Center for American Progress

1333 H Street, NW, 10th Floor
Washington, DC 20005
Tel: 202 682.1611 • Fax: 202 682.1867

www.americanprogress.org

Written comments: Accrediting Council for Independent Colleges and Schools
Ben Miller, Senior Director, Postsecondary Education
Center for American Progress
1333 H ST NW, 10th Floor
blmiller@americanprogress.org

Dear Members of the National Advisory Committee on Institutional Quality and Integrity and the U.S. Department of Education,

Thank you very much for the opportunity to submit public comments for the upcoming NACIQI meeting. The decisions made at this gathering will have significant consequences for the future effectiveness of accreditation. They will also signal whether NACIQI and the U.S. Department of Education can engage in a meaningful process that pushes accreditation agencies to maintain rigorous standards and demonstrates there are severe consequences for failing to do so. Conversely, poor choices at this meeting would signal to troubled accreditation agencies that low-quality standards and processes are acceptable, regardless of the massive financial harm done to students and taxpayers.

No single choice made by NACIQI and the Department of Education is more important to the future of higher education accreditation than what your committee decides with respect to the Accrediting Council for Independent Colleges and Schools (ACICS). In particular, this comment lays out the case for why NACIQI and the Department of Education should no longer recognize ACICS as an agency that allows institutions to participate in the federal student aid programs.

By several measures ACICS is one of the larger accreditation agencies and the largest that operates across the entire country. Last year, it provided access to approximately $3.4 billion in federal financial aid, making it the largest accreditation agency that operates on a national scope.[1] According to the U.S. Department of Education, the 725 institutions it approves makes it the fourth largest accreditor in the country, ahead of the agencies that represent the mid-Atlantic, New England, west, and northwest.[2] Nearly 400,000 students enroll at the colleges ACICS oversees.[3]

As one of the largest national accreditation agencies, ACICS has been the approver behind a multitude of colleges that have been sued, investigated, or settled with states and federal governments and their officials over the past several years (see Table 1 on page 6). Seemingly almost every instance of a multimillion dollar settlement involving a college and fraud allegations occurred at a place that ACICS played a role in allowing into the federal financial aid programs.

Many of the problems at schools accredited by ACICS relate directly to job placement rates. For example, the Department of Education essentially shut down Corinthian Colleges after it was unable to fulfill a document request proving the accuracy of its placement rates.[4] Career Education Corporation, Computer Systems Institute, Kaplan Higher Education, Lincoln Technical Institute, and Salter College, all reached settlements related to allegations of falsified job placement rates.[5] Although these settlements involved no finding or admission of fault, the mere fact that so many state and federal actors launched investigations into these issues at such a large number of colleges shows that it is an area of special concern. All were partially or wholly accredited by ACICS.

Repeated job placement rate problems are particularly troubling because this measure is one of the three key standards related to student achievement supposedly used by ACICS to allow colleges to continue participating in the federal financial aid programs.[6] It strongly implies that ACICS fails to fulfill the requirements of Sec. 491(a)(4)(A) of the Higher Education Act, which states that the accreditation agency must consistently apply and enforce standards.[7]

Perhaps unsurprisingly then, ACICS consistently ranks as the worst major accreditation agency with respect to student loan outcomes.[8] The colleges it accredits produce some of the worst loan default and repayment rates.[9] And the earnings of federally aided students who attend its schools earn distressingly low salaries years after entering college.[10]

Yet when faced with these results, ACICS has repeatedly denied there is any sort of problem, including saying it made no mistakes with respect to Corinthian Colleges.[11]

Perhaps ACICS's results should be unsurprising given that the benchmarks and requirements it sets out are weaker than those used by other agencies. It is in the minority of major national accreditation agencies to rely on a retention rate to measure student achievement instead of a graduation rate. And the thresholds it does require for student outcomes typically fall below that of all major national accreditation agencies save for one.[12] Moreover, a review of its standards for job placement and recruitment suggests that the agency has failed to establish requirements that are of sufficient quality to achieve the stated objective for the programs it accredits, as is required under the Higher Education Act.

There is a great deal at stake here with the ACICS decision. The Department of Education has indicated several times that the current state of accreditation is not doing a good enough job to protect consumers. [13] No single agency is more to blame for that result than ACICS. Allowing its recognition—even in a limited scope—sends a message to the rest of the community that any form of quality assurance will be tolerated, regardless of how poorly it is done. America's students and taxpayers deserve better. NACIQI and the Department of Education should terminate ACICS's recognition.

What follows is a more detailed discussion of the issues raised above.

Failure to apply and enforce standards of sufficient quality to achieve the stated objective for courses or programs

Sec. 491(a)(4)(A) of the Higher Education Act of 1965, as amended (HEA)—also found at 20 U.S. Code §1099b—requires that an accreditation agency:

> "consistently **applies and enforces standards** that respect the stated mission of the institution of higher education, including religious missions, and that ensure that the courses or programs of instruction, training, or study offered by the institution of higher education, including distance education or correspondence courses or programs, are of **sufficient quality** to achieve, for the duration of the accreditation period, the stated objective for which the courses or the programs are offered." (Emphasis added)[14]

Similarly, 34 CFR 602.16 requires that an accreditation agency

> "must demonstrate that it has standards for accreditation, and preaccreditation, if offered, that are **sufficiently rigorous to ensure that the agency is a reliable authority** regarding the quality of the education or training provided by the institutions or programs it accredits." (Emphasis added).[15]

To assess these criteria, the statute and regulations require the accreditation agency to establish standards related to several areas. These include "success with respect to student achievement," as well as "recruiting and admissions practices, academic calendars, catalogs, publications, grading and advertising."[16]

Yet a review of the decisions made by ACICS over the last several years shows a pattern of approvals and lack of substantive action that strongly suggests the agency is incapable of enforcing standards in any rigorous manner that allows it to act as a reliable authority on the quality of the institutions it accredits.

As the table on page 6 demonstrates, at least 17 colleges or chains of colleges accredited partially or entirely by ACICS have been subject to investigations, settlements, and lawsuits by state and federal officials. In most cases there has been no finding or admission of fault by the college. This list of companies includes several, such as Alta Colleges, the owner of Westwood College, which have been sued by and settled with the U.S. Department of Justice. In many instances these lawsuits revolved around the alleged falsification of job placement rates, a set of numbers that are supposedly guided by ACICS's standards.[17]

Additionally troubling is the fact that ACICS appears to have taken minimal to no action against most of these 17 institutions or companies. For instance, Alta Colleges, which operates Westwood College among others, has over the past several years settled with the U.S. Department of Justice (2009), as well as the attorneys general in Colorado (2012) and Illinois (2015) for approximately $26.5 million total.[18] The lawsuits alleged deceptive marketing practices, misrepresenting the value of degrees, and falsifying job placement rates, among other issues.[19,20,21] Yet from August 2010 to December 2015, ACICS never took any serious actions against the school. In a few instances it temporarily postponed its approval decision, but it awarded six new grants of accreditation to Westwood campuses in 2011, and renewed accreditation for several branches in 2014.[22,23] Westwood College ceased operations in 2016.[24]

Not only did ACICS fail to indicate any public concern about the multiple settlements between Westwood, the federal government, and attorneys general, it held the college up as a model of the accreditation process. In both 2010 (one year after the U.S. Department of Justice settlement) and in 2014 (one year before the Illinois settlement), ACICS named branches of Westwood College to its "honor roll"—institutions that demonstrate an excellent understanding of the accreditation process.[25]

Sadly, Westwood College is not the only institution held by ACICS as an exemplar of accreditation at the same time it was under serious investigation. According to the table on page 6, of the 17 colleges or companies that faced state or federal investigations, nine were acknowledged as "honor roll" institutions by ACICS. As will be discussed below, this includes several instances where that special recognition occurred shortly before or after a major settlement's announcement.

Corinthian Colleges perfectly highlights ACICS's pattern of celebrating rather than sanctioning troubled actors. This company, which had campuses approved by ACICS under the brands of Everest and WyoTech, was effectively shuttered by the U.S. Department of Education after it delayed the flow of federal funds to the company following concerns about the accuracy of job placement rates. Subsequent thorough reviews of placement rates by the Department of Education and the attorney general for California turned up repeated instances of falsified placement rates.[26] The California Attorney General also recently won a $1.1 billion judgment against the chain over its advertising practices.[27]

Despite the abundance of concerns raised about Corinthian Colleges, ACICS never took any public action against the company's campuses when it would have mattered. According to a review of publicly listed council actions dating back to 2010, ACICS re-approved the accreditation of several Corinthian campuses in 2013, just months before the Department of Education started demanding additional documentation on job placement rates.[28] Even more perplexing, ACICS recognized two Corinthian College campuses as honor roll institutions in November 2014—roughly five months after the Department of Education started a public process that forced the company to wind down operations.[29] In fact, it was not until late 2015—long after the company had already gone bankrupt—that ACICS placed an Everest campus on show cause status.[30]

Not only did ACICS do nothing about Corinthian, it remains to this day unwilling to admit it made any mistakes in its oversight of that college chain. When asked by members of the Senate Health, Education, Labor, and Pensions Committee about his agency's oversight of Corinthian, ACICS Executive Director Albert Gray stated his organization "found no evidence that they [Corinthian] lied to their students or defrauded them."[31] He also noted that none of Corinthian's campuses were out of compliance with ACICS standards when the Department of Education took action against it. And he refused to admit any sort of error, telling Sen. Chris Murphy (D-CT): "I'd be the first to admit that accreditors like any other organization make mistakes. This was not one of those mistakes."[32]

While arguably no accreditor took sufficient action against Corinthian Colleges, the difference between ACICS's lack of action and another national accreditation agency is telling. As indicated in an August 2014 letter from the U.S. Department of Education to the CEO of Corinthian Colleges, the Accrediting Commission of Career Schools and Colleges (ACCSC) had issued a show cause directive to the Everest branch in Decatur, Georgia, in December 2010 over concerns about poor job placement rates and student outcomes.[33] Over the next 16 months, ACCSC demanded additional information about job placement rates, raising concerns about their accuracy.[34] Though ACCSC ultimately appears to have backed down from its data requests around April 2012, there is still a record of the agency asking critical questions about the accuracy of what Corinthian reported and introducing intermediate sanctions. Moreover, ACCSC did eventually withdraw accreditation for the campuses it had raised concerns about, albeit it did so in October 2014 after the Department of Education had already denied an application from those campuses to continue to participate in the federal student aid programs.[35]

Identifying exactly why ACICS is the accreditation agency behind these problematic colleges is not currently possible. The agency does not disclose the accreditation documents and will not provide any details on what it did or did not find. For example, ACICS denied a request for documents related to Corinthian Colleges, even after obtaining permission for their release from the trustee that is legally allowed to speak on behalf of the company.[36] Therefore, it is not known whether the persistent presence of poor-performing colleges is due to insufficient enforcement of standards, a lack of sufficient rigor of the standards, or some other problem. But regardless of the underlying cause, the outcome is the same—many colleges accredited by ACICS have been unable to avoid problems with the very areas laid out in Sec. 491(a)(5) that accreditation agencies are supposed to measure. Given this, the only conclusion that can be reached is that ACICS is not a reliable authority regarding the quality of education and training.

Table 1. Institutions accredited by ACICS and investigated by state and federal government actors

Institution/Company	Summary	ACICS Honor Roll[37] Year	Campuses	ACICS Sanctions
Alta Colleges (Westwood College)	Settled in 2009 with U.S. Department of Justice (DOJ) for $7 million around falsifying claims for federal aid. Sued by CO attorney general for misleading students and by the IL attorney general for abusive practices in marketing a criminal justice program. Both were settled for $4.5 million in 2012 and $15 million in 2015, respectively. Westwood College ceased operations in 2016.[38]	2010	Los Angeles	No record.
		2014	Denver North and South	
American Commercial College	DOJ joined a whistleblower lawsuit that the college allegedly lied about the percentage of its revenue received from the U.S. Department of Education (ED). In 2014, the college's owner was sentenced to 24 months in prison and ordered to repay nearly $975,000 after pleading guilty to theft of federal financial aid.[39]			Suspended accreditation for three campuses in 2012. Renewed two others in 2013.
Anamarc College	Raided by the Federal Bureau of Investigation (FBI) in 2014 after an abrupt closure. The sister and brother-in-law of the college owners were sued for allegedly stealing over $450,000 from the school. In 2015, they settled the suit for several hundred thousand dollars and no admission of wrongdoing.[40]			Denied accreditation in 2014 after approving in 2013.
Career Education Corporation (Brooks Institute, Le Cordon Bleu, Missouri College, Pittsburgh Career Institute, Sanford-Brown)*	Settled for $10.25 million with the New York State attorney general in 2013 over allegations of falsifying job placement rates. Separately, investigated by nearly 20 states' attorneys general into potential violations of statues and regulations. The Securities and Exchange Commission (SEC) and the Federal Trade Commission (FTC) are also investigating the company. The corporation did not admit to wrongdoing in the settlement. [41]	2009	Sanford-Brown Garden City, NY	Vacated show cause in 2012, issued probation to one campus in 2012, approved new campuses in 2013, 2014, and 2015. Pittsburgh Career Institute is currently on show cause.
		2011	Brooks Institute (Santa Barbara and Ventura, CA), Le Cordon Bleu (Orlando), Sanford-Brown (Cranston, Rhode Island)	
Computer Systems Institute	ED denied recertification application for participating in the federal student aid programs in 2016 for falsifying job placement rates.[42] The college has not closed but is no longer eligible for federal aid.			No record.

Note: Sanctions include show cause, probation, denial or withdrawal of accreditation. Does not include warning, which ACICS infrequently discloses.
* Accredited by multiple agencies
# Includes campuses later sold to Education Corporation of America

		ACICS Honor Roll[37]		
Institution/Company	**Summary**	**Year**	**Campuses**	**ACICS Sanctions**
Corinthian Colleges Inc. (Everest and WyoTech)*	Placed on a 21-day delay by ED in 2014 for refusing to comply with a request for job placement rate data in a timely manner. Later, ED and attorneys general in California and Massachusetts announced findings of investigations that showed widespread falsification of job placement rates, among other problems .[43]	2009	Everest College (San Bernardino and Ontario, CA)	Approved new campuses in 2011 and 2012, renewed others in 2013. Issued show cause to three campuses in December 2015.
		2010	Everest Institute (Pittsburgh); University (Orange Park, Tampa, and Pompano Beach, FL)	
		2013	Everest College (Thornton, CO)	
		2014	Everest College (Merrionette Park, IL) University (Pompano Beach, FL)	
Daymar College	Sued by the Kentucky attorney general for allegedly violating the Consumer Protection Act, including allegations of lying about transferability of credits. Settled in 2015 for $12.4 million with no admission of wrongdoing.[44]			No record.
Education Affiliates Inc. (Fortis College and Fortis Institute)*	Settled with DOJ in 2015 for $13 million to resolve allegations of using fake high schools to help students illegally obtain federal student aid. Many of these concerns involved a branch not accredited by ACICS, but one suit included branches in Alabama accredited by ACICS.[45]			Renewed in 2013 and 2014, issued show cause in 2015.
Education Management Corporation (Art Institutes, Brown Mackie College)*	Settled lawsuits in 2015 brought by DOJ and several states' attorneys general for $95.5 million and $102.8 million, respectively. The lawsuits stemmed from allegations of illegal and deceptive recruiting practices. The company did not admit to any wrongdoing in the settlement.[46]	2009	Art Institute of Phoenix (AZ)	Denied request for accreditation extension of one campus in 2014, renewed in 2015.
		2015	Art Institute of York (PA)	

Note: Sanctions include show cause, probation, denial or withdrawal of accreditation. Does not include warning, which ACICS infrequently discloses.
* Accredited by multiple agencies
# Includes campuses later sold to Education Corporation of America

		ACICS Honor Roll[37]		
Institution/Company	Summary	Year	Campuses	ACICS Sanctions
FastTrain College	Used exotic dancers to recruit students, raided by the FBI in 2012 after recruiting students and taking in federal aid for individuals who did not have high school diplomas. The college is now closed.[47]	2011		No record.
Globe University/Minnesota School of Business	Sued by Minnesota attorney general in 2014 for allegedly misrepresenting transferability of credits and marketing programs that lacked proper approvals for graduates to get jobs. The trial is currently ongoing and the institution denies the charges.[48]	2012	Globe University	No record.
ITT Educational Services Inc.	Investigated in 2014 and 2015 by states' attorneys general, the SEC, and DOJ for its recruitment activities, among other issues. Also sued by the Consumer Financial Protection Bureau for concerns around its private student loans. None of the investigations have concluded in a settlement yet and there has been no admission of wrongdoing.[49]	2009	Eight branches in CA, ID, FL, NY, PA, UT, and VA	No record.
		2010	11 branches in IL, MI, MO, NE, NM, OH, OK, OR, TN, and WA	
		2011	Three branches in AR, CO, and NY	
Kaplan Higher Education*#	In 2014 entered into an assurance of voluntary compliance with the Florida attorney general around allegedly misleading marketing claims and enrollment practices. A year later settled with DOJ for $1.3 million for employing unqualified instructors at certain Texas campuses. Kaplan did not admit to any wrongdoing.[50]			No record.
Lincoln Technical Institute*	Entered into a settlement agreement with the Massachusetts attorney general in 2015 for nearly $1 million to forgive student loans for graduates from a criminal justice program that had allegedly falsified placement statistics. Lincoln Tech did not admit to any wrongdoing.[51]	2009	Brockton, MA	No record.
National College	Sued by Kentucky attorney general in 2011 for misrepresenting job placement rates. The suit is still ongoing and National College denies the charges.[52]			No record.
Salter College	Reached a $3.75 million settlement in 2014 with Massachusetts attorney general for recruitment tactics and job placement numbers. Salter College did not admit to any wrongdoing[53]			No record.
Spencerian College	Sued by Kentucky attorney general in 2013 for allegedly misrepresenting job placement numbers. The case is still ongoing and Spencerian College denies the charges.[54]	2009		No record.

Note: Sanctions include show cause, probation, denial or withdrawal of accreditation. Does not include warning, which ACICS infrequently discloses.
* Accredited by multiple agencies
# Includes campuses later sold to Education Corporation of America

Poor student outcomes

In meeting the standards outlined in 34 CFR 602.16, an accreditation agency is expected to have sufficiently rigorous standards to serve as a reliable authority on quality. In showing it meets this test, an accreditation agency must have standards that effectively address questions of student achievement, among other areas.[55]

A review of the student outcomes at institutions accredited by ACICS, however, strongly suggest that the agency's standards are not sufficient to produce necessary levels of results. As a result, the agency is consistently one of the lowest-performing accreditors in terms of student outcomes, particularly related to debt. For instance, a 2015 review by the Center for American Progress found that 21 percent of students attending an institution approved by ACICS had defaulted on their federal loans within three years of leaving school.[56] Not only is that among the highest figure for all major accreditors, but ACICS students are also more likely to borrow, and when they do borrow they take on higher amounts of debt than students at institutions approved by other accreditors.[57] This means that the poor debt outcomes are more common and affect more students at ACICS approved colleges than elsewhere. For instance, ACICS had nearly one-third more defaulters among students who entered repayment than the Middle States Commission on Higher Education—an agency that had 234,000 more borrowers.[58]

Other analyses have found similar results. A November report by *ProPublica* determined that ACICS's graduation rate, non-repayment rate, and median debt levels for graduates were all the worst of any national accreditation agency.[59] It found that the percentage of borrowers not repaying their loans three years after leaving school was 60 percent at ACICS accredited institutions. No other accreditor had a majority of students not repaying. Similarly, ACICS's graduation rate of 35 percent was 16 percentage points worse than the next national accreditor.[60]

ACICS's responses to these concerns have repeatedly denied there is a problem with these poor results. In response to concerns about the outcomes of the institutions it accredits, ACICS noted that the default rate was below the threshold at which institutions lose access to the federal aid programs and said it monitors the default rates of colleges.[61] An ACICS representative also told *ProPublica* that the accreditor's results were due to the types of students it enrolls.[62] That argument is not necessarily accurate according to detailed reviews of literature around student default.[63]

Data from the U.S. Department of Education further highlight the shortcomings of ACICS. In late 2015 the U.S. Department of Education released comprehensive performance data by accreditation agency.[64] These data show that of the colleges accredited by ACICS considering data in a given performance category:

- **82 percent** (554 out of 676 institutions) are in the **bottom third** nationally for three-year repayment rates.
- **62 percent** (389 out of 628 institutions) are in the **bottom third** nationally in terms of earnings 10 years after enrollment for individuals receiving federal aid.
- **57 percent** (362 out of 632 institutions) are in the **bottom third** nationally in terms of the percentage of students who received federal aid and are earning more than a high school graduate 10 years after entering school.[65]

In fact, just 13 ACICS-accredited colleges are in the top third of all colleges nationally on repayment rate.[66] And fewer than 20 meet the same bar for earnings and percentage of federally aided students with earnings above a high school graduate.[67] While other accreditors also have poor earnings results, ACICS has the worst repayment performance of any major agency.[68]

The table below shows how ACICS institutions fared in terms of student outcomes and where that performance compares to the other major regional and national accreditation agencies.

Table 2. Summary of Student Outcomes at ACICS Schools[69,70,71]

Measure	Repayment Rate	Graduation Rate	Default Rate	Schools in Bottom third of Repayment Rate	Schools in Bottom third of earnings for federal aid recipients 10 years after entry	Borrowing Rate
ACICS	40%	35%	22%	82%	62%	73%
vs. major accreditors	Worst	Worst	2nd Worst	Worst	4th Worst	Worst

Again, without greater transparency into the actual documents produced by ACICS it is not possible to know whether these poor outcomes are a result of insufficient standards, poor application of standards, or some other problem. It is clear, however, that ACICS is not able to effectively address the quality of the institutions and programs it accredits in the area of student achievement.

Inability to enforce placement rate standards

Federal statute requires accreditation agencies consider job placement rates where appropriate as part of their demonstration of having standards that are sufficiently rigorous.[72] ACICS has interpreted this requirement to require that all programs and institutions it accredits must maintain a job placement rate of 60 percent. [73]

This issue of enforcing standards at the programmatic level has been an issue with ACICS in the past. When ACICS went before NACIQI in 2011, Department of Education staff raised concerns that the agency did not properly evaluate student outcomes at the program level.[74] In response, ACICS updated its standards to include requests from institutions for placement rates and other outcomes data at the program level.[75] Moreover, the final Department of Education staff report issued in 2013 noted that ACICS was expanding regular verification of placement rates to start with 20 percent of campuses and then independently auditing these figures when colleges sought accreditation renewal.[76]

In theory, the emphasis on programmatic results required after 2011 and the shift to verifying job placement rates in 2013 should have provided some degree of assurance that ACICS knew the figures reported by it to institutions conformed with its standards. Yet in the years following this change, numerous lawsuits and allegations have suggested that institutions of higher education were able to operate with placement rates that did not come anywhere close to meeting ACICS's standard. Many of these instances occurred at the same institutions identified earlier that were subject to lawsuits, investigations, and settlements. With the exception of Corinthian Colleges, these issues around placement rates have been resolved without the companies admitting any wrongdoing or are still ongoing.

For concrete examples of this problem, consider the reported and recalculated placement rates of the following programs operated by Corinthian Colleges at campuses accredited by ACICS. These verified figures were all reported by the Department of Education.

Table 3. Corinthian job placement rates where a federal review found actual figures below 60%[77]

Campus	Program	Year	Reported Rate	Recalculated Rate
Brandon (FL)	Accounting (AA)	2010	92	12
Brandon (FL)	Business (AA)	2010	95	14
Brandon (FL)	Computer Information Science (AA)	2010	71	8
Brandon (FL)	Criminal Justice (AA)	2010	61	7
Brandon (FL)	Criminal Justice (BA)	2011	73	14
Brandon (FL)	Medical Assistant (AA)	2010	63	4
Orlando South	Paralegal (AA)	2010	64	50
Pompano Beach (FL)	Criminal Justice (BA)	2010	63	50
Pompano Beach (FL)	Medical Assistant (Diploma)	2010	68	41
Orlando South	Accounting (AA)	2011	77	53
Orlando South	Homeland Security (BA)	2011	63	50
Pompano Beach (FL)	Computer Information Science (AA)	2011	67	56
Brandon (FL)	Accounting (BA)	Undated on Web	71	50
Brandon (FL)	Computer Information Science (AA)	Undated on Web	62	13
Brandon (FL)	Computer Information Science (BA)	Undated on Web	73	13
Brandon (FL)	Criminal Justice (BA)	Undated on Web	63	18
Brandon (FL)	Paralegal (BA)	Undated on Web	61	3
Ontario (CA)	Medical Assistant (Diploma)	2010	78	52

As this table shows, in several instances Corinthian Colleges reported job placement rates that appeared to be suspiciously close to ACICS's 60 percent threshold. Yet when the Department of Education verified actual figures it found many instances of real placement rates in the single digits.[78]

Additionally troubling is the fact that in many cases even the falsified placement rates fell below the purported 60 percent threshold. There is no public evidence indicating whether these sub-standard placement rates triggered any sort of action by ACICS.

Table 4. Corinthian job placement rates that fell below 60% before a federal accuracy review[79]

Campus	Program	Year	Reported Rate	Recalculated Rate
Orlando South	Massage Therapy (Diploma)	2010	44	30
Orlando South	Massage Therapy (Diploma)	2011	43	28
Orlando South	Medical Insurance Coding and Billing (AA)	2011	46	43
Orlando South	Paralegal (AA)	2011	46	44
Pompano Beach (FL)	Pharmacy Technician (Diploma)	2011	30	25
Orlando South (FL)	Criminal Investigations (AA)	2012	37	30
Orlando South	Criminal Justice (AA)	2012	57	47
Orlando South	Paralegal (AA)	2012	45	41
Brandon (FL)	Criminal Justice (AA)	Undated on Web	50	14
Brandon (FL)	Paralegal (AA)	Undated on Web	59	3
Orlando South	Criminal Investigations (AA)	2011	29	26

We recognize that most of the job placement rates described above are several years old at this point, including some that took place before ACICS's last NACIQI review. There has, however, been no evidence that Corinthian's accuracy around job placement rates improved in the years since.

Weaker outcomes standards

The above discussions have all focused on whether ACICS appeared to enforce the standards it set or act as a reliable authority of quality assurance based upon observable outcomes. While it is not possible to know exactly what causes such lackluster results, a review of ACICS's standards compared to other accreditors suggests a lack of rigor in the required benchmarks and thresholds may be at least partially to blame.

Consider the student achievement requirements. ACICS requires colleges to meet minimum thresholds for retention and placement rates.[80] Of the seven major national accreditors, four rely on graduation rates instead of retention rates (see table below).[81] This serves as a higher bar since it means that any multiple-year program will not only have to ensure that students return but that they finish as well. And the one other accreditor that uses a retention rate standard requires a 70 percent threshold—10 percentage points higher than the figure for ACICS.

ACICS's standard for placement rates has similar problems. Of the six national accreditors that require a placement rate, only one—the agency that accredits primarily cosmetology programs—has an acceptable threshold as low as the one ACICS uses. And that agency also uses a tougher completion rate. As the table below shows, only the Distance Education Accrediting Commission has weaker student outcome thresholds among the major national accreditors.

Table 5. Comparison of student outcome thresholds by national accreditor

Accreditor	Rate Type	Threshold	Placement Rate Threshold
Accrediting Bureau of Health Education Schools	Retention	70%	70%
Accrediting Commission of Career Schools and Colleges	Completion	36% to 84% depending on program length	68%
Accrediting Council for Continuing Education and Training	Completion	67%	70%
Accrediting Council for Independent Colleges and Schools	Retention	60%	60%
Council on Occupational Education	Completion	60%	70%
Distance Education Accrediting Commission	Neither	N/A	None
National Accrediting Commission of Career Arts and Science	Completion	50%	60%

Sources[82,83]

The weaker standards used by ACICS compared to other accreditors create differential treatment for colleges. This is especially true among those that split their campuses among multiple accreditors. The result is that campuses owned by national chains that share the same standardized curriculum, student supports, and other processes and content get judged on different requirements. For example, Career Education Corporation's Le Cordon Bleu College of Culinary Arts has some campuses accredited by ACICS and some by ACCSC.[84] Corinthian Colleges also had some campuses shared by the two agencies.[85] This split accreditation status means that one set of supposedly identical campuses gets held to more rigorous standards than the other. This raises the question of whether the weaker standards truly are sufficient if other agencies approving the exact same thing require higher bars.

Weaker standards for successful job placement

Not only are the thresholds adopted by ACICS for job placement weaker than those used by most accreditors, but it has a lower bar for what is considered successful employment. This matters because establishing a lower bar for success makes it easier for colleges to treat things like short-term or unpaid positions as an acceptable placement. This can boost numbers and make it easier to meet weaker thresholds.

To see how ACICS's standards for successful placement are lower, the table below compares its requirements to those used by ACCSC. Several differences stand out immediately. First, ACCSC's standards explicitly address two major forms of falsification that occur with placement rates—counting as placement a position that is either not paid or that does not last for more than a day or two. Second, ACCSC also has substantial requirements in place that guides verification, including the need to collect sufficient data to judge placement rates. By contrast, ACICS's standards do not mention the issues of short-term or unpaid "employment."[86]

Table 6. Comparison of ACCSC and ACICS standards for job placement (emphasis added)

<table>
<tr><th>ACCSC Standard[87]</th><th>ACICS Standards[88]</th></tr>
<tr><td>

The employment classification is appropriate and reasonable based on the educational objectives of the program.
The employment is for a reasonable period of time, is based on program objectives, and can be considered sustainable (e.g., not a single day of employment).
The employment is directly related to the program from which the individual graduated, aligns with a majority of the educational and training objectives of the program, and is a paid position.
The employment classification is verified by the school (and verifiable by third parties such as the Commission) as follows:

a) Regular Employment:
<ol type="i">
The school secures written documentation from the employer verifying the employment and that the employment is related to the student's program of study at the school; or
The school secures written documentation from the graduate verifying the employment and that the employment is related to the student's program of study at the school; or
In cases where a school can show diligent efforts have been made to secure such written documentation without success, the school maintains employment verification records that include a) the graduate's and employer's name and contact information, b) a signature of school staff attesting to verbal employment verification with the employer and the graduate, and c) the date(s) of verification are acceptable

...
[Similar standards for self-employment and career advancement omitted.]
</td><td>

Placed based upon job titles: Any graduate or completer of a program that was placed based upon job titles included in the list of job titles published by the institution for which the program prepares students. These job titles must be those published by the institution on its web site in compliance with USDOE Title IV regulations and must be identified in the Department's CIP-to-SOC crosswalk (Standard Occupational Classification, U.S. Department of Labor) with the Classification of Instructional Programs (CIP) code of this program.
Placed based upon the required use of skills: Any graduate or completer of a program that was placed based upon the required use of skills learned in the student's program as a predominant component of the job. These skills must be those listed in the institution's published program description and a majority of these skills must be documented in the employer's job description as required or desired skills, duties or responsibilities.
Placed based upon the benefit of the training: Any graduate or completer of a program that was placed based upon the benefit of the training received from the program in obtaining a new position or maintaining a current position, supporting promotion or improving job related skills.

</td></tr>
</table>

Weaker recruitment standards

Similar to job placement rates, ACICS has recruitment and admissions standards that appear to be far less rigorous than those used by ACCSC. Given the numerous instances in which institutions accredited by ACICS have faced problems with state and federal regulators related to these issues, it is worth asking the question of whether the agency's requirements are sufficiently rigorous.

Even the basic objectives of recruitment admission differ between the two agencies. ACCSC states that recruitment efforts should be focused on "attracting students who are qualified and likely to complete and benefit from the training." [89] By contrast, ACICS talks about ensuring those who enroll are "accorded equal educational opportunity." [90] While that phrase may sound good, it provides no functional protection for students and could arguably be twisted to condone admitting unqualified applicants in the name of equality.

ACCSC also explicitly prohibits recruiting activity in some of the most troubling places that colleges have exploited in the past. It states that recruitment cannot occur in "settings where prospective students cannot reasonably be expected to make informed and considered enrollment decisions such as in or near welfare offices, unemployment lines, food stamp centers, homeless shelters, or other similar settings." [91] ACICS's standards do not mention this issue.

Even when ACICS standards address questions of underprepared students, they do so in a way that may weaken student protections. The agency requires that an institution "<u>may not delegate without supervision</u> [admissions and recruitment processes] to anyone whose economic incentives are to recruit prospects through means that are unethical or subject to public criticism or to admit ill-prepared applicants" [emphasis added]. [92] That underlined clause effectively permits questionable behavior as long as institutions provide proper supervision to anyone to whom they delegate those functions. Inserting that clause also means there are no restrictions on the institutions engaging in these practices itself.

Similarly, ACCSC sets stronger restrictions than ACICS on what activities recruiters can engage in with respect to the rest of the admissions process and who can or cannot serve as a recruiter. ACCSC standards say that individuals whose primary responsibilities include recruiting and admissions can neither "assist prospective students in completing application forms for financial aid," nor "become involved in admission testing or admission decisions." [93] By contrast, ACICS standards just say that these individuals "may not make final decisions" related to financial aid, presumably allowing them to help complete aid forms and be involved in the admissions decisions. [94] Moreover, ACCSC also requires institutions to only use their own personnel for recruiting activities. [95] ACICS only requires that anyone contracted out not be "generally unfamiliar" with a college, and also permits paying for referrals as long as it is fully disclosed and allowable under applicable federal and state laws. [96]

The table below presents condensed versions of the recruitment and admissions standards at both agencies. (Emphasis added.)

Table 7. Comparison of ACCSC and ACICS recruitment and admissions standards

ACCSC Standards[97]	ACICS Standards[98]
A. <u>Recruitment</u> Schools must observe ethical practices and procedures in the recruitment of students and must, at a minimum, adhere to the standards of recruitment to follow: 1. A school's recruitment efforts focus on **attracting students who are qualified and likely to complete and benefit** from the education and training provided by the school and not simply obtaining enrollments. 2. A school's recruitment efforts describe the school to prospective students fully and accurately and follow practices that permit prospective students to **make informed and considered enrollment decisions without undue pressure**. 3. A school **only uses its own employees to conduct student recruiting** activities and is prohibited from engaging employment agencies to recruit prospective students. Schools under common ownership may employ a single recruiter. 4. A school is responsible to its students and prospective students for the actions and representations of its recruiters and representatives and, therefore, selects these individuals with the utmost care and provides adequate training and proper supervision. A school has and enforces an acceptable code of conduct for all school personnel whose primary responsibilities are to engage in recruiting and admissions functions prior to and during admission and matriculation. The school's code of conduct is in writing, includes, minimally, all elements set forth in Appendix IV, Substantive Standards, Standards of Accreditation, is signed and dated by the individual employee, and a copy of which is maintained in the individual's personnel file. 5. A school's personnel are trained and qualified to engage in recruiting activities and may only use a title that accurately represents the individual's primary duties. 6. A school complies with applicable federal and state laws and regulations pertaining to student	<u>3-1-410 Admissions and Recruitment</u> It is up to an institution to establish its own admissions criteria. It is the responsibility of ACICS to ensure that all who are enrolled are **accorded equal educational opportunity**. The ultimate responsibility for the activities of an institution's employees, vendors, contractors, or agents in the referral, recruiting, evaluation, and admissions processes always remains with the institution. An institution **may not delegate without supervision** these activities to anyone whose economic incentives are to recruit prospects through means that are unethical or subject to public criticism or to admit ill-prepared applicants. The institution may not contract, directly or indirectly, with third parties who are generally unfamiliar with the institution. "Non-employees" are independent contractors who are not considered "employees" under the Internal Revenue Code. Institutions participating in Title IV programs must be aware of regulations imposed by the U.S. Department of Education as they apply to recruiting practices. <u>3-1-411 Admissions</u> The admissions policy shall conform to the institution's mission, shall be publicly stated, and shall be administered as written. The following minimums apply: a) The requirements for students admitted to programs leading to a certificate, diploma, or degree shall include graduation from high school or its equivalent, or demonstration of the student's ability to complete the program, as provided for by governing laws. b) It is the responsibility of the institution to maintain student records which reflect the requirements for admission of all students. … <u>3-1-412. Recruitment</u> Recruiting shall be ethical and compatible with the educational objectives of the institution. The **allocation of an institution's financial resources for purposes of recruitment shall be consistent with the stated mission of the institution**. The following minimums apply:

recruitment. 7. A school approves all promotional materials used by school personnel in advance and accepts full responsibility for the materials used. 8. A school has in place policies and procedures and takes reasonable steps to ensure that its personnel do not make false, exaggerated, or misleading statements about the school, its personnel, its training, its services, or its accredited status and to ensure that its personnel do not make explicit or implicit promises of employment or salary prospects to prospective students. 9. A school internally reviews and evaluates its recruiting policies and procedures and the performance of personnel involved in recruiting activities for compliance with accrediting standards and applicable law and regulation at least once annually, and maintains documentation of the review and evaluation. The Commission, at its discretion, may require a school to audit its recruiting activities for compliance with accreditation standards or applicable law and regulation using a qualified independent third-party that is approved by the Commission prior to the verification review being conducted. 10. A school **shall not permit its personnel to engage in recruiting activities in settings where prospective students cannot reasonably be expected to make informed and considered enrollment decisions such as in or near welfare offices, unemployment lines, food stamp centers, homeless shelters, or other similar settings**. A school may, however, engage in recruiting activities at employment opportunity centers operated under government auspices, provided that the school has permission to do so and that all other recruitment and admissions requirements are met. 11. A school shall not permit the payment of cash or other similar consideration to any prospective student as an inducement to enroll. 12. A school shall not permit its personnel whose primary responsibilities include recruiting and admissions activities **to assist prospective students in completing application forms for**	a) An institution shall ensure that any person or entity engaged in admissions or recruitment activities on its behalf is communicating current and accurate information regarding courses and programs, services, tuition, terms, and operating policies. b) No prospective student names obtained as a result of a survey, canvass, promise of future employment or income while a student, or other marketing activity by an institution may be used for recruitment purposes unless the name of that institution is clearly identified and purposes of such activity are communicated to the respondent. This does not preclude the use of surveys or other studies to determine the employment needs and the educational desires of the local community. c) An institution shall conform to the laws and regulations of each of the states in which it operates and shall ensure that each of its representatives is properly licensed or registered as required by the laws of that state. d) Representatives of an institution shall use only those titles which accurately reflect their actual duties and responsibilities. Recruitment and enrollment personnel may not be designated as counselors or advisors and **may not make final decisions** regarding financial aid eligibility, packaging, awarding, and disbursement. e) **Referrals are permitted**, and the referrer may be paid a fee so long as the referrer provides full disclosure and does not misrepresent the purposes of soliciting a prospective referral and such payments do not violate state or federal laws. (f) All recruiters must be supervised by the institution's administration to ensure that their activities are in compliance with all applicable standards.

financial aid. 13. A school shall not permit personnel whose primary responsibilities include recruiting and admissions activities to **become involved in admission testing or admission decisions, including signing and accepting the enrollment agreement**. [A few additional requirements omitted.]	

Conclusion

It is not possible for the public to determine the exact source of ACICS's troubles. The agency refuses to disclose any of its substantive documents related to the colleges it approved that have faced legal action and investigations. Nor will it even comment on the specific problems or findings it may have turned up and whether it took any action. Moreover, even when the agency did promise to provide documents if a letter from a school representative authorized it to do so, it still refused to do so after receiving the necessary communication.[99]

This means it is not possible to know whether the problems with the agency come down to issues with standards—such as having lower performance thresholds than all but one major accreditation agency or demonstrably weaker standards for what is considered successful placement and acceptable admissions and recruitment. Or if the problems might be due to an inability to consistently enforce the standards—such as the substantial number of Corinthian College programs with fabricated job placement rates and an apparent lack of actions against the institutions that have faced scrutiny from state and federal actors.

Regardless of knowing the underlying cause, the outcome itself is clear. More so than any other accreditation agency, several institutions approved by ACICS are frequent targets of investigations, lawsuits, and settlements by state and federal government actors. Many of these institutions have had to pay back millions of dollars to students and taxpayers while still taking in billions from the federal government. In exchange, ACICS-accredited institutions produce student outcomes that are in total are worse than any major accreditor, particularly with respect to student debt.

The laundry list of problems with ACICS suggest that it is fundamentally incapable of being a reliable authority on the quality of education or training—a key federal requirement it must meet in order to maintain recognition from the Department of Education to allow colleges to access the federal financial aid programs. It is for these reasons that NACIQI and the Department of Education should withdraw recognition of ACICS and no longer allow its questionable decision-making to allow colleges and universities to receive billions of dollars in taxpayer funds.

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