA program was added to the catalog and website. Our communications with current and prospective students were in the form of letters and/or e-mail messages. All DBA students were informed about the program changes and restrictions by the letters of October 5, 2016, then of April 18, 2017 and then of June 12, 2017 (all attached). The letters were also placed on our website (see <http://lincolnuca.edu/about/presidentletter#%2Fabout%2Fpresidentletter>).

ACICS:

A timeline on its intent to secure alternative accreditation by December 31, 2019, along with a status report on its ability to make that deadline.

LU Response:

1. Lincoln University has received Candidacy (pre-approval) status with WSCUC. The WSCUC Accreditation Site-visit II is scheduled for October 2 - 4, 2019. The award of the full accreditation by WSCUC is expected in February 2020.
2. Lincoln University graduate level programs including DBA have been fully accredited by IACBE, a programmatic business accreditor in February 2019. The final site-visit occurred in November 2018.

For the proof, please review the link: <https://www.chea.org/lincoln-university-0>

ACICS:

Copies of communication to the students identified above concerning the status of the DBA program as it relates to ACICS approval.

LU Response:

Our communications with students were conducted by letters. All DBA students were informed by the letters dated October 5, 2016, April 18, 2017, and June 12, 2017 (all attached). Also, personal (face-to-face) communications were conducted with every affected DBA student by the Provost and President numerous times to explain the situation and alleviate the stress and worry caused by the Council decision.

ACICS:

Copies of an institutional catalog, web pages, and other promotional documents revised to accurately reflect the status of the doctoral program.

LU Response:

The revised LU catalog is attached (pages 8, 12, and 54) along with LU admission application form.

ACICS:

The link to the institution's webpage where the show-cause directive has been posted as well as copies of the notice to current and prospective students of the show-cause status.

LU Response:

The contents of the show-cause directive are unproven allegations meant to prove lack of institutional integrity, and unethical conduct by senior administrators at Lincoln University. Until these allegations have been validated, we saw no reason for the show-cause notice to be placed in the public domain through Lincoln web site. However as part of our ongoing relationship with ACICS and to demonstrate that we don't hide any communications the show-cause letter dated January 25, 2019 was placed to Lincoln website and is available here- <http://lincolnuca.edu/about/acics> together with our response. The University has timely responded to ACICS explaining that the basis of that letter is generally not, in our view, well founded in any material issue. Lincoln University continues to cooperate with ACICS in the resolution of this matter.

All students associated with the DBA program have been provided copies of the ACICS Show Cause notice.

ACICS:

Institutional Teach-Out Plan

A listing of students with the student name; program of study; expected graduation date; and status of unearned tuition, status of refunds due, and current account balance for each student.

LU Response:

The required information is provided in an attachment.

ACICS:

A listing of comparable programs offered at other nearby institutions in the event that teach-out agreements or transfer arrangements are needed for students to complete their programs elsewhere.

LU Response:

During the last eight months, the financial and operational soundness of Lincoln University has been comprehensively assessed by BPPE, WASC, and IACBE. Following these assessments, BPPE extended its approval of LU operations for the next five years. IACBE has accredited and WASC is on the verge of accrediting LU and its academic

programs for multiple years. Therefore, three reputable organizations which collectively license/accredit more than a thousand higher education institutions, do not believe that there is any possibility of Lincoln University getting into a position which requires teach-out plans or student transfer arrangements/agreements with other institutions. It is appropriate to point out that the number of students and revenue associated with the DBA program represent a small fraction of the student population and total annual revenue, respectively, at Lincoln University.

Despite the near-zero probability of the ACICS envisioned dark scenario, the administration of LU has made arrangements for student and/or course-credit transfer with several appropriate institutions. The agreements cover students participating in all current university programs. Attached letters and articulation/transfer agreements are confirming that the participating institutions accept credits and students from Lincoln University for each of the following programs.

Bachelor of Science in Diagnostic Imaging.

1. Articulation Agreement and Letter from American Medical Sciences Center confirming acceptance of Lincoln University credits.
2. Articulation Agreement and Letter from Gurnick Academy of Medical Arts confirming acceptance of Lincoln University credits.

Bachelor of Arts in Business Administration.

1. Transfer Agreement and Letter from Peralta Community College District confirming acceptance of general education courses required for a Bachelor's degree.
2. Credit Transfer Agreement and Letter from Patten University confirming acceptance of Lincoln University credits for the BA in Business Administration.

Master's of Business Administration (MBA); Doctor's of Business Administration (DBA); Master of Science (MS) in Finance Management and in International Business.

1. Credit Transfer Agreement and Letter from Patten University confirming acceptance of Lincoln University credits for the programs listed above.
2. Credit Transfer Agreement and Letter from Argosy University confirming acceptance of Lincoln University credits for Doctor of Business Administration (DBA) and Master's in Business Administration (MBA).

ACICS:

Identification of a custodian for all permanent academic records in case of closure that includes contact information for this individual or entity and the process by which

students can obtain their records.

LU Response:

The custodian for all permanent academic records is Ms. Peggy Au, Director of Admissions and Records.

ACICS:

A description of the financial resources available to ensure that students can complete their programs or receive refunds if the institution does cease operations.

LU Response:

Lincoln University has been in existence for one hundred years. Like most small non-profit educational institutions, the Board of Trustees monitors the financial soundness of the LU operations. The accounts are audited annually by independent auditors.

Since the initial accreditation of LU by ACICS, about thirty years ago, this institution has not experienced any financial stress despite significant variations in the number of students. The finances of LU are managed prudently, and the institution maintains adequate financial reserves for handling extended periods of low revenue. Additionally, the business model for LU operations allows the management to adjust the variable costs without any significant lay-offs and deterioration in quality of education and student services.

We assume that ACICS is aware of the fact that LU owns its campus, which is located in a part of Oakland where real estate is very expensive, without any loans.

Given the facts presented above, we believe ACICS should not be concerned about the ability of LU continue its operations even under very unfavorable circumstances. The probability of LU ceasing its operations in the near-term (one to three years) is extremely low. Lincoln University has significant cash reserves that would be sufficient to cover all costs, including those related to enabling students to complete their programs and/or coverage for refunds of tuition to those students who qualify.

Respectfully,

Dr. Mikhail Brodsky

President

