

April 8, 2016

National Advisory Committee on Institutional Quality and Integrity (NACIQI)
c/o U.S. Department of Education
400 Maryland Avenue, SW
Washington, DC 20202

Dear NACIQI:

We write to bring to your attention the problem of veterans targeted by predatory colleges using deceptive and aggressive recruiting tactics to attend particularly low quality schools with terrible student outcomes.

While the Department of Veterans Affairs (VA) has an important role to play in overseeing schools that participate in the GI Bill, VA should be able to rely on the work of Education Department-approved accreditors to ensure that only institutions with acceptable outcomes that eschew aggressive and deceptive recruiting practices are eligible to participate. The Department of Education has let down both the Defense Department and VA who view accreditation as an indication of quality.

Recent research by two national research organizations has concluded that many of the very worst schools – among the “bad actors” that President Obama has warned about – are all accredited by one single accreditor: the Accrediting Council for Independent Colleges and School’s (ACICS). Many of these schools are under a federal and state law- enforcement cloud.

Because so many of the worst schools are accredited by one accrediting agency, the undersigned Veteran Service Organizations request that you take steps to rescind ACICS’s recognition as a national accrediting agency.

ACICS’s record demonstrates that it has consistently abdicated its responsibility to protect students from substandard educational institutions with a history of misleading students, particularly veterans. According to a recent report by the Center for American Progress, ACICS accredited institutions had the highest borrowing rates of any national accreditor, as well as higher average debt and lower completion rates.¹ Although ACICS offers more degrees than other nationally-accredited schools, its default rates are significantly higher than those of its regionally accredited competitors. A November 2015 report by *ProPublica* found similar results.²

¹Ben Miller, *Up to the Job? National Accreditation and College Outcomes*, Center for American Progress, Sept. 2015.

²Annie Waldman, *Who Keeps Billions of Dollars Flowing to For-Profit Colleges? These Guys*, *ProPublica*, Nov. 3, 2015.

Not surprisingly, ACICS student outcome and recruiting standards are notably weaker than those of other national accrediting agencies.

- ACICS only requires schools to meet minimum *retention* rates rather than holding them accountable for actually *graduating* students.
- Its placement rate standards are lower than five of six other national accreditors.
- ACICS falls short on actually verifying school reported rates. For example, the Department of Education found job-placement rates for six programs were 59 to 81 percent lower than advertised at ACICS accredited Everest University, Brandon, Florida.

The weaknesses in ACICS oversight of schools disproportionately affects veterans, who are targeted for enrollment because of a loophole in the 90/10 rule. As you may know, for-profit schools can obtain no more than 90 percent of their revenue from federal financial aid, but military and veteran educational benefits are excluded from an accounting of the federal dollars they receive. As a result, for every dollar a for-profit school earns by enrolling a veteran, it can receive \$9 by recruiting students who depend on federal student aid to pay their tuition. This 90/10 loophole incentivizes for-profit schools to engage in deceptive recruiting targeting veterans.

At its height in 2013, Corinthian schools, operating under the brand names Everest, WyoTech, and Heald, enrolled almost 10,000 veterans using their GI Bill educational benefits. With the exception of Heald, many of these campuses were ACICS-accredited. Fortunately, Corinthian's eventual closure and bankruptcy in 2015 only affected about 400 veterans because the California State Approving Agency had seen the handwriting on the wall in August 2014, withdrawing Corinthian's ability to participate in the GI Bill in that state.

The recruiting tactics of schools like Corinthian typically call for pressuring veterans to enroll, on the spot if possible. Unfortunately, ACICS recruiting standards are vague, particularly when compared to those of the Accrediting Commission for Career Schools and Colleges (ACCSC). For example, ACCSC's standards prohibit recruiting vulnerable populations at homeless shelters, welfare offices, and unemployment lines; in contrast, ACICS standards are silent on this well-known tactic. The 2012 Senate Health, Education, Labor, and Pension Committee report on for-profit schools documented the recruitment of vulnerable servicemembers and veterans at wounded-warrior centers and VA hospitals.³ In addition to providing misleading information on students' career prospects and job placement rates, recruiters at schools like Corinthian often attempt to seal the deal by providing inaccurate information on costs, the transfer of credits, accreditation, and other issues where accurate information is critical for veterans to make an informed choice.

³http://www.help.senate.gov/imo/media/for_profit_report/ExecutiveSummary.pdf

Misrepresentations about cost and job availability are common complaints veterans have about ASICS accredited schools. For example, a veteran who attended Brown Mackie was promised that she would not have to take out any loans to attend. Brown Mackie, however, took out a loan in her name, when VA money took too long to arrive. Another veteran who attended ITT Technical Institute to study Electrical Engineering was promised that “hundreds of jobs” would be waiting for him. Almost a year after graduation, he has only managed to get one interview. Other veterans at ITT, Corinthian, Brown Mackie and other “bad actors” that ACICS has accredited were deceived about the schools’ accreditation, the transferability of credits, the tuition and real cost, the availability of career help, their job prospects, and the quality of the education. Veterans at ACICS-accredited schools report that the “education” they received was unacceptably poor, with fake teachers, no real classes, encouraged cheating, and shoddy course materials.

Although accreditation is intended to be an indication of quality, it is clear that ACICS has failed to hold schools accountable and, as a result, student veterans have been harmed. The Education Department is developing standards and criteria for student loan forgiveness that will help individuals who were deceived by schools like Corinthian. GI Bill benefits, however, cannot be reinstated and if they are wasted at a school that misrepresented itself, they are gone forever. Accreditation that ensures only quality institutions can participate in Title IV is critically important to veterans.

We ask that you hold ACICS accountable.

Air Force Women Officers Associated
Blue Star Families
Student Veterans of America
Tragedy Assistance Program for Survivors
Veterans Education Success
Veterans for Common Sense
VetJobs
VetsFirst
Vietnam Veterans of America

Cc: Ted Mitchell, Undersecretary of Education