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Department Of Education Staff Moves To Dump For-Profit College Accreditor

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The staff of the U.S. Department of Education has just [recommended](#) that a controversial college accrediting body face what a Department official labeled “termination” — an end to recognition by the Department as an agency that accredits schools. The Accrediting Council for Independent Colleges and Schools (ACICS), founded in 1912, has been under fire for a year as part of the fallout of the collapse of giant for-profit Corinthian Colleges, which was exposed for egregious deceptions of students and taxpayers.

According to the Department, ACICS currently accredits 243 institutions exclusively or primarily, and most of those are for-profit colleges. Without accreditation, schools cannot receive federal student grants and loans, and \$4.76 billion in taxpayer dollars went from the Department of Education to ACICS schools last year.

A Department official this morning suggested that was enough. He said that ACICS failures to police for-profit college abuses “were not just narrow misses, these were quite severe, quite egregious, irreparable.” He said that “some schools provide extremely poor outcomes for students or even commit fraud but nevertheless still maintain accreditation.”

The Department’s move today is far from the last step in the [process](#). The staff recommendation goes to a Department panel called the National Advisory Committee on Institutional Quality and Integrity ([NACIQI](#)), which [meets next week](#) to review the status of a number of accreditors, including ACICS. (The Department said today that its staff recommended that other accreditors up for review at next week’s meeting be renewed, although it proposed that some of those be required to make improvements.) NACIQI’s recommendation, whatever it is, and the staff recommendation to dump ACICS then go to a senior Department official. If that official approves the staff recommendation, ACICS could appeal to the Secretary of Education. If it lost that appeal, it could sue in federal court.

Another Department official said today that only in one prior case did the Department staff recommend that an accreditor be fired. In that instance, the accreditor eventually shut down voluntarily.

If ACICS closes its doors, voluntarily or by a final Department decision, [ACICS-accredited schools](#) will have eighteen months to find a new accreditor or else lose access to student aid, which would mean game over for their owners.

ACICS has been under fire this year, given that a number of the schools it was supposed to oversee, not just Corinthian, have been exposed as leaving many students worse off than when they started.

Many ACICS-approved schools have poor track records — including those owned by predatory companies ITT Tech, Kaplan, EDMC (the Art Institutes), Career Education Corporation (Sanford-Brown), Alta Colleges (Westwood), Globe, FastTrain, and Daymar; all these companies have been [under investigation](#) by law enforcement for deceptive practices.

Some of those schools have, like Corinthian, shut down under the weight of abusive and reckless business practices. (FastTrain’s CEO has been convicted of federal crimes and [sentenced](#) to eight years in prison.) Others, like ITT, Kaplan, EDMC, and CEC, have continued to [receive billions](#) in taxpayer dollars, but have performed so dismally that one wonders how another accreditor, in light of today’s Department action, would be willing to sign them up.

Other Department actions, like the [gainful employment rule](#) aimed at penalizing colleges who leave students with excessive debt, and new rules proposed Monday to grant [relief for defrauded students](#), are at last tightening the screws around fraudulent colleges, increasing hope that decades of waste, fraud, and abuse by greedy, arrogant college operators may be coming to end, and federal aid can be directed to those career training schools that actually are helping students.

ACICS head Albert Gray, who [resigned](#) in April, endured a blistering cross-examination by Senator Elizabeth Warren (D-MA) at a hearing last summer over the Corinthian debacle and whether ACICS was asleep at the switch. WATCH:

In his Senate testimony, Gray said ACICS “found no evidence that [Corinthian] lied to their students or defrauded them.” Pressed as to whether ACICS had erred regarding Corinthian, Gray testified, “I’d be the first to admit that accreditors like any other organization make mistakes. This was not one of those mistakes.”

In advance of next week’s NACIQI meeting, a number of advocates for students have called on the Department to end its recognition of ACICS as an organization whose approval allows schools to receive federal student aid. Those sending letters asking the Department to dump ACICS include [thirteen state attorneys general](#); [Ben Miller](#) of the [Center for American Progress](#); [nine veterans groups](#) including Student Veterans of America and Vietnam Veterans of America; and a [coalition of 23 groups](#) that advocate for students, consumers, and educators.

Another [blistering report by Senator Warren](#) last week [criticized ACICS](#) for its weak oversight of colleges, and also took the Education Department to task for its weak oversight of accreditors.

The letter by the coalition, which includes the American Association of State Colleges and Universities (AASCU), Consumers Union, National Consumer Law Center, the Service Employees International Union (SEIU), USPIRG, and VetJobs, concludes, “It seems impossible that ACICS could have conducted anything resembling a rigorous investigation of the allegations against Corinthian and come up with no problems.” The letter charges that “lax gatekeeping” by ACICS “has resulted in the worst student outcomes of any major accreditor—a trail of numbers

that represents a massive toll of human devastation across the country. It has left low-income students burdened by debts they have no hope of repaying after being lied to and lured into programs of questionable quality through false promises and statistics.” (Disclosure: I participate in the [coalition work](#) that produced this letter and other advocacy on for-profit college issues.)

The attorneys general, in their letter, write, “Even in the crowded field of accrediting failures, ACICS deserves special opprobrium.” They note a recent [investigation by ProPublica](#) that found that just 35% of students at ACICS-accredited schools graduate, “the lowest rate for any accreditor.” Moreover, the AGs noted, “Of students who actually did graduate, more than one in five defaulted on their student loans within the first three years after graduation. A full 60% had not yet paid down a single dollar of the principal balance on their loans.”

ProPublica found that two-thirds of ACICS’ commissioners since 2010 were simultaneously executives at for-profit colleges. The ACICS board of directors and committees has included representatives of predatory schools including ITT and Corinthian, a fact that, the AGs write, raises “serious questions about potential conflicts of interests and therefore ACICS’s ability to impartially evaluate those and other schools.”

ACICS told [ProPublica](#) that the coalition letter contained “misleading allegations” and that it was preparing a “comprehensive response” to the various criticisms.

Last week, ACICS [announced](#) a series of reforms and a temporary halt to new accreditations. But for the Department of Education, it was clearly too little, too late.

This article also appears on [Republic Report](#).

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