



Council for Education

The Council for Education  
4625 West Nevso Drive, Suite 2 & 3  
Las Vegas, Nevada 89103  
p. 800-307-1076 x 1 | f. 877-459-7907  
e. [director@CforED.com](mailto:director@CforED.com)  
w. <https://CforED.com>

VIA ELECTRONIC SUBMISSION

March 31, 2022      Kate Mullan  
PRA Coordinator, Strategic Collections and Clearance  
Governance and Strategy Division  
Office of Chief Data Officer  
Office of Planning, Evaluation and Policy Development  
US Department of Education  
400 Maryland Avenue, SW  
Washington, DC 20202

**THE COUNCIL FOR EDUCATION (CED) SUPPORTS THE NOTICE BY THE FEDERAL STUDENT AID, DEPARTMENT OF EDUCATION, FOR A NEW INFORMATION COLLECTION FOR A THIRD-PARTY AUTHORIZATION FORM, DOCKET NO. ED-2021-SCC-0127, 87 FR 11419; BORROWER DEFENSES AGAINST LOAN REPAYMENT, DOCKET NO. ED-2021-SCC-0155, 87 FR 1129, OMB CONTROL NUMBER: 1845-0132.**

Dear Ms. Mullan,

The Council for Education (CED) is a public-interest law firm that represents members of a class under the 1866 Civil Rights Act. The CED is registered with the Nevada Secretary of State and operates as a self-regulatory organization (Nevada business ID# NV20171702562) and tax-exempt nonprofit organization (EIN: 82-3295336). The CED audits and litigates on behalf of member subscribers.

On behalf of our members<sup>1</sup>, we retained the accounting firm of Marcum L.L.C. and the forensic accounting firm of Danny Dukes & Associates to conduct third-party audits for any violation of Section 117 of the Higher Education Act of 1965 (20 U.S.C. § 1011f), which requires institutions of higher education to fully report to the U.S. Department of Education statutorily defined gifts, contracts, and restricted and conditional gifts or contracts from or with a foreign source.

The CED is developing an automated information-collection platform called the Student Loan Integrity Platform (™). The audit platform is a data-driven immutable distributive ledger that swaps derivatives on student loan debt.

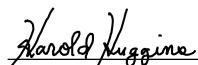
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<sup>1</sup> See the attached member's donation web page, Attachment "B."

Without a third-party designate's cause of action under the borrower defense, the Secretary's borrower defense review may prejudice legal review via the withholding of data from the GAAP auditors by the state entities as an arbitrary policy rather than a right of due process under the law. *See* CED v. IRS, 9th Cir. R. 42-1, lead case no. 14-70825 (2014); member case no. 1456113 (Feb. 15, 2022, docket no. 23, pp. 1-7), Attachment "B."

In conclusion, the CED welcomes future public notices in support of defining the role of a third-party designate.

Yours sincerely



Harold Huggins  
Director, Council for Education

cc: Ilyas Anis, Treasurer, Lead Auditor for the CED  
Aasma Yaseen, Chief Operating Officer for the CED  
Chairwoman of the International Committee of Fiat Currency  
The accounting firm of Marcum, LLC  
The forensic accounting firm of Danny F Dukes and Associates, LLC  
Sir Jon Cunliffe, Deputy Governor of the Bank of England, CPMI Chair  
Bank for International Settlements  
CH-4002 Basel Switzerland  
Jerome H. Powell, Board of Governors, FOMC Chair  
The Board of Governors of the Federal Reserve System  
20th Street and Constitution Avenue NW  
Washington, DC 20551  
Elizabeth "Lisa" Brown  
General Counsel  
US Department of Education  
400 Maryland Avenue, SW  
Washington, DC 20202  
Erica Y. Williams, Esq., Chair, Public Company Accounting Oversight Board  
Michelle Parham, Director for Consumer Complaint Operations Comptroller of the  
Currency  
General Secretariat, International Organization of Securities Commissions  
CPMI Secretariat, Bank for International Settlements  
Elena Kagan, Associate Justice, Supreme Court of the United States  
Molly C. Dwyer, Clerk of Court, RE: Appeals Docket Nos. 14-70825 & 14-56113,  
United States Courts for the Ninth Circuit  
Susan Cass, University Registrar, UC Berkeley

David R. Flores, Interim University Registrar, UC Davis  
Elizabeth Bennette, University Registrar, UC Irvine  
Frank Wada, University Registrar, UCLA  
Erin Webb, University Registrar, UC Merced  
Bracken Dailey, University Registrar, UC Riverside  
Cindy Lyons, University Registrar, UC San Diego  
Robert L. Bromfield, Associate Dean & University Registrar, UC San Francisco  
Anthony Schmid, University Registrar, UC Santa Barbara  
Tchad Sanger, University Registrar, UC Santa Cruz  
Noah Starr, MPA, External Affairs Manager, California State Treasurer  
Chad Jerdee, Chair, Diversity Inc  
Shannon Schuyler, Chief Purpose and Inclusion Officer, PricewaterhouseCoopers  
Carol Glazer, President, National Organization on Disability  
Subha V. Barry, President, Working Mother Magazine  
Forbes, CEO, Mike Federle  
Brenda Darden Wilkerson, President and CEO, Anita Borg Institute  
Fawn Weaver, CEO, Fast Company  
Chris Nesi, Acting Editor-in-Chief, Consulting Magazine  
The Human Rights Campaign Foundation  
Jason Nazar, CEO, Comparably, Inc.

ATTACHMENT “A”



## Make a Tax-Exempt Donation

The Council for Education is a registered 501(c)(3) tax-exempt organization (EIN:82-3295336)

[Read more](#)

### 1. DONATION

DONATION TYPE \*

DONATION AMOUNT \*

### 2. CONTACT

FIRST NAME \*

LAST NAME \*

STREET ADDRESS \*

CITY \*

STATE \*

ZIP CODE \*

COUNTRY \*

EMAIL \*

MOBILE

### 3. PAYMENT

PAYMENT TYPE

CREDIT CARD NUMBER \*

MM/YYYY\*

CVV \*

1. As a member subscriber, you'll receive email updates from the Council for Education. You can unsubscribe anytime.
2. By donating, you designate the Council for Education to represent you, a federal student loan borrower, in matters related to your federally held student loans. You have the right to revoke this designation anytime.

The Council for Education is a public-interest organization advocating for federal student loan borrowers. We believe that no student should be burdened with excessive student loan debt.



ATTACHMENT “B”



Council for Education

The Council for Education  
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e. director@CforED.com  
w. <https://CforED.com>

VIA ELECTRONIC SUBMISSION

February 9, 2022      Elizabeth “Lisa” Brown  
General Counsel  
US Department of Education  
400 Maryland Avenue, SW  
Washington, DC 20202

**THE COUNCIL FOR EDUCATION RECOMMENDS THAT THE GENERAL COUNSEL REVIEW, RECOMMEND TO THE SECRETARY, AND SEND A REFERRAL TO THE US DEPARTMENT OF JUSTICE, FALSE CLAIMS ACT (FCA), 31 USC §§ 3729–3733; BORROWER DEFENSES AGAINST LOAN REPAYMENT, DOCKET NO. ED-2021-SCC-0155, 87 FR 1129, OMB CONTROL NUMBER 1845-0132.**

Dear Ms. Brown,

The Council for Education (“CED”) is a public interest law firm registered with the Nevada Secretary of State and operating as a self-regulatory organization (Nevada business ID# NV20171702562) and tax-exempt nonprofit organization (EIN:82-3295336). CED audits and litigates on behalf of members of a class as defined under the Civil Rights Act of 1866 (codified at 42 USC §§ 1981, 1982, and 1983) (the “Act”).

Accordingly, on behalf of our client, the 1866 Civil Rights Committee, the Council for Education hereby submits a request for the General Counsel to deliver an agency referral letter to the US Department of Justice for the following reasons under 34 CFR § 602.33. The Department of Education, under 34 CFR § 602.33(a)(2), may at any time review the compliance of a recognized agency with the criteria for recognition based on any information that, as determined by department staff, appears credible and raises concerns relevant to the criteria for recognition. CED contends that the Western Association of Schools and Colleges (WASC), PricewaterhouseCoopers (PwC), and the University of California are in violation of the False Claims Act (FCA), 31 USC §§ 3729–3733.

## **I. Statement of Facts**

- A. PwC filed false financial statements that were used by the University of California to certify false compliance with federal regulations in the administration of federal student aid programs. An independent audit by the Department of Education confirmed disparities in federal determination compliance.

- B. The US Department of Education conducted a final audit regarding the University of California schools. *See, e.g.*, Final Audit Determination letter, ACN 09-2017-81390, OPE ID 00131200, FINDING NUMBER: 2017-003, Missing Federal Perkins Loan Exit Counseling at the University of California, Berkeley (UCB), page 271, at 5 in *University of California, Report on Financial Statements and Expenditures of Federal Awards in Accordance with the Uniform Guidance for the Year Ended June 30, 2017* (June 30, 2017) (electronic page number 1296); (“AUDIT FINDING: The auditor noted that out of 25 students tested, there were four students that did not have documentation that exit interviews were conducted, or that follow-up email notifications were sent.”), <https://drive.google.com/file/d/1FJ12TaC4yyUJDEdGvbHXpkQP-FpGPgDn/view?usp=sharing> (last visited January 23, 2022).
- C. PwC did not report audit discrepancies to the Public Company Accounting Oversight Board (PCAOB), which is a violation of Generally Accepted Accounting Principles (GAAP). *See, e.g.*, University of California, Berkeley, *Annual Financial Report 2018–19* (unaudited financials), <https://drive.google.com/file/d/1zw5NwvJEUt3zdFEtzg3ncQF19GuFNMvq/view?usp=sharing>.
- D. PwC knew or reasonably should have known that the Department of Education lacked the necessary regulations to enforce compliance with the Act. *See, e.g.*, The Department’s Enforcement Authority for Failure to Adequately Report Under Section 117 of the Higher Education Act of 1965, as Amended, 34 CFR Part 668 (2020) (“The prior reporting by institutions through the e-App plainly did not collect sufficient information to determine compliance with 20 USC 1011f, to encourage institutions full reporting of covered gifts and contracts from foreign sources, and to provide members of the public with statutorily mandated access to accurate information regarding institutions’ gifts from and contracts with foreign sources.”). The emphasis here is on foreign sources.
- E. The Department has acknowledged that the agency lacks the necessary regulations to enforce regulatory compliance. On February 8, 2018, the Council for Education notified the National Advisory Committee on Institutional Quality (NACIQI) that WASC conspired to conceal predicated acts of fraud (see Figure 1 for details) from the US Department of Education. *See, e.g.*, NACIQI meeting (transcript), Chairman Keiser, presiding, at 303:12 to 303:19 (Feb. 8, 2018) (“CED believes that the State of California is in breach of its contract with the US Department of Education in the administration of the Federal Student Loan Program and that WSCUC conspired to conceal from the Secretary of Education material evidence of fraud in the administration of the Federal Student Loan Program.”), <https://drive.google.com/file/d/1565kzxAncdvwJX7N5tXqQd6OpSp74Nq/view?usp=sharing>.
- F. The enterprise began when the State of California nullified all acts of Congress, initiating a series of predicated acts (see Figure 1) of fraud against the federal government, including a government shutdown and an unlawful state constitutional amendment (Article 31) that directly violated Section 1 of the Act. With the consent of the California Attorney General, these violations created an unregulated and profitable<sup>1</sup> fiat currency (see Figure 2) that

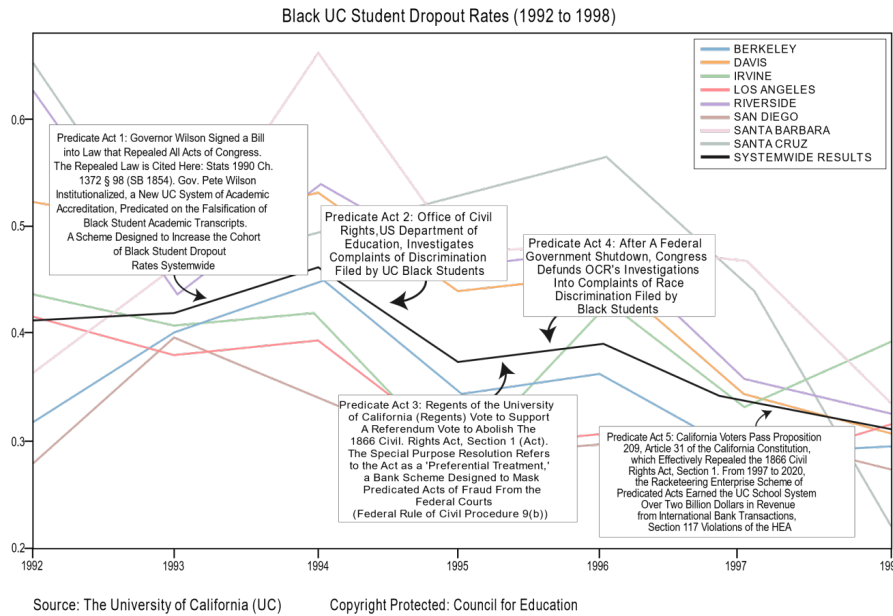
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<sup>1</sup> *See* Elaine M. Howie, *California State Audit Report: Its Admissions and Financial Decisions Have Disadvantaged California Resident Students, Report: 2015-107* (Mar. 29, 2016) (“Despite recent increases in state funding, the university continued to enroll nonresidents. In fact, total revenue generated from nonresident



trades in the property of men.<sup>2</sup> The disparity in the accounting standards of PwC exploits members of the class; this constitutes an unregulated fiat exchange and, therefore, is a violation of the Act.

Figure 1



## II. Discussion

The Council for Education wants the arbitration panel under Borrower Defenses Against Loan Repayment to audit the University of California’s compliance with federal regulations and requirements as laid out in 34 CFR Part 602.33. Accordingly, we hold that the University of California does not comply with Section 117 of the Higher Education Act, as amended by Congress.

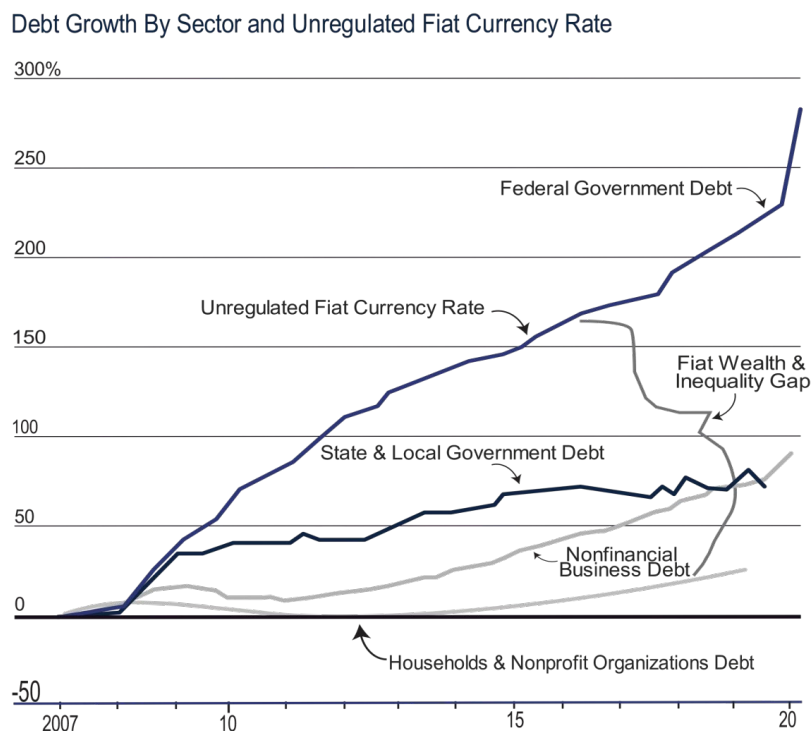
Falsification of accounting records is responsible for the current student loan crisis<sup>3</sup> and further looting of the United States Department of Treasury of tens of trillions of US dollars in debt owed by the Federal Reserve Bank to international banks.

enrollment grew from nearly \$325 million to \$728 million over the past five years.”), <https://www.auditor.ca.gov/pdfs/factsheets/2015-107.pdf>.

<sup>2</sup> Roger Sherman observed, “The issue then arose in various debates during the latter phases of the convention, as the delegates found themselves arguing over provisions that, wittingly or not, ‘acknowledge[d] men to be property.’” The surviving evidence about these debates belies their significance. Although the records of the convention’s proceedings do not lack moments of high moral drama, they largely describe lawyerly disputes, sometimes over tiny details, which can disappoint modern readers looking for vivid rhetorical clashes. Such is the nature of constitution making. Because the Federal Convention deliberately worked in secret, in a kind of Olympian isolation, with no public record of its debates to clarify intentions, the delegates weighed every word in the text all the more carefully. Sean Wilentz, *No Property in Man: Slavery and Antislavery at the Nation’s Founding* 6 (2018).

<sup>3</sup> See, e.g., Betsy DeVos, U.S. Secretary of Education, Speech at Annual Federal Student Aid Training Conference in Atlanta: U.S. Department of Education, U.S. Secretary of Education Betsy DeVos Warns of Looming Crisis in Higher Education (Nov. 27, 2018) (“I’m here to raise a warning flag with American students and American

Figure 2



Source: Federal Reserve Bank

### III. Conclusion

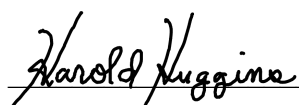
For the above reasons, the Council for Education hereby respectfully asks:

1. The General Counsel to recommend that the Secretary delay WASC's recognition until after a final arbitration panel's audit by Marcum, the accounting firm, and a further referral to the US Department of Justice; and
2. The Department to recommend a Borrower Defenses Against Loan Repayment against the University of California under 34 CFR § 685.206 (c)(3).

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taxpayers: We have a crisis in higher education. . . . It took only six years for the loan balance to double to \$1 trillion in 2013—one-seventh the amount of time it took to get to \$500 billion. And today, only five years later, FSA holds nearly \$1.5 trillion in outstanding loans.”); Elaine M. Howie, *California State Audit Report: Its Admissions and Financial Decisions Have Disadvantaged California Resident Students, Report: 2015-107*, (Mar. 29, 2016) (“Despite recent increases in state funding, the university continued to enroll nonresidents. In fact, total revenue generated from nonresident enrollment grew from nearly \$325 million to \$728 million over the past five years.”), <https://www.auditor.ca.gov/pdfs/factsheets/2015-107.pdf>.

Yours sincerely,



Harold Huggins  
Director, Council for Education

cc: Ilyas Anis, Treasurer, Lead Auditor for the Council for Education (CED)  
Aasma Yaseen, Chief Operating Officer (COO) for the Council for Education (CED),  
Chairwoman of the International Committee of Fiat Currency (ICoFC)  
The accounting firm of Marcum, LLC  
The forensic accounting firm of Danny F Dukes and Associates, LLC

Sir Jon Cunliffe, Deputy Governor of the Bank of England, CPMI Chair  
Bank for International Settlements  
CH-4002 Basel, Switzerland

Jerome H. Powell, Board of Governors, FOMC Chair  
The Board of Governors of the Federal Reserve System  
20th Street and Constitution Avenue NW  
Washington, DC 20551

Erica Y. Williams, Esq., Chair, PCAOB  
Michelle Parham, Director for Consumer Complaint Operations Comptroller of the  
Currency  
General Secretariat, International Organization of Securities Commissions  
CPMI Secretariat, Bank for International Settlements  
Elena Kagan, Associate Justice, Supreme Court of the United States  
Molly C. Dwyer, Clerk of Court, RE: Appeals Docket Nos. 14-70825 & 14-56113,  
United States Courts for the Ninth Circuit  
Walter Wong, University Registrar, UC Berkeley  
David R. Flores, Interim University Registrar, UC Davis  
Elizabeth Bennette, University Registrar, UC Irvine  
Frank Wada, University Registrar, UCLA  
Erin Webb, University Registrar, UC Merced  
Bracken Dailey, University Registrar, UC Riverside  
Cindy Lyons, University Registrar, UC San Diego  
Robert L. Bromfield, Associate Dean & University Registrar, UC San Francisco  
Anthony Schmid, University Registrar, UC Santa Barbara  
Tchad Sanger, University Registrar, UC Santa Cruz  
Noah Starr, MPA, External Affairs Manager, California State Treasurer  
Chad Jerdee, Chair, Diversity Inc  
Shannon Schuyler, Chief Purpose and Inclusion Officer, PricewaterhouseCoopers  
Carol Glazer, President, National Organization on Disability  
Subha V. Barry, President, Working Mother Magazine  
Forbes, CEO, Mike Federle  
Brenda Darden Wilkerson, President and CEO, Anita Borg Institute  
Fawn Weaver, CEO, Fast Company  
Chris Nesi, Acting Editor-in-Chief, Consulting Magazine

The Human Rights Campaign Foundation  
Jason Nazar, CEO, Comparably, Inc  
Odie Douglas, Vice Chairperson, WASC Senior College & University Commission  
Donald Christian, US Board of Partners and Principals, PwC  
Hillary Stanley, PwC United States, Chief Ethics and Compliance Officer  
Mark A. L. Mason, Board of Trustees for Howard University  
James J. Murren, Board of Trustees for Howard University  
Herman Bounds Jr., Director of Accreditation Group, US Department of Education  
Matt Murray, Editor in Chief, The Wall Street Journal

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OMB CONTROL NUMBER: 1845-0132  
ICR REFERENCE NUMBER: 202110-1845-004  
TITLE: Borrower Defenses Against Loan Repayment

1 Your comment/info

2 Preview/submit comment

current step:

3 Confirmation

## Confirmation

Your comment has been successfully submitted.

ICR Reference Number 202110-1845-004

Submitted Date 02/09/2022 01:52 PM

### Comment

THE COUNCIL FOR EDUCATION RECOMMENDS THAT THE GENERAL COUNSEL REVIEW, RECOMMEND TO THE SECRETARY, AND SEND A REFERRAL TO THE US DEPARTMENT OF JUSTICE, FALSE CLAIMS ACT (FCA), 31 USC §§ 3729-3733; BORROWER DEFENSES AGAINST LOAN REPAYMENT, DOCKET NO. ED-2021-SCC-0155, 87 FR 1129, OMB CONTROL NUMBER 1845-0132.

## Uploaded Documents

File Name	Scan Status
Public Comments Borrower Defenses Against Loan Repayment, ED-2021-SCC-0155.pdf	Scanned

Author Name Harold Huggins

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PROOF OF SERVICE BY MAIL

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I am employed in the county of LOS ANGELES, State of CALIFORNIA. I am over the age of 18 and not a party to the within action; my business address is **5981 west 76th street, Los Angeles, California.**

On February 9, 2022 I served the following document(s) Public Comments Borrower Defense Against Loan repayment

RE: Appeals Docket Nos. 14-70825 & 14-56113  
Molly C. Dwyer, Clerk of Court  
Office of the Clerk  
U.S. Court of Appeals for the Ninth Circuit  
P.O. Box 193939  
San Francisco, CA 94119-3939

RE: US Tax Court Docket No. 17890-1 1X  
Office of the Clerk of the Court  
United States Tax Court  
400 Second Street, NW  
Washington, DC 20217

Elizabeth "Lisa" Brown  
General Counsel  
US Department of Education  
400 Maryland Avenue, SW  
Washington, DC 20202

XXX I caused such envelope to be deposited in the mail at Los Angeles, California. The envelope was mailed with postage thereon fully prepaid. I am "readily familiar" with the firm's practice of collection and processing correspondence for mailing. It is deposited with the U.S. Postal Service in that same day in the ordinary course of business. I am aware that on motion of party served, service is presumed invalid if postal cancellation date or postage meter date is more than 1 day after date of deposit for mailing in affidavit.

I declare penalty of perjury that the foregoing is true and correct.

Executed February 9, 2022 at Los Angeles, California.

\_\_\_\_\_  
Jeffrey Levine



**PROOF OF SERVICE BY MAIL**

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I am employed in the county of LOS ANGELES, State of CALIFORNIA. I am over the age of 18 and not a party to the within action; my business address is **5981 west 76th street, Los Angeles, California.**

On February 10, 2022 I served the following document(s) Public Comments Borrower Defense Against Loan repayment

California Business ID: C3523584  
Agent for Service Michael Toliver  
C/O Odie Douglas, Vice-Chairperson, WASC Senior College & University  
Commission  
1080 Marina Village PKWY  
Suite 500  
Alameda CA 94501

Nevada Business ID: NV19981000182  
Agent for Service Mathew Taylor  
C/O Hillary Stanley, PwC United States, Chief Ethics and Compliance Officer  
701 South Carson St.  
Suite 200  
Carson City, NV, 89701, USA

XXX I caused such envelope to be deposited in the mail at Los Angeles, California. The envelope was mailed with postage thereon fully prepaid. I am "readily familiar" with the firm's practice of collection and processing correspondence for mailing. It is deposited with the U.S. Postal Service in that same day in the ordinary course of business. I am aware that on motion of party served, service is presumed invalid if postal cancellation date or postage meter date is more than 1 day after date of deposit for mailing in affidavit.

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Jeffrey Levine

