

# United States Senate

Washington, DC 20510-1304

April 12, 2017

Dear Teacher:

It has been three years since I first wrote you to ask for help in ensuring that your students receive honest and accurate information about their higher education options, including for-profit colleges. I write today to repeat that plea.

Every day, your students are bombarded with advertising from for-profit colleges on social media, the internet, television, and public transportation. These advertisements promise fast enrollment, easily accessible financial aid, and flexible course schedules. They often claim that their graduates go on to high-paying jobs and successful futures. But, for too many students, signing up at a for-profit college leads to a much different reality. Students who attend for-profit schools are all too often left with a degree or certificate that employers do not recognize, credits that do not transfer to other institutions, and almost twice the amount of average debt of their fellow students who attended public institutions like community colleges. It's why although for-profit colleges enroll only nine percent of post-secondary students, they take in 17 percent of all federal aid to education and account for 35 percent of all student loan defaults.

Two of the most notorious of these companies were Corinthian Colleges, Inc. (operated Everest Colleges), and ITT Tech. These companies engaged in a variety of fraudulent and predatory practices, including falsifying job placement rates to lure students into enrolling and pushing students into high cost private student loans that they could never pay back. These companies eventually collapsed under the weight of their own wrongdoing—leaving thousands of students in Illinois in the lurch. But Corinthian and ITT Tech were not unique. Westwood College closed its doors after being sued by Illinois Attorney General Lisa Madigan for misleading students. Nearly every major for-profit school has come under scrutiny for the same or similar practices. According to publicly available information, the following for-profit companies that operate campuses or programs in Illinois are currently under investigation or facing lawsuits by Attorney General Madigan, other state Attorneys General, and/or federal agencies:

- Bridgepoint Education, Inc. – operates Ashford University
- Career Education Corporation – operates American Intercontinental University, Colorado Technical University
- DeVry Education Group, Inc. – operates Chamberlain College of Nursing, DeVry University
- Kaplan – operates Kaplan University online
- Universal Technical Institute

- University of Phoenix

In addition, a number of for-profit institutions have been placed on Heightened Cash Monitoring (HCM) by the U.S. Department of Education due to concerns related to financial instability or federal compliance. This designation results in greater scrutiny of the school by the Department, and in the words of former Under Secretary of Education Ted Mitchell, should serve as a “caution light” for students when considering that school. According to the most recently available public data, the following for-profit companies operating in Illinois with schools on HCM include:

- Career Education Corporation – operates American Intercontinental University, Colorado Technical University
- Capri Oak Forest Beauty College
- Cosmetology Training Center
- Coyne College
- DeVry Education Group – operates Chamberlain College of Nursing, DeVry University
- Education Management Corporation – operates The Illinois Institutes of Art, Argosy University, Brown Mackie
- Hairmasters Institute of Cosmetology
- Larry’s Barber College
- Laureate Education, Inc. – operates Kendall College
- Oehrlein School of Cosmetology
- SOLEX College
- Tribeca Flashpoint College
- Vatterott Educational Centers, Inc. – operates Vatterott College

Parents and students often also look at an institution’s accreditation status as an indicator of legitimacy and quality. After all, if an institution is accredited by a federally recognized accreditation agency, students are able to use federal student loans to attend the institution. But accreditors have been slow to address the widespread fraud and abuse in the for-profit college industry—making a school’s accreditation an unreliable predictor of academic quality. Consider the Accrediting Council for Independent Colleges and Schools (ACICS). This organization put its stamp of approval on Corinthian, ITT Tech, and Westwood Colleges. Despite clear evidence of these companies’ abuses, ACICS continued to accredit them. In fact, Corinthian and ITT Tech were fully accredited to the day they declared bankruptcy. As a result, the Department of Education revoked ACICS’ federal recognition. Schools currently accredited by this deadbeat accreditor must achieve accreditation from a new federally recognized accreditor. If schools are unable to find a new accreditor, they will lose the ability to receive federal student aid and could be in danger of closing. In Illinois, the following for-profit schools are currently accredited by ACICS:

- Ambria College of Nursing
- Gem City College
- MDT College of Health Sciences, Inc. – operates ATS Institute of Technology

- PCCTI Healthcare
- Rockford Career College
- SOLEX College
- Tribeca Flashpoint College

A federal regulation, known as the Gainful Employment rule, is meant to ensure that career education programs prepare their students for jobs that allow them to earn enough to pay off the debt they accumulate to attend the program. To determine whether career training programs are delivering on that promise for students, the Gainful Employment rule uses a debt-to-earnings metric. Of the career training programs in Illinois whose students' debt-to-earnings were too high under the rule, all were operated by for-profit colleges. Not a single Illinois community college program failed. Nationally, over 98 percent of programs that failed the Gainful Employment criteria were operated by for-profit schools. The rule also requires schools that operate career education programs to provide students with program completion rates and information on debt and earnings of their graduates. Students should ask for the Gainful Employment disclosure for the career education programs they are considering and use it to compare their options.

Many times, this data will reveal to students that their best option is to enroll in a community college. Community colleges offer similar programs as for-profit schools, at a fraction of the cost, and credits that will transfer to other schools. I encourage you to work closely with your local community colleges and other not-for-profit institutions to ensure students have information on quality, low-cost higher education options. Unfortunately, a survey by Public Agenda recently found that 75 percent of for-profit college students didn't consider public or not-for-profit colleges before enrolling in a for-profit school.

Education Secretary Betsy DeVos has signaled that she may roll back many of the oversight and enforcement improvements made to protect students in the wake of the collapse of Corinthian and ITT Tech, including the Gainful Employment rule. This dangerous prospect makes your voices in Illinois's schools even more critical. For an Illinois student, getting the right information from the right person can mean the difference between a successful future and a lifetime of debt. I appreciate your support in this effort.

Sincerely,



Richard J. Durbin  
United States Senator