

## **Distance Education Accrediting Commission**

### **Public Notice: Continued Show Cause Directive**

**April 9, 2020**

In accordance with its procedure for Notification and Information Sharing (Section X.C), Part II Processes and Procedures, DEAC Accreditation Handbook) and 34 Code of Federal Regulations §602.26(b)(1), the Commission provides written notice to the U.S. Secretary of Education, the appropriate federal government, state licensing or authorizing agencies, the appropriate accrediting organizations, and the public at the same time it notifies the institution of the decision, but no later than 30 days after the Commission makes a decision to place an institution on show cause. At a March 19, 2020, meeting, the Commission voted to continue to direct the following institution to show cause why its accreditation should not be withdrawn:

#### **New Learning Resources Online 1417 Lelia Drive Jackson, MS 39216**

Listed below are the DEAC Standards of Accreditation pertinent to the Commission's decision.

Section I.I., Policies and Procedures, DEAC Accreditation Handbook: NLRO is a DEAC-accredited online high school. The Commission has determined that NLRO is out of compliance with DEAC accreditation standards that require the owners, governing board members, officials, and administrators to possess sound reputations, a record of integrity, and ethical conduct in their professional activities, business operations, and relations (Standard X.B., DEAC Accreditation Handbook). Owners, governing board members, officials, and administrators have records free from any association with any misfeasance In order to be eligible for DEAC accreditation, an institution must demonstrate that its name is free from any association with any activity that could damage the standing of DEAC or the accrediting process, such as illegal actions, unethical conduct, or abuse of consumers.<sup>1</sup>

Section XV, Teach-out Plans A.3 and B.2, DEAC Accreditation Handbook, Part Two Policies and Procedures: NLRO must provide a teach-out plan that complies with DEAC requirements.

Standard XI. B. Financial Management, DEAC Accreditation Handbook: NLRO must demonstrate the following: that individuals overseeing the fiscal and budgeting processes are qualified by education and experience; the institution employs adequate administrative staff for effective operations, and at least one person is qualified and able to prepare accurate financial reports in a timely manner; internal auditing trails and controls are in place to assure that finances are properly managed, monitored, and protected; adequate safeguards prevent unauthorized access to online and on-site financial information.

NLRO will be reviewed by the DEAC at a May 2020 meeting.

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<sup>1</sup> On Friday, February 7, 2020, DEAC was notified of reports in the media that Dr. Nancy New, President of NLRO and owner of New Learning, Inc. (the parent organization for New Learning Resources Online); Zach New, Vice President of Operations at NLRO; and Anne McGrew, Business Manager at NLRO, were arrested by special agents from the Mississippi Office of the State Auditor in connection with a multimillion-dollar embezzlement scheme. Information from the Mississippi Office of the State Auditor stated that Dr. New, Mr. New, and Ms. McGrew have been charged with fraud, embezzlement, and deceptive accounting measures. In accordance with its standards, the Commission will review and take appropriate action if a news article or media broadcast carries a negative report on a DEAC-accredited institution (Section XVII.E.4.b., Policies and Procedures, DEAC Accreditation Handbook).