Dear Dr. Schepis:

At its December 2022 meeting, the Accrediting Commission of the Accrediting Council for Continuing Education & Training (ACCET) considered the application for reaccreditation of LADO International Institute, located in Arlington, VA, the on-site evaluation visit team report (visit conducted October 3–4, 2022), and the institution’s response to that report, dated October 31, 2022.

Additionally, the Commission reviewed the institution's interim report submitted November 2, 2022, as a result of the August 28, 2022 Commission action letter, which continued the Institutional Show Cause directive initially issued at the December 2021 Commission meeting based on the institution's financial stability. The August 2022 action required the institution to provide further compelling rationale to show cause why LADO's accreditation should not be withdrawn and to provide 1) A detailed narrative update on the institution's progress towards improving its financial condition through the end of 2022; 2) documentation demonstrating the status of the institution’s PPP loan forgiveness; 3) documentation demonstrating the status of the institution's 2021 IRS refund; and 4) an analysis by month comparing budget versus actual year-to-date (January–September 2022) with projections for the subsequent two quarters (October–December 2022 and January–March 2023).

As a result of its review at the December 2022 meeting, the Commission voted to defer consideration of reaccreditation and final program approval for the ESOL (IDL) instructional methodology and to continue the institution’s accredited status, pending further review at its April 2023 meeting. It is noted that the institution’s team report did not include any weaknesses; however, the institution's financial stability remains in question. As a result, the Commission voted to continue the institution’s show cause directive requiring the institution to show cause why its accreditation should not be withdrawn.
Therefore, the Commission directed the institution to submit an interim report to include the following specific items:

1. While the Commission noted that the budget-to-actual financial summaries provided show improvement, the institution continues to show negative net income. 

   Therefore, the institution is directed to provide a narrative update on the institution's progress towards improving its financial condition through February 2023, to include:
   - Documentation demonstrating the status of the institution's 2021 IRS refund
   - An analysis by month comparing budget versus actual year-to-date (January–December 2022) with projections for the first quarter of 2023 (January–March 2023)

2. Further, while financial progress appears to be made, the result of the recent Chapter 11 filing remains uncertain as to the impact on the overall organization, particularly regarding maintaining compliance with accreditation standards. 

   Therefore, the institution is directed to provide a copy of the plan of reorganization filed with the Bankruptcy Court and a narrative update relative to the anticipated financial result of the institution's recent Chapter 11 filing, to include the institution's reorganizational plans and operational strategies to maintain compliance with the Standards of Accreditation.

3. Finally, the institution is directed to provide a proposed Teach-out plan in accordance with ACCET Document 32 – Teach-out/Closure Policy, in case of institutional closure.

The institution's response, including the attached interim report cover sheet, must be uploaded (link provided below) no later than February 28, 2023, for the institution's accreditation status to be considered further at the Commission's April 2023 meeting. Please see the attached submission instructions.

ACCET Dropbox upload link: https://www.dropbox.com/request/owwNFFSirPC8ai6OKh25

As a reminder, a $500 late fee will be charged to an institution for the late submission of an interim report. Please see (page 6 of) ACCET Document 10 – Fee Schedule for additional information.

Deferral of reaccreditation is not an adverse action and is explained in ACCET Document 11 – Policies and Practices of the Accrediting Commission, which is available on our website at www.accet.org. It is noted that the team report indicated a number of standards with strengths, for which the institution is commended. The deferral of a final decision is intended to allow for an opportunity to clarify and resolve the issues of concern cited herein, specifically focused on the demonstration of systematic and effective implementation of revised policies and procedures in practice over time. In accordance with Commission policy, no substantive changes, including, but
not limited to, new programs or major program revisions, new branch campuses or other new sites, or relocation out of the general market area, will be permitted during the term of the deferral period.

Should you have any questions or need further assistance, please contact the ACCET office at info@accet.org or 202-955-1113.

Sincerely,

Res Helfer
Executive Director

RH/dm

Attachments: Interim Report Cover Sheet
Interim Report Submission Instructions

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