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## **Are the days numbered for this college accreditor? Elizabeth Warren says yes.**

By [Danielle Douglas-Gabriel](#) June 10 at 12:14 PM



Sen. Elizabeth Warren (D-Mass.) during a Senate Banking, Housing and Urban Affairs Committee hearing in Washington on Feb. 11. (Andrew Harrer/Bloomberg)

Sen. Elizabeth Warren (D-Mass.) is mounting a campaign to strip the largest national accreditation agency of the power to act as the gatekeeper between colleges and billions of dollars in federal financial aid, accusing the Accrediting Council for Independent Colleges and Schools of having a track record of lax oversight of for-profit colleges.

The progressive leader [released a report](#) Friday on the council's history of letting for-profit schools under investigation for fraud or plagued by abysmal graduation rates receive taxpayer dollars in the form of federal loans and grants for students. Warren is calling on an advisory board at the Department of Education to deny the accrediting agency the recognition it needs from the department to do its job, a request that has the backing of consumer advocates and at least 13 state attorneys general. The board, the National Advisory Committee on Institutional Quality and Integrity, is slated to meet later this month to decide the council's future.

“The findings ... detail an appalling record of failure on the part of ACICS to serve as an effective guarantor of institutional quality and gatekeeper for billions of dollars in federal student aid funding,” Warren wrote [in a letter](#) to Education Secretary John B. King Jr. and Education Under Secretary Ted Mitchell. “... I urge the department to ... take strong, aggressive action to hold ACICS accountable for its dismal record of failure.”

The council, which accredits more than 800 college campuses, gained notoriety for claiming Corinthian Colleges, a for-profit chain that state and federal authorities accused of lying to students and committing fraud, was in good enough standing to continue to receive billions of dollars in taxpayer funds. ACICS renewed two of the company's campuses and authorized a new campus a few months before the Education Department forced Corinthian to close or sell its 120 locations.

*[\[How dozens of failing for-profit schools found an unlikely savior: a debt collector\]](#)*

Council officials have argued that they withdrew the accreditation of four Corinthian campuses that abruptly closed last April without providing refunds. What's more, many of the former Corinthian schools under the agency's care were sold to ECMC Group in a \$24 million deal blessed by the Obama administration. Still, the accrediting agency is undergoing a series of reforms in the wake of the Corinthian debacle.

Earlier this week, the newly appointed executive director, Anthony S. Bieda, said the council will increase the frequency of its on-site evaluations, remove board members with conflicts of interest and step up enforcement actions, among other things. The organization is also identifying other means to re-assess its governance, standards, operations and accreditation processes.

“We are confident that these measures will re-evaluate, fortify and enhance every aspect of ACICS' accreditation process,” Bieda said, in an email Friday. “ACICS takes seriously all criticisms against our organization and we recognize the need for internal reform in order to better protect and serve students.”

*[\[Embattled college accrediting agency replaces controversial chief\]](#)*

But Warren contends that the council's "failings stretch beyond" its decision to give Corinthian a pass.

The senator said there is actually a long list of schools accredited by ACICS under investigation or being sued by state or federal authorities. Take Westwood College, a for-profit chain owned by Alta Colleges, which in recent years has reached several multimillion-dollar settlements with state attorneys general for lying about its job placement rates and overall success of its programs. Despite this legal morass, the council lauded several Westwood campuses for excellence and did not withdraw the chain's accreditation until it closed for good in March.

A [recent analysis](#) from the Center for American Progress, cited by Warren, documents a pattern of the council turning a blind eye to abusive practices at the schools in its care. Of the 17 schools accredited by the agency that have been investigated by state or federal authorities, 12 had campuses hailed by the council for excellence between 2010 and 2015. A jury convicted former FastTrain College president Alejandro Amor on charges of stealing more than \$6.6 million in federal financial aid by enrolling ineligible students and fabricating high school diplomas as far back as 2009, yet the for-profit school still received ACICS "honor roll" recognition in 2011, the report said.

### Allegations Made Against ACICS-Accredited Schools

School/Company	Summary of Investigation or Allegation	One or More Campus Named to ACICS Honor Roll
Alta Colleges (Westwood College, Redstone College)	Falsifying claims for federal aid; abusive marketing practices	*
American Commercial College	Theft of federal financial aid; lying about share of school's revenue coming from ED	
Anamarc College	Relatives of school owners sued for stealing funds	
Career Education Corporation (Brooks Institute, Harrington College of Design, International Academy of Design and Technology, Le Cordon Bleu, Missouri College, Pittsburgh Career Institute, Sanford-Brown)	Falsifying job placement rates, violations of state statutes and regulations; SEC and FTC investigations	*
Computer Systems Institute	Falsifying job placement rates	
Corinthian Colleges (Everest)	Refusing to comply with ED requests for job placement data; investigations concerning falsification of job placement rates	*
Daymar College	Violating the Consumer Protection Act; lying about transferability of credits	
Education Affiliates Inc. (Fortis)	Using fake high schools to help students illegally obtain federal student aid	*
Education Management Corporation (Art Institutes, Brown College, Brown Mackie College)	Illegal and deceptive recruiting practices	*
FastTrain College	Using exotic dancers to recruit students; recruiting students and taking federal aid for students without high school diplomas	*
Globe University and Minnesota School of Business	Misrepresenting transferability of credits, abusive marketing practices	*
ITT Educational Services, Inc.	Illegal recruitment activities; sued by the Consumer Financial Protection Bureau for issues related to private student loans	*
Kaplan Higher Education (Kaplan, TESST College of Technology, Texas School of Business)	Misleading marketing claims and enrollment practices; employing unqualified instructors at some campuses	*
Lincoln Technical Institute	Falsifying placement statistics	*
National College	Misrepresenting job placement rates	*
Salter College	Questionable recruitment tactics; misleading job placement numbers	
Spencerian College	Misrepresenting job placement numbers	*

Source: Center for American Progress

In all, Ben Miller, senior director for post-secondary education at CAP, found that more than half of the \$5.7 billion in federal student aid awarded to ACICS-approved schools in the past three years went to institutions facing some sort of state or federal investigation. Miller wrote another

report in the fall that found that 1 in 5 borrowers at colleges accredited by the council defaulted on a student loan within three years of entering repayment. That is 50 percent higher than the national average and is especially troubling because students at those schools borrow heavily to pay for college. Other national accreditors, which are mostly responsible for for-profit schools, had similar outcomes, according to the study.

[\[What staggering loan defaults at for-profit schools say about accreditors\]](#)

“ACICS exemplifies the flaws of how we allow non-government actors to direct the flow of federal dollars,” Miller said in an interview. “It fails to set rigorous standards, looks the other way when problems arise, and puts together slap-dash reforms at the last minute when called out on years of bad behavior.”

The criticism of the council touch on larger problems in college accreditation. There is no uniformity in the way accreditors decide who enters and exits federal student aid programs. And that has led to a system that is at best subjective in the way it assesses quality. While there is consensus among policymakers that the college accreditation process is in need of reform, there is little agreement on how to move forward.

In the meantime, there is widespread interest in the Education Department’s review of the council. A coalition of state attorneys general is pressing the department to deny ACICS the power to grant access to federal funds for poorly evaluating for-profit colleges, such as ITT Tech, Sanford Brown and the Art Institutes. The department plans to issue a recommendation to the advisory board in the coming week, ahead of the board’s scheduled June 22 meeting on the council.

In spite of the mounting opposition against the council, Warren expressed little confidence in the board providing strong oversight. She accused the body of wielding “a rubber stamp for problematic accreditors.”

CAP’s Miller said, “Failing to act against the worst accreditation agency raises questions about if this entire system is still viable or we need a hard reset and a new system put in place.”

**Want to read more about college accreditation? Check out:**

[Obama administration cracks down on college accreditors](#)

[A fight is brewing in Washington over college accreditors](#)

[Department of Education pulls federal aid to trade schools](#)

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Comments

Danielle Douglas-Gabriel covers the economics of education, writing about the financial lives of students from when they take out student debt through their experiences in the job market. Before that, she wrote about the banking industry.