



August 20, 2021

VIA EMAIL  
(gimagee@carvercompanies.com)

Glenna Magee  
IDI Controller  
International Diving Institute  
2340 Avenue F  
North Charleston, South Carolina 29405

*Change Of Ownership Denied  
Accreditation Withdrawn while  
on Institutional Show Cause  
ACCET ID #1438*

Dear Ms. Magee:

At its August 2021 meeting, the Accrediting Commission of the Accrediting Council for Continuing Education & Training (ACCET) considered the change of ownership visit report, interim report, financial review committee report and an institutional show cause directive issued to International Diving Institute (IDI) located in North Charleston, South Carolina which required the institution to provide a compelling rationale as to why its accredited status should not be withdrawn.

Based upon a careful review of the record, ACCET found that IDI failed to uphold the *Principle of Ethics for ACCET Accredited Institutions*, failed to demonstrate ethical financial practices as required by *Standard III*, and failed to provide any compelling rationale as to why the school's accredited status should not be withdrawn as directed by ACCET's institutional show cause directive. This letter is to inform you that the Accrediting Commission voted to deny the change of ownership and withdraw the accreditation of IDI effective immediately, as of the date of this letter.

**Standard III – Financial Capacity and Responsibility / ACCET Principles of Professional Ethics**

The Accrediting Commission found that IDI failed to ensure that any student financial assistance programs, including federal and state financial aid programs, institutional scholarships, and externally funded scholarships, are responsibly administered, governed by written policies and procedures, and in full compliance with relevant statutes and regulations as required by *Standard III (C) – Financial Assistance/Scholarships*. This is significant given that integrity is a central, indispensable, and defining characteristic of a quality institution demonstrated by the operation of the institution and its programs in accordance with the *Principles of Professional Ethics for*

*ACCET Institutions.* IDI failed to uphold the principles of professional ethics, including ensuring proper and ethical administration of all financial aspects of the institution. ACCET found that this breach of integrity jeopardized the institution's accreditation status, warranting an adverse action to be taken by the Accrediting Commission.

Specifically, the Accrediting Commission considered the serious concerns raised in the March 12, 2021 South Carolina Commission of Higher Education State Approving Agency (SAA) Audit Report which informed IDI of the result from a 100% VA Compliance Survey. This Audit Report found 38 of 158 files with reoccurring financial findings relating to overpayments for tuition and fees certified to VA, including IDI charging VA erroneous tuition and fees for diving equipment/gear that were not needed for multiple programs, and including waived registration fees in the tuition and fees certified to VA. Of significant importance to ACCET is the notion captured in the March 12, 2021 letter indicating that "IDI acknowledged and accepted responsibility for the erroneous tuition and fees that were certified to the VA for payment" noting that the total tuition and fees overpayment equaled \$303,345.77. As noted by SAA, "certifying VA students for unnecessary diving equipment/gear will not be tolerated by the SAA. IDI's failure to certify the correct tuition and fees to VA represents financial negligence that warrants administrative oversight by the SAA for the next three years." In a letter dated May 21, 2021, SAA issued a letter providing the procedures for teaching-out the students at IDI and closing the school.

IDI's June 29, 2021 response to ACCET indicated the following:

*Although we have had a difficult time with changes in management and staff along with dealing with lower enrollments due to COVID-19, our desire is that all parties understand that everything that has transpired in the past year or so has been to assist in the improvement of IDI and in turn to give our students a greater education. As you may be aware, the findings from the audit that was conducted for the VA were for a period that had different key ownership, management, and administrative staffing. It took time to determine all the participants that hindered our accreditation, but we feel that turnover was necessary to achieve our regulatory compliance."*

The Accrediting Commission noted that IDI's June 29, 2021 response indicated that the coordinating debt letters totaled \$321,634.73, stating, "as you can imagine, an amount of this size had a substantial impact on our finances." Overall, the Commission did not find IDI's explanation to be compelling as to why the institution's accredited status should not be withdrawn.

Further, the Accrediting Commission found that IDI failed to demonstrate a record of responsible financial management with resources sufficient to provide quality education, training, and student services and to complete the instruction of all enrolled students, and that financial reports did not provide clear evidence of financial stability and sound fiscal practices as required by *Standard III – Financial Capacity and Responsibility*. In a letter dated April 29, 2021, based on a review of the financial statements for the year ended December 31, 2020, the Atlanta School Participation and Financial Analysis Division at the United States Department of Education informed IDI that the institution failed to meet the standards of financial responsibility as described in *34 CFR*

668.172 indicating that these statements yielded a composite score of -1.0 out of a possible 3.0, whereas a minimum score of 1.5 is necessary to meet the requirement of the financial standards. Accordingly, the Department determined that IDI failed to meet the standards of financial responsibility. As a result of the institution's failure to meet the financial responsibility standards, the Department offered the institution two options to continue to participate in the Title IV, HEA programs:

1. Financial Protection Alternative (Letter of Credit: \$454,857)
2. Provisional Certification Alternative

Based on the Department's determination, on May 14, 2021, ACCET issued a letter to IDI directing the school to submit a teach-out plan no later than May 21, 2021.

In its response to the change of ownership report, IDI stated that "at this point unless we have a buyer to purchase the school and therefore choose to reverse our teach out there is no reason to provide the Department of Education with a letter of credit." The Commission noted that the school did not satisfy the Department's requirements by the response deadline. In a letter dated May 27, 2021 to the South Carolina Commission on Higher Education, IDI indicated that the school will be teaching out current students noting that "the site closure will occur sometime in September." Subsequent to issuing the April 16, 2021 letter, and as a result of new information provided by IDI in advance of a Change of Ownership Visit, ACCET issued a follow-up letter, dated May 14, 2021, directing the institution to immediately submit the required teach-out plan with the minimum requirement specified in ACCET Document 32 – Teach-out/Closure Policy, no later than May 21, 2021. ACCET then issued an additional follow-up letter dated May 25, 2021 directing IDI to submit the required documentation that was absent from both the institution's May 22, 2021 and May 24, 2021 submissions. Moreover, the letter directed IDI to submit the requested documentation no later than May 28, 2021; however, upon review of IDI's response to this letter, ACCET found the materials to still be incomplete. As such, in a June 25, 2021 letter, ACCET informed IDI that the teach-out plan did not meet the minimum requirements and additional requirements specified in ACCET Document 32 – Teach-out/Closure Policy. Therefore, the institution was referred to the ACCET Accrediting Commission for consideration and action at its August 2021 meeting. On June 30, 2021, IDI submitted the information that was missing from the teach-out plan.

On July 8, 2021, ACCET informed IDI via email that the school's ASER, which was due to be submitted on or before July 8, 2021 was delinquent, reminding the school that late submission of documents by 30 days carries a \$500 fine and may jeopardize the accreditation status of the institution. On that same day, July 8, 2021, IDI emailed ACCET indicating that the institution would not be seeking reaccreditation, and that the school planned to close its doors on August 26, 2021. While ACCET noted that IDI indicated that it intends to teach-out all remaining students and cease operations, given the reasons outlined in this letter, the Accrediting Commission found the institution's responses to date to be insufficient as to demonstrate why the school's accreditation should not be withdrawn immediately, as of the date of this letter.

### **Appeal Procedure**

Since withdrawal of accreditation is an adverse action by the Accrediting Commission, the institution may appeal the decision. The full procedures and guidelines for appealing the decision are outlined in Document 11 - Policies and Practices of the Accrediting Commission, which is available at [www.accet.org](http://www.accet.org).

If the institution wishes to appeal the decision, the Commission must receive written notification no later than fifteen (15) calendar days from receipt of this letter, in addition to a certified or cashier's check in the amount of \$9,500.00, payable to ACCET, for an Appeals Hearing. This notification must be accompanied by an affidavit signed by an authorized representative of the institution indicating that a Notice of Status of Accreditation notifying interested parties of the Commission's adverse action has been disseminated to new enrollees and posted in conspicuous places at the institution to include, at minimum, the admissions office and student lounge or comparable location. In addition, the institution must submit an updated written teach-out plan that is in accordance with ACCET Document 32 – Closing/Teach-Out Policy.

In the case of an appeal, a written statement, plus six (6) additional copies regarding the grounds for the appeal, saved as PDF documents and copied to individual flash drives, must be submitted to the ACCET office within sixty (60) calendar days from receipt of this letter. The appeal process allows for the institution to provide clarification of and/or new information regarding the conditions at the institution at the time the Accrediting Commission made its decision to deny or withdraw accreditation. The appeal process does not allow for consideration of changes that have been made by or at the institution or new information created or obtained after the Commission's action to deny or withdraw accreditation, except under such circumstances when the Commission's adverse action included a finding of non-compliance with Standard III-A, Financial Stability, whereupon the Appeals Panel may consider, on a one-time basis only, such financial information provided all of the following conditions are met:

- The only remaining deficiency cited by the Commission in support of a final adverse action decision is the institution's failure to meet ACCET Standard III-A, Financial Stability, with the institution's non-compliance with Standard III-A the sole deficiency warranting a final adverse action.
- The financial information was unavailable to the institution until after the Commission's decision was made and is included in the written statement of the grounds for appeal submitted in accordance with the ACCET appeals process; and
- The financial information provided is significant and bears materially on the specified financial deficiencies identified by the Commission.

The Appeals Panel shall apply such criteria of significance and materiality as established by the Commission. Further, any determination made by the Appeals Panel relative to this new

financial information shall not constitute a basis for further appeal. Should you have any questions or need further assistance regarding this letter, please contact me directly at 703.434.0693 or via email at [chris@accet.org](mailto:chris@accet.org).

Sincerely,

A handwritten signature in black ink, appearing to read "C. Lambert", with a stylized flourish at the end.

Christopher D. Lambert  
Executive Director

Cc: Mr. Herman Bounds, Accreditation Division, US ED ([herman.bounds@ed.gov](mailto:herman.bounds@ed.gov))  
Ms. Charity Helton, Accreditation Division, US ED ([charity.helton@ed.gov](mailto:charity.helton@ed.gov))  
Mr. Christopher Miller, ACD – Atlanta, US ED ([christopher.miller@ed.gov](mailto:christopher.miller@ed.gov))  
Mr. Whitney Jett, Program Coordinator, SC Commission on Higher Education, ([wjett@che.sc.gov](mailto:wjett@che.sc.gov))