Friends In High Places:
Who Endorses America's Troubled For-Profit Colleges?

A Report

by

David Halperin
Republic Report

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Summary

Timothy J. Hatch and Ronald L. Olson are two of the most prominent and successful lawyers in Los Angeles. Hatch is a partner at the national litigation powerhouse firm Gibson Dunn. Olson, a name partner at Munger, Tolles & Olson, has represented some of America's biggest corporations. He is a former chair of the American Bar Association's Litigation Section, and today he serves on the boards of directors of Warren Buffett's Berkshire Hathaway, the RAND Corporation, the Mayo Clinic, and the California Institute of Technology.

Both Hatch and Olson also have been for years key parts of the protective infrastructure that has shielded predatory for-profit colleges, institutions that have deceived and abused U.S. students and taxpayers. Hatch has represented the giant publicly-traded for-profit college businesses Education Management Corporation (EDMC), Kaplan, ITT Tech, Bridgepoint, and Apollo / University of Phoenix, against charges of fraud, and he has sued the U.S. Department of Education to halt regulations that would hold poorly-performing colleges accountable. Olson is on the board of directors of Graham Holdings Company, which owns Kaplan, and his law firm has represented Corinthian in major fraud litigation -- which is fitting, as the Graham company owned a significant stake in Corinthian until its 2015 collapse. In the fraud case where Olson's firm represented Corinthian, the other party that whistleblowers were suing was Corinthian's auditor, giant accounting firm Ernst & Young. Their lawyer in the case was Timothy Hatch.

Although the notorious Corinthian Colleges is gone (sort of), many bad actors remain in business. Seven of America's ten biggest for-profit college companies, which collectively received about $8 billion dollars in taxpayer money last year, have in recent months and years been under investigation or sued by federal and state law enforcement agencies for deceptive business practices. Despite the mounting evidence that these seven companies -- Apollo/ University of Phoenix, EDMC, ITT Tech, Kaplan, Career Education Corporation, DeVry, and

Bridgepoint Education -- have engaged in predatory behavior against their own students, they continue to market themselves as affordable places to build successful careers, and they continue to enroll new students and deposit their federal grants and loan checks. These companies also have continued to fight reform measures by government to hold bad schools accountable for abuses.

A key reason why such predatory for-profit colleges have been able to continue receiving billions annually in taxpayer dollars while ruining the financial futures of students across the country is that national power players -- politicians, lawyers, academic leaders, celebrities -- have been willing to vouch for these companies, serving as their paid lobbyists, board members, investors, and endorsers. It's not just Donald Trump who has made big money off a deceptive college operation.

Although some well-known Americans have severed their ties to the industry in recent years, the many prominent people who have continued to lend their credibility to one or more of these seven troubled for-profit college companies include: Columbia University president Lee Bollinger, University of Arizona president Ann Weaver Hart, Senator John McCain, publisher Steve Forbes, Democratic former U.S. Deputy Attorney General Jamie Gorelick, former House of Representatives GOP leaders Vin Weber and Deborah Pryce, senior Republican adviser Charlie Black, and talk show host Ellen DeGeneres.

These pillars of American society uphold a shining edifice protecting corporations that have been in the sustained practice of ripping off students and taxpayers on an enormous scale. The skills and reputations that they lease to predatory for-profit colleges help to deflect attacks and allow abuses to go on, year after year.

In our system, everyone accused is entitled to a lawyer, and companies are entitled to petition the government, advertise, and otherwise make themselves heard. But, in turn, the public is entitled to evaluate the records of individuals who choose to be lobbyists, investors, board members, or validators for a predatory company, consider whether their work is harming the public interest, and further consider whether such persons, despite all their accomplishments and good deeds, should continue to command our respect, and be eligible for positions of trust in more responsible corporations and institutions, and in government. That is a discussion I hope to advance with this report.

The For-Profit College Controversy

In recent years, America's for-profit colleges -- schools organized as businesses rather than non-profits or state institutions -- have received as much as $32 billion a year in federal student aid. Although some for-profit programs do a good job training students for careers, and there are good teachers at even some of the worst-behaving schools, government and media investigations have revealed that many for-profit colleges have deceived and coerced prospective students, misled regulators, charged sky-high prices, and left numerous dropouts and graduates alike buried in debt and without improved job outlooks. As an advocate for students, I have spoken with, and written about, scores of Americans who wanted to train for careers as medical assistants, computer technicians, diesel mechanics, or other jobs and ended up ripped off, unemployed, and deep in debt. I've also spoken with many employees and executives in this industry who have recounted brazen, cynical efforts to defraud students and government overseers.

More than half of the students who have enrolled in for-profit colleges -- many of them veterans, single mothers and other low- and middle-income people seeking a better future -- dropped out within about four months. The relentless drive to meet recruiting and revenue goals -- to get "asses in classes" -- has led many for-profit schools to enroll numerous students whom their programs are not strong enough to adequately assist. Many of these colleges have been caught using deceptive advertising and misleading prospective students about matters like program costs, accreditation, transferability of credits, job placement rates, and likely starting salaries. Although for-profit colleges often promise that their programs are affordable, the real cost can be nearly double that of Harvard or Stanford. But the quality and reputation of the programs are often weak, so even students who manage to graduate often struggle to find jobs beyond the Office Depot shifts they previously held.

The U.S. Department of Education has reported that 72 percent of the for-profit college programs it analyzed produced graduates who, on average, earned less than did high school dropouts. A May 2016 study published by the National Bureau of Economic Research concluded that for-profit college students, graduates and dropouts combined, earned less after leaving school than they did before they enrolled.

Today, 10 percent of all college students attend for-profit colleges, on campuses and online -- but these institutions account for 40 percent of student loan defaults. For-profit schools are driving a national student debt crisis that has reached $1.3 trillion in borrowing. They absorb 20 percent of all federal student aid, diverting sums from better, more affordable programs at nonprofit and public colleges.

Just a few years ago, this badly-behaving industry was flying high, with large Wall Street institutions like Goldman Sachs and Wells Fargo taking major shares in large publicly-traded higher education companies, and private equity firms dominating some others. Industry revenues had soared, as students, lured by powerful sales pitches, had flocked to enroll. The industry's main trade group, the Association of Private Sector Colleges and Universities (APSCU), was holding lavish conventions, and industry executives enjoyed fancy homes, private planes, nights on the town, Park Avenue dinner parties, and fancy ski junkets.

The industry thrived, also, by always remembering that it was fueled almost entirely by federal aid dollars -- some schools were getting 90 percent or more of their money from the U.S.

Departments of Education, Defense, and Veterans Affairs. Recognizing that federal policy was the key to making more and more revenue, the for-profit college industry set aside some of its earnings to build a powerful Washington D.C. presence, and it lobbied successfully for changes that opened the federal spigots even wider -- at the expense of accountability and student outcomes.

Faced with the reality in 2009 that the new Obama Administration was prepared to start cracking down on industry abuses, the for-profit colleges could have pursued a deal that would mandate certain reforms but perhaps allow bad actors to keep some of their predatory business model intact. Instead, the industry decided to wage war -- hiring the most expensive and connected Washington lobbyists and lawyers; ramping up campaign contributions; making phony attacks on advocates for reform; and buying the endorsement or partnership of celebrities, think tanks, even media outlets to try to improve its public image.

As described in news reports, pressure from the for-profit college industry, and from Members of Congress in both parties who have accepted campaign contributions from the industry, helped weaken the Obama Administration's leading initiative to reform the sector: the "gainful employment" rule, which imposes penalties, and possible loss of federal aid eligibility, for career education programs that consistently leave former students with insurmountable debt. The for-profit college industry, in fact, has fought the Administration aggressively on every relevant issue.

But while the gainful employment rule lost some of its force as compared with its initial incarnation, the rule has survived, and several other Obama administration initiatives have gone forward to increase accountability on the sector. Meanwhile, with the industry choosing an all-out fight, scrutiny of for-profit colleges -- in the U.S. Senate, especially when Democrats controlled the chamber; in the media; and by state and federal law enforcement agencies -- has increased. And advocacy on behalf of abused for-profit college students, which in 2009 was mostly limited to a small group of organizations, has expanded to an increasingly cohesive and determined coalition of more than 50 student, veterans, civil rights, consumer, educator, and education policy groups. (Disclosure: Going back to my time at Campus Progress / Center for American Progress and continuing after I became a self-employed lawyer in 2012, I have worked to build and increase the influence of this coalition.)

All of this effort, spurred in large part by industry intransigence, has helped produce a dramatic reversal of fortune for for-profit colleges. In recent years, exposure of abuses have helped send enrollments and share prices plummeting, regulators have pressed for greater accountability measures, and many companies are closing campuses as they face mounting federal and state law enforcement probes, as well as financial and administrative instability.

Some major for-profit colleges have now collapsed or are in peril. Billions of dollars in for-profit college student loans are already in default, and former students across the country are now demanding that the Department of Education, having vouched for fraudulent schools, forgive their debts. Many of the big for-profit colleges, which had egged on the trade group APSCU to engage in all-out war in Washington against the Obama Administration, have now quit that group, leaving the organization short of funds and with a depleted staff. APSCU was so desperate to start over that in June 2016 it changed its name to Career Education Colleges and Universities, its second name change in six years.

But today, some $20 billion annually in taxpayer money continues to flow to for-profit colleges, and for some of the biggest, baddest actors in the industry, the business model has stayed fundamentally the same: deceptive online, TV, and radio marketing; coercive recruiting; enrollment of students in programs that cannot help them succeed; mixed-quality instruction; and high prices. As you read this, for-profit colleges are using bait-and-switch tactics, and misleading, high-pressure sales pitches, to convince your fellow citizens -- single parents, returning veterans, and others seeking a better future -- to enroll in education programs that will ruin their financial futures, and further burden U.S. taxpayers.

Just as disturbing, the Washington D.C. business model has not changed much either. At least some in the industry remain in a take-no-prisoners mode, continuing to spend millions annually buying influence in Washington. Industry players, including APSCU, continue to try to overturn the gainful employment rule in the courts and in Congress. Powerful members of Congress like Rep. John Kline (R-MN), Rep. Virginia Foxx (R-NC), and Rep. Alcee Hastings (D-FL), once agressive public champions of this industry, seem less interested in defending for-profit colleges in public forums, but they remain reliable votes to overturn Obama Administration reforms to hold the industry accountable, just as they have continued to receive campaign contributions from industry executives.[1] For-profit colleges continue to hire revolving door lawyers and lobbyists to pressure the Administration against imposing penalties for abuses. They fight tenaciously in court against industry whistleblowers and students seeking relief for abuses -- paying high-priced corporate litigators out of revenues that often are 90 percent taxpayer dollars.

The industry continues to have traction because it retains enough cash to hire some of the most expensive and esteemed validators and defenders that money can buy.

Endorsers of for-profit colleges in the past decade

The lure of for-profit college money is so strong that both of the leading candidates for president in 2016 are linked to the industry. **Donald Trump** ran his own for-profit Trump University, which was unaccredited and thus not eligible for federal student aid; Trump's

[1] Fortunately, strong congressional champions for students have pressed the Administration hard for tougher reforms and have stood up to efforts to gut reforms through legislation. These champions have included Senators Dick Durbin (D-IL), Elizabeth Warren (D-MA), Sherrod Brown (D-OH), Richard Blumenthal (D-CT), and Patty Murray (D-WA), and Representatives Maxine Waters (D-CA), Elijah Cummings (D-MD), Keith Ellison (D-MIN), and Mark Takano (D-CA).

“school” is now the subject of fraud lawsuits by New York’s attorney general and by former students who feel cheated and want their money back. Meanwhile, in 2009, as Secretary of State, **Hillary Clinton** pressed to include in a State Department event on education policy the giant for-profit college company Laureate Education, which several months later hired Bill Clinton to be “honorary chancellor” of its international division and paid him $16.5 million between 2010 and 2014. (However, while Trump continues to defend the conduct of his predatory “university,” Hillary Clinton, to her credit, has criticized for-profit college abuses and pledged to crack down on bad actors.)

But Clinton and Trump are far from the only ones. Here are just a few more examples of other powerful Americans linked in recent years to for-profit colleges:

- 2012 GOP presidential nominee **Mitt Romney** (R-MA), as a candidate in that race, extolled the virtues of for-profit colleges, including the University of Phoenix and Florida’s Full Sail University. Romney didn’t disclose that the private equity owners of Full Sail and Vatterott College, both schools with troubling records, were major donors to his campaign - or that Romney’s own private equity firm, Solamere Capital, was invested in those schools.
- Former 2016 presidential candidate Senator **Marco Rubio** (R-FL) in 2014 wrote to the U.S. Department of Education asking it to “demonstrate leniency” to for-profit giant Corinthian Colleges, despite the strong evidence that the company was deceiving students and government regulators alike. Corinthian was a donor to Rubio’s political action committee. Corinthian, one of the worst actors in the entire sector, has since collapsed under the weight of disturbing revelations and multiple law enforcement investigations.

- **Richard Gephardt** (D-MO), the former House Majority Leader, was paid $360,000 in 2010-11 -- the height of the first gainful employment rule fight -- to lobby for Corinthian.[2]
- Former Obama Secretary of Defense **Leon Panetta** and National Urban League president **Marc Morial** both joined Corinthian's board of directors in June 2013 -- long after it was clear that the company had engaged in troubling behavior. Facing public criticism, Panetta soon quit, but Morial stayed on, collecting $60,000 annually in director fees, plus stock options, until the company shut down.
- Former Senate Majority Leader **Trent Lott** (R-MS), former Senator **John Breaux** (D-LA), and their firm, Squire Patton Boggs, received $1.44 million over four years, ending in late 2015, to lobby for the for-profit college trade group APSCU, which has included in recent years many of the industry's most troubled companies, such as Corinthian, Education Management Corp. (EDMC), ITT Tech, Kaplan, Career Education Corporation (CEC), DeVry, and Bridgepoint Education. APSCU also included ATI, which was shut down by the Justice Department in 2013 for systematic fraud, and FastTrain College, whose CEO was sentenced to eight years in prison in May 2016 for defrauding the government.
- Former Secretary of State **Colin Powell** has for a number of years been the chair of the advisory board of Leeds Equity Partners, which invests in for-profit education and until recently owned a major stake in the second-largest for-profit college company, EDMC. EDMC recently agreed to pay or forgive some $200 million to settle multiple fraud suits brought by federal and state law enforcement. The private equity firm's founder, **Jeffrey Leeds**, has been an aggressive advocate against accountability for the sector, and he serves on the board of APSCU; Powell praised the industry when he was the keynote speaker at the APSCU convention in 2011. **Bill Clinton** (2009), **George W. Bush** (2012), and **Jeb Bush** (2014) also were keynote speakers at APSCU conventions, and

[2] Information on lobbying representation and fees comes from disclosure forms that lobbyists are required by law to file with Congress and are posted on this site.

in his APSCU speech Jeb Bush sharply attacked the Obama gainful employment rule that the for-profit college industry so despises.

- Another EDMC insider was former Maine governor **John McKernan** (R), who was CEO and then executive chairman of the company from 2003 to 2008 and then served as chairman of the board -- in the period when the company ratcheted up its predatory practices. Another private equity owner of for-profit colleges is former New Jersey governor **Tom Kean** (R), whose company, Quad Partners, has invested in colleges including Marinello School of Beauty, which was shut down for fraud by the Department of Education in February 2016. And former Pennsylvania governor **Ed Rendell** (D) joined with Kean in a for-profit college industry-funded group called the Foundation for Educational Success, which was supposed to create a voluntary code of conduct for the industry as an alternative to government regulation. The foundation and code of conduct were trumpeted in a press release and in a *Politico* op-ed by Kean and Rendell -- neither of which disclosed that the foundation was funded by for-profit colleges or that Kean is an owner of for-profit colleges. The code of conduct dissolved into a mere public relations scheme when the Foundation for Educational Success, without explanation, simply ceased to exist.[3]
- Former U.S. Department of Education officials have cashed in on their government experience to become lobbyists for for-profit colleges. **Diane Auer Jones**, who was Assistant Secretary for Postsecondary Education under President George W. Bush, was from 2010 until 2015 senior vice president and chief external affairs officer at Career Education Corporation. **Sally Stroup**, who had the same job at the Education

[3] The Foundation's partner advocacy group, the industry-funded Coalition for Educational Success, aggressively lobbied against the gainful employment rule. The group was for a period headed by the lobbyist and former Clinton White House lawyer Lanny Davis. Davis, as well as the then-head of the watchdog group Citizens for Responsibility and Ethics in Washington (CREW), Melanie Sloan, each had published articles implying a connection between government efforts to rein in for-profit college abuses and Wall Street short-seller Steven Eisman. Evidence later emerged that CREW had received donations from a foundation created by University of Phoenix founder John Sperling.

Department earlier in the Bush administration, served as vice president and general counsel at APSCU from 2012 to 2015.

- Celebrity personal finance expert **Suze Orman** created an online course for the University of Phoenix and in 2013 appeared at a Capitol Hill event hosted by the school, whose owner, Apollo Education, has been receiving as much as $4 billion a year from taxpayers and now is under investigation by multiple federal and state law enforcement agencies.

What's The Problem?

In our system of democracy, everyone accused is entitled to a lawyer, and companies facing regulatory challenges are entitled to petition the government and make themselves heard. But, in turn, the public is entitled to evaluate the records of individuals who choose to become lobbyists or validators for a company, consider whether their work is harming the public interest, and further consider whether such persons should continue to hold or be considered for positions of trust in more responsible corporations and institutions, and in government.

We don't always know who those people are. Although federal law requires people who meet the statutory definition of a lobbyist, or who serve on the board of a publicly-traded corporation, to publicly disclose their service and fees, others who work as consultants or lawyers for for-profit colleges can remain in the shadows until and unless the media or other watchdog finds out. These would include former Obama White House communications director **Anita Dunn**, who, having joined the firm SKDKnickerbocker, advised the troubled for-profit college Kaplan as it sought to stop the Obama Administration from issuing a strong gainful employment rule. It also includes former Bill Clinton Deputy Attorney General **Jamie Gorelick**, who, as discussed below, served as the lawyer for the University of Phoenix as it successfully lifted a Pentagon ban on recruiting military service members, following allegations of persistent abuses.

But when the truth is found, people who have built distinguished careers, and then trade on their reputations and connections to protect the interests of predatory companies, deserve scrutiny.

A key reason why predatory for-profit colleges have been able to receive billions annually in taxpayer dollars while ruining the lives of students across the country is that Washington power players -- politicians, lawyers, lobbyists, spinmeisters, analysts, even journalists -- have been willing to vouch for these companies and use their talents and connections to free them from accountability. These advocates either don't take the time to find out how badly these companies behave, and how much harm these companies cause, or else they just don't believe it or don't care.

This report highlights some of the distinguished Americans who, despite all the evidence of industry abuses, have continued into the past year or so to lobby for, defend, or lend their reputations to predatory for-profit colleges. We will look at validators of seven of the top ten for-profit college recipients of U.S. Department of Education aid, according to Department of Education data -- the seven companies on that top ten list that, in recent years, have been under investigation by multiple federal and state law enforcement agencies:

(1) Apollo/ University of Phoenix

(2) Education Management Corporation (EDMC)

(3) ITT Tech

(4) Kaplan

(5) Career Education Corporation (CEC)

(6) DeVry

(7) Bridgepoint Education.[4]

None of the recent law enforcement investigations of these seven companies has resulted in a trial verdict of liability, and although some of these companies have settled cases and agreed to pay fines and implement reforms, none has ever admitted wrongdoing. But the collective allegations of law enforcement, insiders, and former students as to each of these seven companies present a troubling picture of predatory operations that have deceived and abused students and taxpayers.

To be clear, these seven companies are far from the only for-profit college businesses against whom there is strong evidence of blatant misconduct. But I focus on these seven because they enroll the most students and take the most taxpayer dollars.

I attempted to reach for comment each of the for-profit college advocates and validators pictured below. Most did not respond at all. A few communicated with me only off the record. I have included in the text the on the record responses of all those who provided them.

[4] Some students and analysts have raised concerns about the conduct of other three schools in the top ten -- Laureate Education (number 6, $792 million in U.S. Department of Education student aid), Grand Canyon Education (number 7, $723 million), and Strayer Education (number 10, $542 million) -- but none of those companies are, to my knowledge, under U.S. law enforcement investigation for defrauding students.

Apollo Education Group

Schools: The University of Phoenix, BPP, Bridge School of Management, FAEL, IACC Professional Institute, Milpark Education, Open Colleges of Australia, Universidad de Artes, Ciencias y Comunicación (UNIACC), Universidad Latinoamericana (ULA), Career Partner Group, College for Financial Planning, Western International University.

Taxpayer aid (U.S. Department of Education funding) last year[5]: $1.99 billion

[5] Figures for the 2014-15 year derived from Department of Education data. The Department does not aggregate federal aid information by company, so a researcher must learn the names of all the schools and campuses owned by a given company, find those listings on spreadsheets posted by the Department, and then add it all up. These totals understate federal taxpayer aid, because each of these companies receives additional federal government funding through G.I. Bill veterans benefits from the U.S. Department of Veterans Affairs and tuition assistance for active duty military servicemembers and their families from the U.S. Department of Defense. A 2014 report by the U.S. Senate Committee on Health Education Labor and Pensions found that the top five recipients of post-9/11 G.I. Bill benefits for 2012-13 were all publicly-traded for-profit colleges (and all are subjects of this report): Apollo ($272 million), EDMC ($163 million), ITT ($161 million), DeVry ($132 million), and Career Education Corp. ($79 million); number six was the now-defunct Corinthian Colleges ($63 million). Some of these schools may also receive state government funding.

Current & recent law enforcement investigations or actions[6]:

U.S. Department of Education, Department of Defense, Federal Trade Commission, Consumer Financial Protection Bureau, Securities and Exchange Commission, attorneys general of California, Delaware, Florida, and Massachusetts. Details.

Sample troubling behavior:

- Department of Education data has shown that the University of Phoenix's graduation rate for first-time, full-time students is about 16 percent, and that graduation rate for the school's online programs is about 4 percent.[7]
- A 2012 comprehensive investigative report on for-profit colleges by then-Senator Tom Harkin (D-IA) found that the University of Phoenix spent $892 per student on instruction in 2009, compared to $2,225 per student on marketing, and $2,535 per student on profit. "This," the report found "is one of the lowest amounts spent on instruction per student of any company analyzed."
- Around 25 percent of University of Phoenix students default on their loans within three years of leaving school.
- A 2015 investigative media report exposed that the University of Phoenix paid the U.S. military for exclusive access to bases through sponsoring concerts and other events, sidestepping a 2012 Obama executive order. The school also held "résumé workshops" that seemed to be recruiting sessions, and it handed out "challenge coins" that included

[6] These are lists of federal and state law enforcement and oversight agencies that have investigated or sued the company and / or company executives in the past few years for deceptive or otherwise unlawful business practices. Some of these matters are still ongoing, while others have been resolved; none of the companies described in this report have acknowledged wrongdoing as to any of them. You can find details on these matters on a web page that I have maintained since 2014; it lists each action,with links to primary materials -- SEC disclosures by the companies, court documents, public statements -- and some media reports.

[7] Although the University of Phoenix has reached out to me and others to say it would prefer to calculate its graduation rate based on other measures, the Department of Education calculates the rate based on first-time, full-time students, and Phoenix chooses to admit such students and thus deserves to be evaluated, among other measures, based on the success of those students.

Phoenix logos on one side and, without the required permission, military branch insignias on the other side. The Pentagon concluded that "the frequency and scope of" Phoenix violations of the rules was "disconcerting," and it temporarily suspended the school from recruiting on bases and receiving DoD student tuition assistance. (See below.)

- Paul Rieckhoff, founder and CEO of Iraq and Afghanistan Veterans of America, said in October 2015 that the University of Phoenix has been the "worst by far" for-profit college in terms of taking advantage of the veterans who are members of his organization. A letter sent that same month to Secretary of Defense Ashton Carter by more than 30 veterans, civil rights, and consumer organizations supported the Pentagon's investigation and cited, as support, the complaints of hundreds of servicemembers and veterans "who experienced deceptive recruiting" by the University of Phoenix.

- Based on accounts of whistleblowers, as well as online research, I have uncovered multiple scams in which companies build web sites promising help with jobs, food stamps, veterans benefits and other things needed by low-income people and vets, but the sites actually collect personal information so that it can be sold to marketers who then relentlessly pressure people into enrolling in expensive for-profit college programs. Among the companies whose recruiters have bought leads from lead generation companies using deceptive sites are the University of Phoenix, as well as all the other companies addressed in this report: Bridgepoint, EDMC, Kaplan, CEC, DeVry, and ITT. The FTC has begun to take action against these deceptive lead generation practices.

CEO: Gregory W. Cappelli

Prominent advocates & validators:

Ellen DeGeneres. In May 2016, the plucky TV talk show host and *Finding Dory* star promoted the University of Phoenix's "RISE TO YOUR DREAM" Scholarships on her website, her Twitter and Instagram account, and on her show, where she gave an Oklahoma stay-at-home mom a $25,000 "scholarship" to the school in honor of Mother's Day. In the same breath, DeGeneres announced that Phoenix would award ten students a full-ride scholarships. Given Phoenix's high prices and high dropout rates, the mom's "scholarship" -- really, just a coupon from the company -- may not have been such a great gift. It was obviously a paid promotion. After student advocates complained, the Twitter and Instagram posts were removed, but the promotion remained on Ellen's website. My guess is that the kind-hearted DeGeneres was not aware of the depth of controversy at the University of Phoenix and wishes she had never gotten involved, but that the corporate suits may have told her it would be too expensive to untangle the promotion now and to just ride it out. But given how many people admire and trust Ellen, she owes them better than that.

Steve Elmendorf and Alfred Mottur. Long-time Democratic party strategist Steve Elmendorf, a Hillary Clinton 2016 bundler and advisor who runs the lobby firm Subject Matter, has been a registered lobbyist for Apollo since 2011, getting $200,000 a year from the company, according to federal lobbying disclosure forms. Another Clinton bundler, Alfred Mottur, was a registered lobbyist for the University of Phoenix from 2012 until late 2015, with his firm, Brownstein Hyatt, getting $320,000 a year from Apollo. More recently, in March 2016, Mottur and his firm registered as lobbyists, and declared $80,000 in first quarter 2016 fees, to work on "Issues related to higher education and proprietary schools" for "AP VIII Queso Holdings LP," a limited partnership which, according to a *Politico Pro* story, is an affiliate of Apollo Global Management, one of the private equity firms that recently acquired Apollo Education Group. Other registered lobbyists for Apollo Education in the past year include Liberty Partners LLC (including the firm's chairman, major political donor **Andrew Woods**; getting $120,000 from Apollo in the past six months), Penn Hill Group (including **Alex Nock**, a former Democratic deputy staff director of the U.S. House Committee on Education and Labor under Representative George Miller (D-CA); $180,000 in the past twelve months), and Crossroads Strategies LLC (including **Jake Perry**, a former “senior political advisor and confidante” to Senate Democratic leader Harry Reid (D-NV); $200,000 in the past twelve months).

Ann Kirschner. Dr. Ann Kirschner has served on the Apollo Education Group board of directors since 2007. From 2006 until early 2016, she was the University Dean of Macaulay Honors College of the City University of New York (CUNY); she is now Special Advisor to CUNY’s Chancellor. According to the Apollo website, Kirschner also has been president of Comma Communications, a higher education consulting company, founded Fathom, “an online knowledge network” in association with Columbia University, and “co-created NFL Sunday Ticket and NFL com for the National Football League.” She has a Ph.D. in English literature from Princeton.

Jorge Klor de Alva and Mark Schneider. If you read the *Wall Street Journal* on March 5, 2016, you would know that Jorge Klor de Alva, identified as "president of Nexus Research and Policy Center in San Francisco" and Mark Schneider, "a fellow and vice president of the American Institutes for Research in Washington" wrote an op-ed in that newspaper opposing broad student loan debt relief for people who were deceived by their colleges. These think tank co-authors contended that such relief will be expensive -- potentially more than $1 billion for students of now-shuttered for-profit Corinthian Colleges alone. They noted that the U.S. Department of Education is considering not only issuing new debt relief rules and beefing up enforcement efforts against school misconduct, but also pondering new rules to allow the Department to recoup discharged loan costs from the offending schools. They expressed concern about that: "Bankruptcies at the for-profit schools are the likely outcome, which will decimate this form of career education that today includes well over 10% of all postsecondary students." And, they warn, "taxpayers will be left holding the bag."

The two authors implied that, instead of making student victims whole or using financial penalties to deter bad behavior, the Department of Education should just tell offenders to straighten up: "In the past ... colleges found to have questionable practices have been forced to discontinue false advertising and required to establish policies and procedures that produce accurate and verifiable documentation on job-placement rates and postgraduation earnings."

What the authors, and the *Wall Street Journal*, didn't mention was that these writers are connected to the University of Phoenix and the for-profit college industry.

Jorge Klor de Alva was from 1996 to 2010 a senior vice president at the Apollo Education Group, parent company of the University of Phoenix. For six years in that period, Klor de Alva also served as the president of the University of Phoenix. The very same Apollo Education Group created and is the funder of the Nexus Center, the think tank where Klor de Alva now works.

Given the mounting law enforcement investigations against the Apollo Education Group, it is the very kind of for-profit college company whose students could be seeking the debt relief that Klor de Alva's op-ed argues against.

Klor de Alva also failed to make such disclosures when he published a 2014 op-ed in *The Hill* opposing the Obama Administration's gainful employment rule, aimed at holding colleges accountable for consistently leaving students with insurmountable debt.

Nexus thus presents itself to the public as an independent think tank, and Klor de Alva as an independent scholar, arguing against tighter regulation of for-profit colleges, when the institution is in fact a creation of the University of Phoenix and the supposed scholar was a long-time employee of the University of Phoenix.

As for Klor de Alva's op-ed co-author, Mark Schneider, a long-time Department of Education official, he is identified in the op-ed as affiliated with the American Institutes for Research. Not mentioned is that Schneider is on the Apollo-funded Nexus Center's board of directors. In 2015, Schneider filed an amicus brief in federal court in Manhattan supporting a lawsuit by for-profit college companies to strike down the gainful employment rule. Schneider's attorney in that matter was Dennis Cariello, a long-time for-profit college lawyer who recently represented the industry in the rulemaking proceedings about which Schneider's 2016 op-ed complains. (The judge in the New York case declined to admit Schneider's amicus brief and ruled against the companies.)

Meanwhile, some more prominent, long-established think tanks in Washington, such as the American Enterprise Institute and the Cato Institute, also have criticized Obama administration rules and actions affecting for-profit colleges, while accepting contributions from predatory college interests.

This also wasn't the first time that the *Wall Street Journal* editorial page, which consistently rails against efforts to curb for-profit college abuses, has failed to disclose the financial relationships of its op-ed writers on these issues. In 2013, the Journal published an op-ed by private equity firm owner **Jeffrey Leeds**, then one of the key investors in EDMC, and former Senator **Bob Kerrey**, arguing against the gainful employment rule without disclosing the writers' extensive ties to for-profit education companies.

Jamie Gorelick. Lawyer Jamie Gorelick, who served in the Bill Clinton Administration as general counsel of the Department of Defense and later as the number two official at the Justice Department (Deputy Attorney General), in 2016 successfully pressed the Pentagon on behalf of the University of Phoenix to lift a suspension of the school for alleged recruiting abuses directed at U.S. military servicemembers.

Gorelick is one of the top lawyers associated with the Democratic Party. Although Gorelick supported Hillary Clinton for president in 2008, she was considered a candidate for Attorney General in President Obama's administration, until she reportedly took herself out of the running. Gorelick also is the former boss of Obama Supreme Court nominee Merrick Garland. Garland worked for Gorelick when she held her powerful post at the Clinton Justice Department. She has described Garland, a Harvard college and law school classmate, as "one of my closest friends." Gorelick has consistently contributed to Hillary Clinton's Senate and presidential campaigns. And in 2015, Gorelick, now a partner at the powerhouse law firm WilmerHale, represented the Clinton Foundation in its successful defense of an absurd lawsuit filed in Miami by conservative activist Larry Klayman of Judicial Watch.

After leaving the Clinton Administration, Gorelick served as vice chair of Fannie Mae, the giant mortgage lender, from 1998 to 2003, and received some $26.4 million in total compensation, including bonuses. (In 2006, DC-based Fannie Mae was fined $400 million for accounting manipulation tied to executives' bonuses that occurred from 1998 to 2004; Gorelick was not charged with any wrongdoing.) In that period, Gorelick also served as a Democratic appointee on the 9/11 Commission.

At WilmerHale, Gorelick has represented a wide range of major corporate clients. Federal disclosure forms show she has lobbied for Google, JPMorgan Chase, Lazard Freres, and others. She lobbied for BP in the face of government efforts to hold the energy giant responsible for the massive Gulf of Mexico oil spill.

Of interest to students, Gorelick lobbied on behalf of student loan giant Sallie Mae regarding, according to disclosure forms, "Student loan issues as they relate to reform of the

Federal Family Education Loan Program" in the years 2009 to 2010. As media reports confirm, Gorelick was part of the intense lobbying campaign by Sallie Mae and big banks to block the Obama Administration's effort to reform the student loan system by eliminating nonsensical, wasteful loan subsidies to private lenders. The Obama Administration ultimately prevailed over Gorelick and the other special interest lobbyists, and the reform has saved billions for students and taxpayers.

Gorelick's well-paid effort to undermine this signature Obama education initiative was just part of the Washington game, though -- apparently no hard feelings. She was rumored to be a candidate for FBI Director in early 2011, and later that year she was appointed by Secretary of Defense Leon Panetta to the Pentagon's Defense Policy Board.

In August 2015 Gorelick visited the White House, visitor logs show, and dined at the mess with Neil Eggelston, the White House Counsel -- President Obama's top in-house lawyer.

Federal Election Commission records show that Gorelick has donated more than $165,000 to federal candidates or committees since 1997, mostly to Democrats but also, when she worked at Fannie Mae, to Republican Senators Orrin Hatch (UT). Richard Shelby (AL), and Phil Gramm (TX), members of the finance and banking committees. Gorelick has, since 1999, donated more than $11,000 to Hillary Clinton's campaigns, including the maximum $2700 contribution in 2015.

Gorelick brought this record as a powerful Democratic insider to her effort to convince the Obama Pentagon to drop its penalties against the University of Phoenix.

After an investigative media report in June 2015 highlighted troubling, potentially unlawful recruiting practices by the University of Phoenix directed at service members, the

Defense Department in October put the school on probation, kicking the school's recruiters off bases and suspending student tuition assistance to the company.

The investigative report, in *Reveal*, a publication of the California-based Center for Investigative Reporting, found that the University of Phoenix paid the military for exclusive access to bases through sponsoring concerts and other events, sidestepping a 2012 Obama executive order whose aims included preventing for-profit colleges from gaining preferential access to U.S. troops. The school also reportedly held "résumé workshops" for troops that seemed to serve as recruiting sessions, and it handed out "challenge coins" that included University of Phoenix logos on one side and, without the required permission, military branch insignias on the other side.

On October 7, 2015, a Pentagon official, Dawn Bilodeau, sent a letter to the University of Phoenix imposing the suspension. She cited the *Reveal* report and wrote that a Department review "revealed several violations" of a Memorandum of Understanding (MOU) between the Pentagon and the school including "transgression of Defense Department policies regarding use of its official seals or other trademark insignia and failure to go through the responsible education advisor for each business related activity requiring access to the DoD installations" at Fort Worth, TX, Fort Bragg, NC, Fort Carson, CO, Fort Hood, TX, and Fort Campbell, KY.

Bilodeau wrote that the school had "responded to these infractions with appropriate corrective action at this time," but she concluded, "the frequency and scope of these previous violations of the DoD MOU is disconcerting." She also noted that the company was being investigated for deceptive practices by both the Federal Trade Commission and California's attorney general.

But in January 2016, the Pentagon reversed course, ending the probation, and simply put the school on “heightened compliance review” for a year. In ending the suspension, the Pentagon issued a statement offering little information:

> The department determined that the removal of probationary status was warranted based on the department’s internal review, the university’s response to the department’s concerns as set forth in multiple potential non-compliance notifications including the department’s letter dated Oct. 7, 2015, the active engagement and cooperation by representatives of the University of Phoenix, and other relevant materials.

What had not been disclosed until I found out is that Gorelick, according to government officials, served as the attorney for the University of Phoenix as it managed, behind the scenes, to free itself from penalties imposed by the Department where she once was the top lawyer.

A Pentagon spokesman, Matthew Allen, citing DoD policy, declined to provide me with information regarding meetings and communications between DoD and the University of Phoenix related to DoD’s decision to end the suspension. He even declined to confirm what I already knew: that Gorelick served as Phoenix’s lawyer in the matter. (While federal law requires lobbyists to file regular disclosure forms identifying clients and payments with respect to activities aimed at affecting legislation or regulation, attorneys engaged in an adjudication don’t have to make such disclosures.)

Government officials also said that the three-month suspension did punish Apollo with loss of revenue and bad publicity and might deter bad behavior going forward, and they noted that the Pentagon office overseeing education is too small to conduct an adequate investigation that could have sustained a longer punishment.

In January 2016, the University of Phoenix president, Timothy B. Slottow, issued a statement in response to the lifting of the ban that said, in part, “we are grateful to leaders at the Department of Defense and in Congress for supporting a clear process and high standards from all educational institutions, and for ensuring military students are able to use their educational benefits for career-relevant programs at University of Phoenix.”

But others already had contended that the University of Phoenix was harming servicemembers and veterans.

Senator Dick Durbin (D-IL), a strong advocate for students, in October 2015 had praised the Pentagon decision to suspend the school: “This is a decisive action by the Department of Defense to protect service members and taxpayers from a company that offers degrees of questionable value. With below-average graduation rates and a student loan default rate almost forty percent higher than the national average, the University of Phoenix is going to have a hard time explaining why students should continue to enroll in this institution.”

Gorelick’s successful work to end the Pentagon punishment was not her law firm’s only recent effort to prevent executive branch measures to hold for-profit colleges accountable for abuses. WilmerHale recently represented the U.S. Chamber of Commerce, which is subsidized by for-profit colleges, in a lawsuit brought by the industry trade group APSCU to overturn the Obama Administration’s “gainful employment” rule. This rule, a cornerstone of the Administration’s effort to protect students from predatory practices, penalizes career education programs that consistently leave graduates without sufficient income to pay down their student loans.

The amicus brief submitted by Gorelick’s firm argued that the appeals court was required to strike down the Obama rule as “irrational” because many for-profit college students “come from traditionally underserved and underprivileged communities” and the result of the rule would be that "the individuals perhaps most in need of these higher education programs will be deprived of the chance to matriculate and graduate, and in turn will lose the opportunity for social mobility that postsecondary education provides." On March 8, a federal appeals court panel, in a four-page opinion, summarily and soundly rejected the challenge to the rule and the industry's offensive arguments; the court wrote, "It would be a perverse system that, by design, wasted taxpayer money in order to impose crippling, credit-destroying debt on lower-income students and graduates." The three-judge panel included Gorelick's friend Judge Merrick Garland.

John McCain. Jamie Gorelick's persuasive skills may not have been the only factor leading to the Pentagon's lifting of the suspension of the University of Phoenix. The reversal also followed an aggressive public push to lift the ban by Arizona's senior senator, Armed Services Committee chairman John McCain (R), along with Senate Education and Labor Committee chairman **Lamar Alexander** (R-TN).

Government officials tell me they were not surprised when the Pentagon lifted the suspension of the University of Phoenix, in light of the aggressive effort on behalf of Apollo led by powerful Armed Services chair McCain, who aggressively attacked the Obama Administration and charged that DoD had relied on "overly technical violations" of the agreement. GOP senators also threatened to block confirmation of presidential appointees until Apollo was let off the hook.

In an October 2015 speech on the Senate floor, McCain charged that fellow Senator Dick Durbin had “orchestrated” a “shameful ... vendetta against for-profit universities.” McCain upped the ante by asserting that Durbin has a “well-known record of not supporting the men and women who are serving in the military.”

Alleging a larger conspiracy, McCain repeated accusations in a recent *Wall Street Journal* editorial that “the Obama Administration’s military tribunal is punishing” the University of Phoenix “for being a target of the political left” and that “General Durbin has commanded the Education Department and Department of Veterans Affairs to ‘take appropriate action’ against the company. Bombs away.”

In fact, it was McCain, by using his power as chairman of the Senate Armed Services Committee to pressure the Department of Defense to back off a legitimate investigation of the University of Phoenix, who was doing a disservice to servicemembers and veterans, who deserve to be protected against deceptive recruiting, poor quality programs, and other predatory practices.

Remarkably, McCain, in his floor speech, defended not only his home state-based University of Phoenix but also the disgraced, collapsed Corinthian Colleges. Even some for-profit college executives stopped defending Corinthian after it shut down; they started saying Corinthian was the one bad apple in the bunch. But McCain repeated the *Wall Street Journal* claim that the U.S. Department of Education, the Consumer Financial Protection Bureau, and California attorney general Kamala Harris “mounted a coordinated campaign that drove for-profit

Corinthian College out of business." McCain claimed these agencies acted "without any proof of misconduct."

Senator McCain, Senator Alexander, and Senator **Jeff Flake** (R-AZ), who joined in the effort to end Phoenix's suspension, all have received campaign contributions from the company. Indeed, Apollo is the largest donor in the 2016 election cycle to both Flake and Alexander.

McCain, who is up for re-election in 2016, benefitted from very early TV ads supporting him from the for-profit college industry's paid ally, the U.S. Chamber of Commerce. The last time McCain ran for his seat, in 2010, Apollo CEO Greg Cappelli invited University of Phoenix employees to a town hall meeting with McCain, whom he called "a strong supporter of proprietary education."

Tony Miller and Martin Nesbitt. The University of Phoenix appears far from done hiring prominent Democrats as it seeks to maintain its access to federal billions. In February 2016, Apollo Education Group announced a deal to sell the public company to a group of private equity firms, led by the controversial (but no-relation) Apollo Global Management and including Vistria, a firm founded by Marty Nesbitt, one of President Obama's closest friends and the chairman of the Obama Foundation, and former Obama Deputy Secretary of Education Tony Miller**.** Under the deal, Miller will become the new chairman of Apollo Education, while Gregory Cappelli, who has presided over nearly a decade of predatory behavior by the company, remains CEO. When word of this potential deal surfaced, Reuters reported that sources said that "[b]ringing in Vistria was a strategic decision ... to smooth relations with government regulators once a deal is completed."

In a letter to the *Wall Street Journal*, Miller explained Vistria's intentions, and seemed to push back on suggestions that his firm's involvement was aimed at improving Phoenix's position in political Washington:

> It is our foundational belief that success is solely rooted in graduating the vast majority of students who enroll with the knowledge and skills that employers value, at a cost to the student that is not burdensome and that ensures a compelling return on their educational investment. Success in today's environment isn't predicated on special treatment from regulators or legislators.
>
> We are committed to building on and enhancing the efforts already under way at University of Phoenix to help reach the goal of becoming the most trusted provider of career-relevant higher education for working adults in the country.

But political Washington is certainly on Miller's mind. At a March 2016 conference on for-profit education hosted by Credit Suisse, Miller sat among for-profit college industry executives and consultants and, according to Credit Suisse's account of the event, bemoaned the current weakened support of the industry on Capitol Hill: "[Miller] further suggested that the for-profit sector's support in Congress was tepid as progressive Democrats were firmly opposed to the sector, conservative Republicans were ambivalent about the student aid program in general, and moderate Republicans had been embarrassed by bad publicity and unwilling to risk political capital anymore to defend the sector."

As the new University of Phoenix seeks to smooth relations in Washington, its new owners have hired the public relations firm SKDKnickerbocker, whose principal **Anita Dunn**, a former Obama White House communications director, also has advised for-profit Kaplan.

Education Management Corporation (EDMC)

Schools: The Art Institutes, Argosy University, Brown Mackie College, South University

Taxpayer aid (U.S. Department of Education funding) last year: $1.47 billion

Current & recent law enforcement investigations or actions:

U.S. Department of Justice; at least twelve state attorneys general including those of Pennsylvania, Colorado, Massachusetts, Kentucky, California, Florida, Illinois, Indiana, and Minnesota; the City Attorney of San Francisco. Details.

Sample troubling behavior:

- The U.S. Justice Department joined a False Claims Act whistleblower lawsuit alleging that for over a decade Pittsburgh-based EDMC violated the federal law prohibiting for-profit colleges from paying sales commissions to their recruiters, resulting in ill-gotten gains from the government of some $11 billion. The Justice Department alleged that EDMC told its recruiters to use high-pressure tactics, exploit the psychological vulnerabilities of potential recruits, overstate job placement claims, enroll applicants even if they could not write coherently, and enroll students in online programs even if they had no computer. Meanwhile, more than a dozen state attorneys general pursued a joint investigation of EDMC regarding alleged misconduct in recruiting and provision of student loans. In November 2015, EDMC settled these charges by agreeing to pay $95 million to resolve the whistleblower case (the largest False Claims Act settlement ever with a for-profit college), and to forgive about about $103 million in loans to get rid of the state claims. Attorney General Loretta Lynch called the settlement “a historic step forward in our collective ongoing fight against fraudulent and abusive practices in the for-profit college industry.” She called EDMC “a high pressure recruitment mill.” Secretary of Education Arne Duncan added that EDMC “outright lied” to the government when it certified its compliance with the law prohibiting sales commissions. EDMC admitted no wrongdoing. Some felt the company got off way too easy, by pleading that it had little cash in the bank; the company continues to receive over $100 million a month in taxpayer money.

- In December 2013, EDMC agreed to pay $3.3 million in restitution and fines to settle charges with the Colorado attorney general that its Argosy University engaged in deceptive marketing practices. Argosy led students to believe that the school was working to get its doctorate of education in counseling psychology degrees accredited by the American Psychological Association and that graduates would be eligible to be licensed psychologists in Colorado, but that was not the case.
- EDMC schools are so pricey that they can be almost twice as expensive as Harvard for a student on financial aid. For example, EDMC’s New England Institute of Art’s list price one-year tuition is $18,552, compared with Harvard’s $37,576. But Harvard provides much more of its own financial aid to many of its students. So, in fact, the net price of earning a four-year degree from the New England Institute of Art, including living expenses, costs the average student on financial aid about $132,400 out of pocket, above the grant aid that the school receives for the student from the federal government. The net price of a four-year degree from Harvard for the average student on financial aid is about $73,100. The net price for a four-year degree at the state school Massachusetts

College of Art and Design is $66,404. At Massasoit Community College, for a two-year degree, it's $14,132.

- At a 2010 Senate hearing, Kathleen Bittel, a former recruiter and career counselor for EDMC, testified about the disparity between the size of the school's recruitment staff and its job placement staff: "I see a systemic problem here when there are only nine employees servicing the students that are being recruited by an admissions workforce of almost 1600. Career Services employees are being paid nearly a third of what the top performers in the admissions department receive. I believe these facts speak volumes as to where the real priorities lie within these companies."
- In 2012, EDMC designated a Vancouver, Canada, college it owns as a satellite campus of one of its U.S. colleges located 1,500 miles away in Phoenix. Why? One possible advantage was to evade the federal 90/10 rule, which requires for-profit colleges to obtain at least ten percent of their revenue from sources besides the U.S. Department of Education. Ninety percent of the Vancouver students were Canadian and thus ineligible for U.S. student aid. The combined Vancouver/ Phoenix campus thus had a much better chance to meet the 90/10 requirement.

CEO: Mark McEachen

Prominent advocates & validators:

Charlie Black. In the past year, EDMC paid $280,000 for lobbying services to Prime Policy Group, whose registered lobbyists on the account include the firm's chairman, Charles R. Black. The firm's website boasts that Black serves "as a principal legislative and public affairs advisor to several Fortune 500 companies and trade associations." It also notes that "Charlie is best known as one of America's leading Republican political strategists." Indeed, Black was a senior advisor to Presidents Ronald Reagan and George H.W. Bush; was once chief spokesman for the Republican National Committee; and was a senior political advisor to Senator John McCain's 2008 presidential campaign. EDMC also paid $220,000 in the same period for lobbying by the law firm Barnes & Thornburgh LLP, whose lobbyists for the company included **Edward Ayoob**, a former legislative counsel to former Senate Democratic Leader Harry Reid (NV). Each firm indicated in its disclosure form that its lobbying mandate for EDMC included the Obama "gainful employment" rule, aimed at penalized career education programs for consistently saddling students with debt they cannot afford to repay. Prime Policy Group and Barnes & Thornburgh each filed a disclosure notice in spring 2016, indicating that its representation of EDMC had ended.

John Danielson. John M. Danielson is chairman of the EDMC board of directors. According to his bio, “Danielson served as a key advisor to former U.S. Secretary of Education and current U.S. Senator Lamar Alexander from 1990 to 1995.” (Alexander was Secretary of Education under President George H.W. Bush from 1991 to 1993.) From 2001 to 2003, Danielson was chief of staff at the Department of Education in the George W. Bush administration. In 2005, he co-founded, and he continues to run, Chartwell Education Group, “an international education-consulting firm.” From 2010 to 2013, he served, at the appointment of Obama Secretary of Education Arne Duncan, as a peer reviewer in the K-12 Race to the Top state and district competitions. Danielson also serves on the board of Vatterott Educational Centers, a Missouri-based for-profit college company with a troubling record of predatory practices.

Harry Alford. Alford, CEO of a group called the National Black Chamber of Commerce, is mostly known for his advocacy on behalf of controversial industries that provide funding to his group. For example, Alford has persistently argued against policies to reduce global warming, while taking at least $1 million in donations from ExxonMobil. Alford also has been a consistent defender of for-profit colleges and critic of the Obama gainful employment rule. More recently, Alford authored an opinion essay in *The Hill* (a frequent outlet for pro-for-profit college op-eds) praising EDMC in the wake of its $200 million settlement of fraud charges brought by federal and state law enforcement. According to Alford's op-ed, "EDMC should be commended for leading the sector in establishing greater accountability and transparency, and in doing a better job of helping students pursue the right education to enable the careers they choose and the lives they want to lead." Alford added his own touch of transparency by accidentally leaving in his piece a parenthetical that appeared to be an instruction from a ghostwriter who had handed him the piece:

> As an observer with a rooting interest in providing students with an education that enables jobs that change lives (or from an employer perspective, if that fits the writer), it makes much more sense to allow the private-sector institutions to do their good work, making corrections where necessary and building on the innovation and nimbleness that is characteristic of the sector.

Sometime after this inadvertant, revealing parenthetical was publicly pointed out (including by me), it was deleted from the article.

Richard Powell. The Harry Alford op-ed snafu aside, EDMC has been getting some top-flight communications advice. I learned, and EDMC confirmed to me in 2014, that Teneo Holdings has been advising the company. An EDMC spokesman told me that a Teneo division called Teneo Strategy "currently serves as the company's communications advisor. They have been working with the company since the Fall of 2012." Teneo is a "global advisory firm" that has grown rapidly in influence. Teneo was founded and is run by **Declan Kelly**, **Paul Keary**, and **Douglas Band**, who served, as his bio notes, as former "President Clinton's chief advisor from 2002 until 2012." Richard Powell has been president of Teneo Strategy since July 2012; he previously worked as the chief communications officer for Bloomberg LLP and as chief operating officer worldwide for the big public relations firm Burson-Marsteller.

Timothy Hatch. EDMC's lawyers in the fraud lawsuits against it have included **Timothy J. Hatch** of the Los Angeles office of the powerful law firm Gibson Dunn. Hatch has plenty of experience defending for-profit colleges, including ITT Tech, Kaplan, Bridgepoint, and Computer Systems Institute, against fraud charges brought by whistleblowers; he also represented Ernst & Young in a whistleblower suit filed against Corinthian Colleges and Ernst & Young, which served as Corinthian's auditor. During the George W. Bush Administration, Hatch represented Apollo / University of Phoenix in negotiations that led to the Department of Education imposing a $10 million fine on the company for alleged violations of the Department's rules against paying sales commissions to recruiters, and his firm represented Apollo in the shareholder lawsuit that came in the wake of that matter. And Hatch represents ITT in the ongoing lawsuit, alleging coercive lending practices, brought against it by the Consumer Financial Protection Bureau.

In addition, Hatch and his DC-based partner at Gibson Dunn, **Douglas R. Cox**, represent the industry trade group APSCU in their endless litigation aimed at striking down the Obama gainful employment rule, which aims to protect students from career education programs that leave graduates with overwhelming debt. A panel of the U.S. Court of Appeals for the District of Columbia Circuit emphatically rejected Cox and Hatch's arguments in March 2016, declaring, as noted above, "It would be a perverse system that, by design, wasted taxpayer money in order to impose crippling, credit-destroying debt on lower-income students and graduates"; the full coterie of judges on the appeals court rejected further review in June 2016. The Gibson Dunn website boasts that Cox "played a principal role in the firm's successful representation of the prevailing candidate before the Supreme Court of the *United States in Bush v. Palm Beach County Canvassing Board* and *Bush v. Gore*, stemming from the 2000 presidential election…." Cox served in the Reagan and George H.W. Bush administrations in the Justice Department Office of Legal Counsel.

Cox and Hatch also in 2016 represented APSCU, with additional financial support from former APSCU members DeVry and Bridgepoint, in a mostly unsuccessful effort to convince the Supreme Court to make it harder for whistleblowers to sue for fraud.

Other key lawyers for EDMC in the fraud lawsuits brought against it have been Charles Moellenberg Jr., Laura Ellsworth, Thomas Jones, and Jeffrey Bresch of the Pittsburgh office of the big law firm Jones Day.

DeVry Education Group

Schools: DeVry University, American University of the Caribbean School of Medicine, Becker Professional Education, Carrington College, Chamberlain College of Nursing, DeVry Brasil, Ross University School of Medicine, Ross University School of Veterinary Medicine

Taxpayer aid (U.S. Department of Education funding) last year: $1.47 billion

Current & recent law enforcement investigations or actions:

Federal Trade Commission, U.S. Department of Education, attorneys general of Illinois, Massachusetts, and New York. Details.

Sample troubling behavior:

- In January 2016, the Federal Trade Commission sued Illinois-based DeVry for allegedly misleading students about job placement rates and salaries for the school's graduates, with damages potentially reaching $8.6 billion. The complaint focuses on claims that DeVry University repeatedly made in its TV, radio, online, print and other advertising: that 90 percent of DeVry graduates actively seeking employment got jobs in their field within six months of graduation; and that DeVry graduates had 15 percent higher incomes one year after graduation on average than the graduates of all other colleges or universities. The complaint alleges DeVry counted many graduates as working “in their field” when they were in fact:

- a business administration graduate working as a server at the Cheesecake Factory restaurant;
- graduates who majored in technical management working as unpaid volunteer positions at medical centers;
- a business administration graduate with a health care management specialization working as a car salesman.

The complaint also alleges that DeVry counted, as placed in jobs, graduates who were working in the same jobs they held prior to enrolling at DeVry. DeVry says it did nothing wrong.

- In a March 14, 2016, letter, VA Deputy Under Secretary Curtis L. Coy informed DeVry that he was removing DeVry’s “Principles of Excellence“ approval status, which indicates a commitment to protecting student veterans, from the VA’s GI Bill Comparison Tool, and would place a warning flag on its website to call attention to the FTC lawsuit. Coy wrote that the VA was “greatly concerned about FTC’s findings in the pending lawsuit” and added that “VA received significant numbers of complaints” from veterans “regarding DeVry and its misrepresentation to students and prospective students of post-graduation employment outcomes as well as providing insufficient information on total cost of programs.”
- The Senate HELP committee documented manipulative recruiting practices, aimed at exploiting a prospective student’s “pain,” at DeVry.
- Christopher Neiweem, an Iraq war veteran, testified before Congress in 2013 about his job at DeVry from 2008 to 2009, which was to recruit veterans to the school. Veterans and servicemembers, who have earned VA and Pentagon education funding for their

service, are a critical target of for-profit colleges, which are required by the federal 90/10 rule to obtain at least ten percent of their funding from sources other than Department of Education aid. Neiweem says his bosses told him to get “asses in classes,” even for veterans deployed to active combat zones or who otherwise might not benefit from the programs. Worse, they told him to represent himself as a “military adviser,” which might have suggested he was associated with the Defense Department. Neiweem went on to work at the respected advocacy group Iraq and Afghanistan Veterans of America. Other former DeVry recruiters have corroborated his account.

- On May 24, 2016, DeVry announced that CEO Daniel Hamburger, who six days earlier had defended the company’s record and discussed the company’s future in a video interview with Yahoo Finance, was leaving, effective immediately, “to pursue other opportunities.”

CEO: Lisa Wardell

Prominent advocates & validators:

Ann Weaver Hart. On February 22, 2016, DeVry announced that Ann Weaver Hart, president of the University of Arizona, and **Linda Katehi**, Chancellor of the University of California-Davis, had joined its board of directors. Eight days later, Katehi abruptly resigned from the DeVry board, having faced withering criticism from a California state assemblyman and public interest advocates.[8] But Hart, who heads one of Arizona's two flagship universities, refused to quit DeVry's board, despite mounting criticism in her state, including an April 2016 letter signed by 22 Arizona lawmakers calling on Hart to resign her presidency. Instead, she said, "I will remain on the board for the same reasons I accepted the appointment — I believe my experience helping public university students achieve their academic goals will benefit DeVry's students." The company pays board members $70,000 a year, plus stock worth about $100,000. In June 2016, immediately following a meeting with the Arizona Board of Regents, Hart announced that she would not seek an extension of her contract as university president when it expires in 2018. In effect, she had chosen DeVry over Arizona.

[8] Katehi's resignation from the DeVry board did not halt the criticisms, especially after it was discovered that she also serves on the board of college textbook publisher John Wiley & Sons. Five California Assembly members called on Katehi to resign as chancellor, and students demanding her ouster camped outside her office. On April 27, 2016, University of California systemwide president Janet Napolitano placed Katehi on paid leave pending a review of allegations of nepotism, misuse of student funds, and misstatements regarding efforts to enhance the online reputation of Katehi and her school in online search results. Katehi has denied wrongdoing.

Alan Merten. Another DeVry board member with a strong academic pedigree is Alan Merten, President Emeritus and Distinguished Service Professor at a Virginia public institution, George Mason University. Merten was paid $1.87 million in 2012, his last year as George Mason's president, making him one of the nation's highest paid university leaders.

Merten told me that he was recruited to the DeVry board in 2012, after he stepped down as George Mason president, by the then-board chair, **Harold Shapiro**. Shapiro joined DeVry in 2008 after serving as president of Princeton University and, before that, the University of Michigan. (Shapiro left the DeVry board in May 2013.) Merten explained his decision to join the DeVry board: "I am interested in education of all types ... I wanted to have influence, and I believe I have had influence… I feel like I have a responsibility to ask tough questions, and when I ask tough questions, I get answers." He said he was focused on DeVry hiring and rewarding quality faculty. He said that in an industry of "good guys and bad guys… DeVry happens to be one of the good guys." As to Christopher Neiween's 2013 testimony to Congress about DeVry's questionable recruiting practices aimed at U.S. servicemembers and veterans, Merten said he was not aware of it. When asked if he was concerned about DeVry's overall recruiting record, Merten told me that decisions to enroll are the responsibility of individual students. As to whether he had any concerns about DeVry trading on the reputations of esteemed academics, he said, "I don't get the feeling that I have been used."

Doug Parker. Doug Parker is the chairman and CEO of American Airlines. American Airlines tells its workers that one of the employee benefits for which they are eligible is "career development training," and an internal employee benefits web page lists American's "learning partners and other sources for tuition discounts, waived enrollment fees and education grants to help you further develop your professional skills." The schools listed by the company as providing benefits for its thousands of employees — managers, pilots, flight attendants, reservations agents, and others — are for-profit colleges DeVry, the University of Phoenix, American Intercontinental University (owned by Career Education Corporation), Strayer University, and Capella University, plus a single state-run institution — Penn State's online World Campus.

The American employee web page links directly to special pages tailored to the company's workers on each of the partner college web sites, where, in some cases, eager recruiters quickly appear in pop-up windows ready to start a live chat.

Some American Airlines workers might end up worse than when they started if they begin such a chat and utilize these alleged employee benefits. As noted, DeVry, the University of Phoenix, and Career Education Corp. all in recent years have been under investigation by multiple federal and state law enforcement agencies for deceptive recruiting and other questionable business practices that have left many students with overwhelming student loan debts and without enhanced career prospects.

American Airlines steering its employees to for-profit colleges, some of whose owners are under law enforcement investigation, and all of which are starved for students and charge high prices, seems a questionable employee benefit. Why would American push its employees to those for-profit institutions, when higher quality, lower priced options are often available? Many state schools are more affordable than the for-profit schools on American's list, even taking into account the 5 to 10 percent discounts the for-profits are offering American employees.

But American Airlines is far from alone in steering employees to troubled colleges. For example, according to DeVry's website, it has educational partnerships with scores of major employers, including AllState Insurance, Archer Daniels Midland, AT&T, Avis Budget Group, Carnival Cruise Lines, Chicago Transit Authority, CIGNA Corporation, the cities of Atlanta, Detroit, Miami, Philadelphia, and Seattle, Con Edison, Domino's Pizza, Farmers Group, FedEx, GoDaddy, Kroger, Lawrence Livermore National Laboratory, Macy's, McDonald's, MetLife, Northrop Grumman, Office Depot, Pacific Gas and Electric, Rite Aid, Salesforce, Sony Electronics, State Farm, Subway, Suntrust Bank, TimeWarner Cable, United Airlines, UPS, U.S. Postal Service, U.S. Department Of Health and Human Services, Wal-Mart, Xerox, even Cirque du Soleil, and even the FBI.

FBI employees have their own page on the University of Phoenix site — with a 10 percent tuition discount offer, as compared with 6 percent for American Airlines employees and 8 percent for United Airlines employees. While some FBI agents may be enrolling at troubled for-profit colleges based on the Bureau's referral, agents also have been involved in raiding fraudulent for-profits and aiding in the criminal prosecution of college operators.

United Airlines employees get the same 10 percent discount as American employees on their own page at the American Intercontinental University site. Home Depot employees get only a 5 percent discount from that school. Home Depot also has an education partnership -- including a "14% tuition grant" -- with predatory for-profit Kaplan. Poke around and you will find many more such arrangements between major employers and for-profit colleges that are under law enforcement investigation.

It’s easy to see why the for-profit colleges would be attracted to such partnerships, especially because any cash contributions from an employer for employee tuition would ease compliance with the federal 90/10 rule, which requires for-profit colleges to obtain at least ten percent of their revenue from sources other than the U.S. Department of Education.

But is any money flowing the other way? Are any of these employers obtaining cash commissions or anything else of value from these for-profit college companies for directing employees to such overpriced schools? For-profit colleges, desperate to sign up new students, cash their checks, and keep investors happy, are willing to pay handsomely for student leads in other contexts.

Such arrangements, if they existed, would seem to be a breach of trust by the employer. But even if no such compensation is provided by the for-profit colleges to employers, recommending troubled colleges to employees suggests that, at least, these employers are not doing sufficient due diligence about what constitutes a desirable benefit for their workers.

I posed these questions to American Airlines spokesperson Joshua Freed, but the only response he would provide on behalf of the company was: “I can tell you that we try to provide a wide variety of educational opportunities for our employees.”

As I’ve said, not all for-profit college programs are bad, and there are fine teachers and successful students at even some of the most troubled institutions. But on balance many students can get a better education at a better price at public colleges, many of which now offer flexible options like online classes.

Employers who offer dubious “benefits” to their workers to attend for-profit colleges that are under law enforcement investigation for deceiving students should be asked by government regulators, media, employee unions, and individual workers whether they are receiving any compensation for steering their employees to these predatory colleges, and whether there aren't superior educational benefits they could be offering instead.

Of course, the Department of Education, which last year sent that $8 billion in taxpayer money for student grants and loans to DeVry, University of Phoenix, Career Education Corporation, EDMC, ITT Tech, Kaplan, and Bridgepoint, thus essentially giving those schools the Department's seal of approval, needs to keep asking itself the same question.

Kenneth Salomon. DeVry paid $200,000 in the past year to the lobbying firm Thompson Coburn LLP, including long-time D.C. lobbyist Kenneth D. Salomon. Salamon and his firm are also registered lobbyists for ITT Tech, which paid them $180,000 over the past year. In January 2015, the United States Olympic Committee appointed Salomon as one of five members on the organization's ethics committee. That provides some synergy, given that DeVry uses some of your tax dollars to promote itself as a designated official education provider to Olympic athletes.

Other registered lobbyists for DeVry in the past year have included **Randy Nuckolls** of the firm Dentons US ($70,000); **Moises Vela Jr.**, who signed on in early 2016 and formerly served as director of management and administration for Vice President Biden; and **Heather Podesta** + Partners, which received $1,390,000 from DeVry for lobbying between 2010 and the termination of the relationship in mid-2015.

Kaplan, Inc., a subsidiary of Graham Holdings Company

Schools: Kaplan University, Concord Law School, Dev Bootcamp, numerous overseas schools

Taxpayer aid (U.S. Department of Education funding) last year: $877 million

Current & recent law enforcement investigations or actions:

U.S. Department of Justice; U.S. Department of Education; attorneys general of Delaware, Florida, Illinois, Massachusetts, and North Carolina. Details.

Sample troubling behavior:

- In 2015, Massachusetts attorney general Maura Healey announced settlement of an investigation of Kaplan for unfair and deceptive student recruiting practices. Kaplan agreed to pay $1.375 million to former students. According to Healey, Kaplan got students to enroll "with harassing sales tactics and misleading representations in its recruitment materials concerning its educational program and employment." Healey found that Kaplan's website and its recruiters claimed job placement rates for Kaplan's Medical Assistant and Medical Billing and Coding programs as above 70 percent, when in fact the rates were significantly lower. Kaplan also promised to help students find jobs, but students told Healey's office "that the job listings provided by Kaplan were from publicly available resources and that Kaplan did not provide any special services or programs to assist students and graduates in their job search." Accordingly, Healey said in her court filing, "Kaplan unfairly or deceptively induced students to enroll..." In the settlement papers, Healy noted that Kaplan no longer operates any Kaplan Career Institute schools in Massachusetts. Under the settlement, Kaplan must give the attorney general's office notice "before attempting to open or re-open any for-profit school campuses in Massachusetts." Kaplan admitted no wrongdoing in the Massachusetts settlements, and it publicly denied Healy's allegations.

- In 2015, Kaplan agreed to pay about $1.3 million under a settlement with the Justice Department to resolve whistleblower allegations that it employed unqualified instructors at its campuses in Texas. Kaplan denied wrongdoing.
- An award-winning 2015 *Miami Herald* investigation of for-profit colleges led with the story of a Florida mom, Sara Pierce, who says she was misled by a recruiter for Kaplan into signing up for an online bachelor's degree program in Nutrition Science. Pierce thought the program would directly qualify her to be a licensed nutritionist, when in fact it was not accredited by the appropriate agency. When, near the end of her studies, a professor let Pierce know that the degree would not make her eligible for the job she sought, and she complained, the school pointed her to fine print in a Kaplan manual. But it stands to reason that had Pierce actually known the low value of the degree, she would not have enrolled. There are other instances of Kaplan students feeling similarly misled about accreditation — in Kaplan's dental assistant program in Charlotte, in Kaplan's online Concord law school — and left deep in debt, without the useful degree they sought.

- A Kaplan training document obtained by Senate investigators encouraged employees recruiting students to “Keep digging until you uncover their pain, fears and dreams” and to “Get to their emotions and you will create the urgency!” (Kaplan said the company stopped using the guide in 2010.)
- In 2011, the *Huffington Post* reported, based on accounts from Kaplan employees and students, that Kaplan managers pressured recruiters to engage in “guerrilla registration” -- enrolling students in classes they never took, without their permission, in order to increase federal aid. (Kaplan denied the claims.)
- In 2014, Graham Holdings then-CEO (now chairman of the board) Donald Graham launched a college scholarship program for undocumented young people, obtained more than $80 million in donations from Mark Zuckerberg, Bill Gates, Michael Bloomberg, and others, and, through the program’s director, who was placed on the Graham payroll, sent some five percent of the students and scholarship money to Kaplan and other for-profit colleges owned by Graham Holdings -- a clear conflict of interest.
- Donald Graham, the heir to the family company that owned the *Washington Post* newspaper, and a pillar of the Washington DC business, political, and social establishment, has been, according to White House officials, the most influential and aggressive behind-the-scenes industry lobbyist working to weaken Administration initiatives to hold for-profit colleges accountable for abuses. In response to media reports about Kaplan abuses, Graham has explained that Kaplan “is a high-integrity place” that has a great record of success, is “bitterly sorry” for a few minor lapses, and has been unfairly attacked in the media. As to the time in 2010 that undercover Government Accountability Office investigators caught Kaplan recruiters engaging in blatant deceptive practices, Graham blames two rogue employees who “behaved like the worst kind of unethical used-car salesmen.” He does admit that “Some for-profit colleges have behaved disgracefully to their students; I do not defend them.” But as to defunct Corinthian Colleges, which even some industry executives now say was one the worst

actors in this sector, Graham may not defend them, but he owned them. His company owned as much as 8 percent of awful Corinthian before its demise.

CEO: Timothy J. O'Shaughnessy (Graham Holdings[9]), Andrew S. Rosen (Kaplan subsidiary)


Prominent advocates & validators:

Lee C. Bollinger, the President of Columbia University, the longest current serving president of an Ivy League school, and an esteemed constitutional legal scholar, serves on the Graham Holdings board of directors. Bollinger's $150,000 annual Graham Holdings compensation supplements an impressive income from Columbia; he is, according to the most recent *Chronicle of Higher Education* survey, the highest paid college president in the United States,

[9] The company was called The Washington Post Company until it sold its flagship newspaper to Jeff Bezos in 2013. O'Shaughnessy, 33, replaced Donald Graham as CEO in November 2015.

with a $4.6 million package for 2013. Bollinger has stayed on the Graham board despite activism by Columbia students calling for him to resign because of Kaplan's record.

James H. Shelton served until May 2016 on the Graham Holdings board of directors, which he joined in November 2015, by which which time the company was facing multiple law enforcement probes, and it was clear that Kaplan had engaged in troubling practices. From 2013-14, Shelton served as the U.S. Deputy Secretary of Education, the number two official of the Department, and no doubt that credential would have been attractive to Donald Graham's company as it sought to restore its credibility in the education field. On May 4, 2016, Shelton was named the head of the education component of the Chan Zuckerberg Initiative, funded by Facebook CEO Mark Zuckerberg and his wife, Dr. Priscilla Chan. According to Zuckerberg's announcement of Shelton's appointment, "Jim will bring all of his own experience in improving personalized learning and helping underserved communities." It was unclear whether that description was meant to include Shelton's service on the board that oversees Kaplan University. On May 16, 2016, after I had published an article addressing this situation, Graham Holdings announced that Shelton had resigned from its board, effectively immediately. A source told me that Shelton already had planned to resign in connection with taking the Chan Zuckerberg job. But Shelton's resignation doesn't change the fact that he traded on his reputation and experience in the Obama Administration to validate and support the work of a company that has been under law enforcement investigation for abuses of students.

Ronald Olson. Another current Graham Holdings board member is prominent Los Angeles lawyer Ronald L. Olson, a name partner of the mega-firm Munger, Tolles & Olson, which was founded by Warren Buffett's right-hand man Charles Munger. Olson's law firm has represented in major fraud litigation the notorious predatory Corinthian Colleges, which is fitting since, as noted, Graham's company owned a significant stake in Corinthian until its 2015 collapse.

Olson is a director of Buffett's company Berkshire Hathaway and of non-profit organizations including the RAND Corporation, the Mayo Clinic, and the California Institute of Technology. He was chairman of the American Bar Association's Litigation Section from 1981 to 1982 and the ABA's Standing Committee on Federal Judiciary from 1991 to 1992.

Joel Packer. Packer spent 25 years as an advocate with the teachers union the National Education Association. Then he became a lobbyist with The Raben Group. Kaplan paid the Raben firm to lobby for several years, including $400,000 to hire Packer for the latest 16-month stint ending with a termination filing in April 2015, long after Kaplan's conduct had led to law enforcement and media investigations. The declared mission on Packer's federal registration form was to lobby on "Higher Education Act reauthorization," which did not occur in that period, and on the Obama "gainful employment" regulations, which did. A Kaplan program flunked an initial test run of the gainful employment rule, which penalizes programs that leave former students with overwhelming debt.

Packer retired from the Raben Group in May 2016; he referred me for comment to Robert Raben, head of the firm. I have long liked and respected Raben, a former Assistant U.S. Attorney General for Legislative Affairs who works closely with the civil rights community. He responded:

> At the Raben Group we are honored to take on representatives where orgs/people feel like they are willing to move or compromise on issues and practices that are of concern to critics they care about. That was the case with Mr. Graham/Kaplan; Don has great integrity and I am honored to have worked with him.

Career Education Corporation

Schools: American InterContinental University, Briarcliffe College, Brooks Institute, Colorado Technical University, Harrington College of Design, Le Cordon Bleu, Missouri College, Sanford-Brown

Taxpayer aid (U.S. Department of Education funding) last year: $803 million

Current & recent law enforcement investigations or actions:

Federal Trade Commission; Securities and Exchange Commission; attorneys general of Arkansas, Arizona, Connecticut, Idaho, Iowa, Kentucky, Missouri, Nebraska, North Carolina, Oregon, Pennsylvania, Washington, Illinois, Tennessee, Hawaii, New Mexico, Maryland, Florida, Massachusetts, Minnesota, New York, and the District of Columbia. Details.

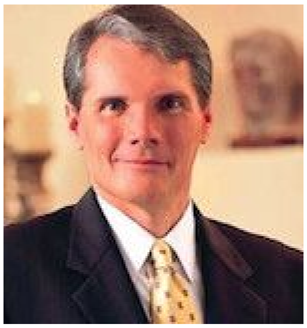
Sample troubling behavior:

- In 2013, New York Attorney General Eric Schneiderman announced that Illinois-based Career Education Corporation would pay $10.25 in fines and restitution to students over charges that CEC significantly inflated its job placement rates in communicating with students, accreditors, and government officials. CEC's alleged bad acts included: counting as placed in a permanent job a student who worked one day at a health fair created by CEC; counting graduates of criminal justice programs as placed "in field" if they obtained retail sales jobs; and claiming placement rates as ranging from 55 percent to 80 percent, when the actual figures were 24 percent to 64 percent. CEC was also accused of failing to inform prospective students that some of its programs lacked programmatic accreditation, meaning that graduates would have no opportunity to apply for the kinds of jobs for which they thought they were training. CEC admitted no wrongdoing.

- In 2010, CEC agreed to pay $40 million to settle a class action lawsuit brought by students who said its San Francisco-based California Culinary Academy had misled them by claiming that 97 percent of graduates were hired for culinary jobs. The school failed to explain to applicants that that figure included graduates working as baristas, prep cooks, and waiters, jobs for which a degree was not required. The students also alleged that CEC invented fake job placements. CEC admitted no wrongdoing.
- In 2013, a California arbitrator awarded Anna Berkowitz $217,000 in the first of over 1,000 claims filed against CEC's Le Cordon Bleu College of Culinary Arts in Pasadena. The arbitrator ruled that CEC committed fraud when its staff told Berkowitz that borrowing $40,000 to pay for eight months of training at the school would make her "a shoe-in" to land a job as a pastry chef earning $75,000 a year to start. Berkowitz and other former Cordon Bleu learned too late that it was highly unlikely they would ever be able to pay off their heavy loans working in the culinary industry.
- In August 2015, CEC named Todd Nelson its new CEO. Nelson had previously been CEO of the University of Phoenix and, after that, of EDMC. Both of those companies

have faced law enforcement investigations based on conduct that occurred during Nelson's tenure.

CEO: Todd Nelson



Prominent advocates & validators:

Ron McCray. McCray serves on a lot of boards of directors and has an impressive resume. According to a November 2012 press release from Career Education Corp., announcing that McCray had joined the company's board:

> A private investor and corporate director, McCray serves on the governing boards of Harvard Law School, Southern Methodist University's Dedman School of Law and Cornell University, where he co-chairs the Finance Committee. He also serves on the governing boards of newspaper publisher A. H. Belo, where he is the chairman of the

compensation committee, and ROI Acquisition, where he is chairman of the Nominating and Governance Committee.

In 2011, President Barack Obama nominated McCray and the U.S Senate confirmed him to be a member of the Federal Retirement Thrift Investment Board. He previously served on the board of directors of newspaper publisher Knight Ridder, Inc. and Kimberly-Clark de Mexico S.A. de CV. He is also a member of the Council on Foreign Relations and a minority owner of the Boston Celtics NBA franchise.

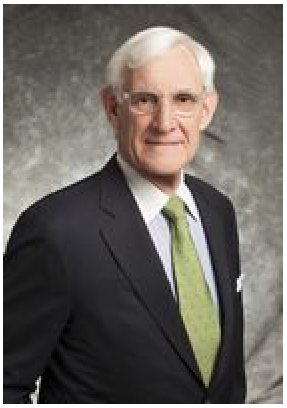
McCray previously served as the Chief Administrative Officer of Nike, Inc., with responsibility for strategic leadership and for oversight of various businesses and administrative functions. Prior to joining Nike, he served as chief legal officer of manufacturer Kimberly-Clark Corporation, with global responsibility for strategic leadership as well as legal, internal audit, compliance and other administrative functions. He practiced corporate, securities and finance law at Weil, Gotshal & Manges and Jones Day.

Adding to its board of directors such a credentialed individual, at a time when the company faced increasing criticism and scrutiny for its predatory practices must have been seen by Career Education management as a smart move. It's unclear what Harvard and SMU law schools and Cornell University students, faculty, and board members would think if they realized their institutions were sharing a board member with a company under investigation by multiple state and federal law enforcement agencies. Or what his fellow board members at the Federal Retirement Thrift Investment Board, which oversees federal employee retirement savings plans, would think about sharing a board member with a company that has such a troubling record.

Such concerns from other institutions might have increased when McCray stepped in to be Interim CEO and President of Career Education Corp. from February to August 2015, between the departure of Scott Steffey and the hiring of Todd Nelson.

In a May 27, 2016, SEC filing, Career Education Corporation announced the election of board members at the company's shareholder meeting three days earlier. It appears that Ron McCray has left the company's board, on whose roster he was listed until then.

Greg Jackson. One of the remaining Career Education Corp. board of directors members is Greg L. Jackson, who is co-portfolio manager for the Oakseed Opportunity Fund and Managing Partner of Jackson Park Capital, LLC. From 2003 to 2010, Jackson was an Investment Partner and Co-Head of the Investment Committee for Blum Capital Partners L.P. Jackson joined the CEC board in 2008. San Francisco-based Blum Capital was founded in 1975 and is still run by **Richard C. Blum** (who is the husband of Senator Dianne Feinstein (D-CA)). Blum Capital was just a few years ago the largest shareholder in both CEC -- almost 20% of the shares -- and ITT Tech -- more than 10%. It has since reduced its holdings to about 9.4 percent of CEC and 7.9 percent of ITT.



Patrick Gross. Yet another Career Education Corp. board of directors member with an impressive background is Patrick Gross. He is chairman of the Lovell Group, “a business and technology advisory and investment firm,” and he was a co-founder and worked for 30 years with the Northern Virginia-based technology consulting firm American Management Systems. Gross sits on the board of trustees of the prestigious Aspen Institute and is a director of ten other business corporations, including Capital One Financial.

ITT Educational Services

Schools: ITT Tech, ITT Breckenridge School of Nursing, Daniel Webster College

Taxpayer aid (U.S. Department of Education funding) last year: $664 million

Current & recent law enforcement investigations or actions:

Securities and Exchange Commission; Consumer Financial Protection Bureau; attorneys general of New Mexico, Arkansas, Arizona, Connecticut, Idaho, Iowa, Kentucky, Missouri, Nebraska, North Carolina, Oregon, Pennsylvania and Washington. Details.

Sample troubling behavior:

- ITT training documents obtained by Senate investigators in 2011 included a "Pain Funnel and Pain Puzzle" providing questions for recruiters to ask prospective students in order to "poke the pain" and compel enrollment. Examples: "What has not having a college education cost you?" and "What are you willing to change now, or have you given up trying to deal with the problem?"
- The Consumer Financial Protection Bureau has sued Indiana-based ITT, charging in a 2014 complaint that "ITT subjected consumers to undue influence or coerced them into taking out ITT Private Loans through a variety of unfair acts and practices designed to interfere with the consumers' ability to make informed, uncoerced choices." (ITT denies the charges in this case and all the cases described below.)

- In May 2015, the Securities and Exchange Commission sued ITT, CEO Kevin Modany, and ITT's former CFO, charging that the company "made various false and misleading statements and omissions to defraud ITT's investors by concealing the extraordinary failure" of its student loan programs. The SEC charged that ITT management "engineered a campaign of deception and half-truths that left ITT's auditors and investors in the dark concerning the company's mushrooming obligations" regarding its private student loan program.
- In January 2016, ITT agreed to pay $1.1 million and commit to a series of corporate governance reforms to settle a series of lawsuits brought by shareholders that charged ITT with securities law violations, including that ITT had engaged in breach of fiduciary duty, unjust enrichment, abuse of control, corporate waste, and gross mismanagement.
- The attorney general of New Mexico has sued ITT for alleged "unfair, deceptive, and unconscionable acts and practices ... in connection with the advertising, marketing, and selling of educational services" to prospective students.
- A federal whistleblower lawsuit unsealed in January 2016 alleges, among other claims, that a blind student applied to the ITT computer networking program, which requires students to read codes and identify plugs and wires by color in order to repair computers. The employee who has filed the suit, Rodney Lipscomb, says he raised concerns about whether the ITT program would actually help this blind student, but ITT's recruiting director told him "it was not ITT's problem" to dissuade the student. Lipscomb says he contacted a Florida disability agency and was told that federal law did not require ITT to admit the student, because he could not perform this computer repair work even with a reasonable employer accommodation. But a supervisor reprimanded Lipscomb for making that inquiry, and the student was enrolled. He dropped out after four weeks with an entire academic quarter's worth of loan debt, no degree, and no job. Lipscomb further alleges that ITT recruiters in Florida were instructed by management to tell prospective students that if they enrolled in ITT's criminal justice program, they could

get jobs doing forensic science work like they saw on “CSI Miami.” In fact, the ITT program did not train students to do such work, and Lipscomb claims that upon discovering what recruiters were saying, he and Kysha Fedd, the campus chair of the criminal justice program, went to classrooms to inform current students, many of whom “became upset ... and dropped out,” but still had to pay back their loans. Fedd resigned, saying “she could ‘no longer work for the devil’ and that she was extremely disappointed that the students were leaving ITT with almost $50,000 in debt and no job prospects except to work as a security guard in the mall.” ITT Tallahassee subsequently shut down its criminal justice program. Subsequently, the director of recruiting told his staff that prospective students interested in criminal justice “should be steered to the business management program and told that they will be able to open their own private investigation business, even though that is not what the Business Management program is designed to train students to do.” According to Lipscomb, ITT Tallahassee held weekly “show meetings” where managers required recruiters to discuss their efforts to sign up students. When one recruiter expressed concern about enrolling a single mother who lived two hours from campus, the campus recruitment director instructed this subordinate “that it was not his role to judge what would be best for the student” and to instead say “two hours isn’t really insurmountable.” After Lipscomb complained about the tenor of these meetings, his superiors barred him from attending them. Lipscomb also alleges that ITT pressured students to stay enrolled by telling staff to “keep the student’s financial aid ramifications in front of their face” and threatening to refer student loans to collections agencies if they dropped out, while explaining that if they stayed in school, the loans would be deferred.

- In October 2015 the U.S. Department of Education put delays and new restrictions on the delivery of student aid to ITT, after the Department concluded that ITT had failed to properly account for federal aid money since at least 2009 and failed to comply with prior Department orders to strengthen financial controls. The Department had already, in

2014, placed ITT on a probationary "heightened cash monitoring" status and required the company to post an $80 million letter of credit. Then, in June 2016, the Department announced it has doubled the amount that ITT Tech must post in a letter of credit to 20 percent of the company's annual haul of federal financial aid -- $124 million. The Department said it was acting after ITT, on April 20, got a show-cause letter from its accreditor, the Accrediting Council for Independent Colleges and Schools (ACICS) stating "that a number of actions called into question ITT's administrative capacity, organizational integrity, financial viability and ability to serve students in a manner that complies with ACICS standards." Failure to meet even ACICS's historically lax standards could be a problem. (On June 15, 2016, the Department of Education staff recommended to the Secretary of Education that ACICS be terminated as a Department-approved accreditor.) The new ITT letter of credit level is needed, the Department explained, as such letters "cover certain liabilities if a school closes at a time other than at the end of an academic period. Funds from the surety could be used to make refunds, provide teach-out facilities, and meet institutional obligations to ED."

CEO: Kevin Modany

Prominent advocates & validators:

Vin Weber. Weber has served, since 1994, on ITT's board of directors. A former U.S. congressman from Minnesota, Weber is one of the most influential Republican strategists and lobbyists in Washington.

Weber was elected to the House in 1980 and rose to be secretary of the House Republican Conference and a top adviser to Rep. Newt Gingrich. Weber quit Congress in 1992, after he was implicated in the notorious House banking scandal, accused of writing 125 bad checks worth about $48,000.

As a lobbyist, Weber has pressed his former colleagues in Congress on behalf of clients including AT&T, the pharmaceutical trade association PHRMA, Russia's state-owned gas company Gazprom, mortgage giant Freddie Mac, student loan giant Sallie Mae, and student debt collection companies Navient and ECMC.

Meanwhile Weber has served as a campaign advisor to Republican presidential candidates including Bob Dole, George W. Bush, Mitt Romney, and, in the current election cycle, Jeb Bush. Weber is the former chair and current vice-chair of the board of the National Endowment for Democracy, a government-funded bipartisan non-profit charged with promoting democracy overseas, and a board member of the Council on Foreign Relations and the Aspen Institute.

Scott Walker. In 2014, Wisconsin governor Scott Walker (R) publicly defended ITT Tech; touring an ITT campus and asked about law enforcement investigations of the company, Walker called ITT's record in his state "positive." In 2015, Walker tried to eliminate the tiny agency in his state that approves and oversees for-profit colleges; the Wisconsin legislature blocked the move.

Robert Lovett. In 2014, Robert Lovett, a Boston attorney with the law firm Cooley LLP, sued Massachusetts attorney general Maura Healey in federal court on behalf of a group of some 40 for-profit colleges, claiming that she lacked authority to issue rules regulating the industry and that the rules violated the First Amendment's free speech protections. The group suing included

ITT Tech's two campuses in Massachusetts -- Norwood and Wilmington -- as well as the Cambridge, MA, campus of Le Cordon Bleu, owned by Career Education Corp.

Cooley has a history of serving the for-profit college industry. The firm was listed as one of Corinthian Colleges' 30 largest unsecured creditors in Corinthian's May 2015 bankruptcy filing. Cooley D.C. lawyer **Mike Goldstein**, "co-chair of the Firm's Higher Education practice," is named as the firm contact on Corinthian's bankruptcy papers. Cooley also filed a September 2015 comment in response to the Department of Education's notice that it was planning a rulemaking on the issue of federal student loan debt relief for students defrauded by their schools; the comment, on Cooley letterhead, questions whether the Department would have authority to recover student debts from the colleges involved. The filing is notable because it not only fails to identify any client on whose behalf Cooley might be writing but it also fails to identify any Cooley lawyer or other staff member involved in preparing the comment. In addition, Cooley has publicly touted its expertise in advising for-profit colleges in converting to non-profit status; such conversions have been questioned in the media and by The Century Foundation over concerns about financial self-dealing, abuse of non-profit status, and evasion of regulations aimed at preventing predatory practices.

In response to my inquiry, Robert Lovett stressed in an email that the firm was seeking to protect constitutional rights issues regarding the Massachusetts regulation, and he noted that the U.S. District Court judge hearing the case had granted his clients summary judgment on, and invalidated as violative of the First Amendment, two of Massachusetts' regulation provisions at issue in the case. (The court further decided that the remaining eight rules did not violate the law and granted judgment for Massachusetts on those.) Lovett added that his clients did not challenge the Attorney General's prerogative "to pursue businesses in Massachusetts under the Commonwealth's consumer protection statute." When I followed up to ask if he had any concerns that his firm's skilled, zealous efforts on behalf of companies like ITT, CEC, and

Corinthian might be harming students and taxpayers, Lovett politely declined to provide further comment.

Bridgepoint Education

Schools: Ashford University, University of the Rockies

Taxpayer aid (U.S. Department of Education funding) last year: $639 million

Current & recent law enforcement investigations or actions:

Securities and Exchange Commission; Consumer Financial Protection Bureau; attorneys general of California, North Carolina, New York, Massachusetts, Iowa. Details.

Sample troubling behavior:

- When San Diego-based Bridgepoint bought a Clinton, Iowa, 87-year-old religious college, The Franciscan University, along with its accreditation, in 2005, and turned it into for-profit, largely online Ashford University, the town expressed concern about the future of the campus and the jobs it provided. Ashford's new president promised the Clinton city council, "We will never, ever get rid of the Clinton campus." In summer 2015, capping a decade of troubling behavior, Ashford announced it was getting rid of the Clinton campus.

- A 2009 Bloomberg story about for-profit college recruiting on military bases began with this account of a U.S. marine: "U.S. Marine Corporal James Long knows he's enrolled at Ashford University. He just can't remember what course he's taking. The 22-year-old from Dalton, Ga., suffered a traumatic brain injury, impairing his ability to concentrate, when artillery shells hit his Humvee in Iraq in 2006. He signed up for Ashford, one of at least a dozen for-profit colleges making money off active-duty military with subsidies from American taxpayers, after its recruiter gave a sales pitch this year at a barracks housing the Wounded Warrior Battalion at Camp Lejeune in North Carolina."
- In May 2014, Bridgepoint agreed to pay $7.25 million to settle claims by Iowa Attorney General Tom Miller that the company violated Iowa's Consumer Fraud Act. Miller said at time, "Our investigation found what we allege was troubling conduct by Ashford recruiters, including misleading prospective students to encourage them to sign on the dotted line. Unfortunately for many Ashford students, they didn't get the degree they hoped for or the job they were led to believe they'd get after graduating. What they did end up with was a crushing amount of student loan debt." Miller alleged "unconscionable sales practices through which Ashford telemarketers, under significant pressure to enroll students," violated the law. These included: making false or misleading statements to prospective students in order to convince them to enroll; utilizing unfair and high-pressure sales tactics, including emotionally-charged appeals to persuade prospective students to make uninformed decisions to enroll; misrepresenting to prospective students who wished to become teachers that an online Ashford education degree would allow them to become classroom teachers when, in fact, many Ashford graduates are subject to additional requirements that may require additional time, coursework, or money. Bridgepoint denied the charges.

- More recently, on May 20, 2016, the Iowa Department of Education notified Ashford that, as of June 30, the state would no longer approve the school for GI Bill benefits.
- In March 2011, Senator Tom Harkin (D-IA) held a hearing focusing on Bridgepoint. Harkin presented a series of charts showing that the company had seen rapid growth, with revenues increasing from $33 million in 2008 to $216 million in 2010, while experiencing mounting student loan default rates. Harkin said Bridgepoint was "a scam, an absolute scam … premised on aggressively recruiting largely low-income, disadvantaged students … collecting their federal grants and loans even as the vast majority of students drop out … and lavishly rewarding executives and shareholders with mostly taxpayer dollars." He concluded, "From a strictly business perspective, this is a highly successful model. But, I must say, from an educational perspective -- and, frankly, from an ethical perspective -- it is deeply disturbing model."
- Senator Harkin's 2012 report on the for-profit college industry found that Bridgepoint taught its recruiters "a sales technique known as 'overcoming objections.' If a student presented an 'objection' to enrolling, recruiters were instructed to think of this as a 'buying signal' that tells the recruiter 'the student is still paying attention and the "sale" is still alive!' If a student objected that the cost of attending is too high, the recruiter was taught to respond with questions such as, 'Investing in yourself . . . You're worth it right?,' and 'how much more will you make once you have your degree?,' and by discussing how 'financing options [are] available for those who qualify.' If a student raised the 'credibility/reputation' of Ashford, recruiters were taught to recite promotional statements about how the college was 'established in 1918,' discuss the 'traditional 4-year campus with sports teams, dormitories,' and how the college has been 'regionally accredited since 1950.' In fact, Ashford University ... is an entirely different institution than the small religious college that Bridgepoint purchased in 2005. Ninety-nine percent of students do not attend the small Iowa 4-year campus." The Harkin report contains accounts by students who contend they were misled by Bridgepoint recruiters, including

a veteran who was told his GI bill benefits would cover the entire cost of his degree, only to find out after he was enrolled that he would owe approximately $11,000 out-of-pocket; and a student told that his program would allow him to become a licensed dental assistant only to find that claim was false.

- The Harkin report found that Bridgepoint spent 29.7 percent of its revenue -- $211.6 million -- on marketing and recruiting, a higher proportion of its than any other publicly traded education company, and more than twice what the company spent on teaching students. The report also noted that in 2009 Bridgepoint CEO Andrew Clark received $20.5 million in total compensation -- 33 times what the president of the University of Iowa earned.
- Bridgepoint filed a disclosure form with the SEC in November 2015 indicating that the company had received notice from the U.S. Department of Education "that the Department does not believe that our institutions fully responded to the [gainful employment] disclosures required and that this is an indication of a serious lack of administrative capability, and that as a result the Department will not make any decisions regarding the addition of any new programs and locations until the reporting requirements are met."

CEO: Andrew S. Clark

Prominent advocates & validators:

Steve Forbes. Usually you have to make a big donation to get a college building, let alone an entire business school, named after you. But in November 2013 Bridgepoint announced a deal under which it is paying Forbes Media, publisher of *Forbes* magazine, at least $45 million over 12 years, to name Bridgepoint's Ashford University business school the Forbes School of Business and license Forbes content for Ashford programs. Essentially, Steve Forbes, who is the editor-in-chief of *Forbes* magazine, a long-time Fox News panelist (on the Saturday morning show *Forbes on Fox*), and a 1996 and 2000 candidate for the Republican nomination for president, has licensed his reputation to predatory Bridgepoint.

Marye Anne Fox. Late on a Friday in March 2016, Bridgepoint Education reported in a filing with the Securities and Exchange Commission that Fox, the former chancellor and current

Distinguished Professor of Chemistry at the University of California, San Diego, had resigned from the company's board of directors on the previous day, "effective immediately."

The *San Diego Reader* headlined its story a few days later, "Fox tip-toes out of Bridgepoint's hen house." Why had she chosen that moment to quietly exit?

Bridgepoint's SEC filing says, "Dr. Fox's decision to resign from the Board was for personal reasons not related to any disagreement with the Company relating to the Company's operations, policies or practices."

But Fox's departure from Bridgepoint came just a few weeks after the University of California-Davis's current chancellor, Linda Katehi, resigned from the board of directors of for-profit DeVry Education in the wake of a California legislator and public interest organizations criticizing her.

Fox had joined the Bridgepoint board in November 2011, while still the UCSD chancellor, but after she announced that she would step down from that post in 2012. She was added to the Bridgepoint board just as the company was facing scrutiny by Senator Harkin and others for its business practices.

Fox received the National Medal of Science from President Obama in 2010. She remains a member of the board of trustees of Dartmouth College.

Deborah Pryce. Bridgepoint has paid large sums for Washington lobbyists in recent years, as its reputation has declined. It has paid the big national law firm Holland & Knight LLP $320,000 per year for the past three years, and $150,000 the year before that, to lobby on the gainful employment rule, Pell grants, and other higher education issues. Included on the Bridgepoint lobbying team are Holland lawyers **Paul Bock**, who was chief of staff for Senator Herb Kohl (D-WI) from 1997 to 2009, and **Rich Gold**, who once worked for Senator Llloyd Bentsen and worked in the Clinton administration EPA. Bridgepoint also paid the ominously-named firm Fierce Government Relations $240,000 over the past year to lobby in Washington. **Kirk Blalock** is one of eight lobbyists listed on Fierce's federal disclosure form. Most are Republican former government staffers, and Blalock's resume is especially impressive. He was Special Assistant to the President and Deputy Director, White House Office of Public Liaison in the George W. Bush Administration. According to his bio, Blalock "was Bush's lead staff liaison to the U.S. business community…. Previous to his Presidential appointment, Kirk served in several key positions, including: Director of External Affairs, Philip Morris Companies Inc.; Special Assistant to Chairman Haley Barbour, Republican National Committee; and Special Assistant to U.S. Secretary of Education Lamar Alexander. Kirk served as the National Chairman for Young Professionals for John McCain during the 2008 Presidential election." Another lobbying firm, CCN Group, got $120,000 to lobby for Bridgepoint in the same period, and the most notable of the eight CCCN lobbyists assigned to the account is former U.S. Representative Deborah Pryce

(R), who represented Ohio's 15th district from 1993 to 2009 and was, from 2003 to 2005, House Conference Chair, making her, according to her bio, "the highest-ranking Republican woman in the history of the U.S. House of Representatives."

Conclusion

Some of the people described in this report, such as the corporate litigators who have defended multiple predatory colleges in court against claims of fraud, and the connected lobbyists who have worked in Washington to fight against Obama Administration rules to protect students, have been actively using their considerable skills to form a protective infrastructure that has allowed bad for-profit colleges to act with impunity. Others have simply agreed to be used as window dressing, signaling with their own reputations to policymakers and potential students alike that troubled institutions are actually fine, affordable places to train for careers. Either way, these individuals have chosen to enrich or advance themselves at tremendous cost to both students and taxpayers.

Nothing, it appears, can stop esteemed lawyers, lobbyists, and other prominent people from defending and endorsing predatory actors -- the lure of the money is just too strong for too many. It's easy for people to tell themselves stories about the rights of companies to have their day in court or to present their case in public, the opportunity to act as conciliators and reformers by working out differences between regulators and industry, the genuine respect and admiration they have for the powerful CEOs and investors in this industry.

Certainly, not all claims against even the worst schools are meritorious, and government reform efforts can benefit from the input of industry members.

But there is no good excuse for the ways that individuals have made themselves powerful, sustained validators for higher education companies that have for years deceived, abused, and ruined the financial futures of countless Americans -- and continue to do so to this day -- and that have aggressively opposed all meaningful accountability measures.

The only appropriate solution is strong enforcement by the Department of Education and other government agencies, and strong engagement by students and other citizens, to press against powerful industry validators and ensure effective measures to channel taxpayer money only to those schools that are genuinely helping people to train for better futures. We must make the case that sending billions annually to deceptive and poorly-performing for-profit college companies is not in America’s national interest.

About the writer

David Halperin is a Washington, DC, lawyer. He engages in advocacy on public policy issues, including higher education, environmental protection, open government, and money in politics, and he advises organizations on strategy, policy, communications, and legal matters.

Halperin was previously: founding director of Campus Progress and senior vice president at the Center for American Progress; senior policy advisor for Howard Dean's presidential campaign; founding executive director of the American Constitution Society; White House speechwriter and special assistant for national security affairs to President Bill Clinton; co-founder of the Internet company Progressive Networks (now called RealNetworks); and counsel to the Senate Intelligence Committee.

Halperin writes at *RepublicReport.org* and *Huffington Post*, and his articles have appeared in the *New York Times*, the *Washington Post*, *The Nation*, *The Georgetown Journal of Legal Ethics*, and many other publications. He published the 2014 ebook, *Stealing America's Future: How For-Profit Colleges Scam Taxpayers and Ruin Students' Lives*. He graduated from Yale College and Yale Law School.