Rubber Stamps: ACICS and the Troubled Oversight of College Accreditors
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Prepared by the Staff of Sen. Elizabeth Warren

I. Executive Summary

The National Advisory Committee on Institutional Quality and Integrity (NACIQI) will examine the record of the embattled Accrediting Council for Independent Colleges and Schools (ACICS) at its upcoming June 22-24 meeting and determine whether the accreditor’s federal recognition should be renewed. This is an important decision. ACICS and other accreditors serve as gatekeepers of federal funds for colleges – including for-profit colleges. Students who receive federal grants and loans can use them only at those institutions that have been accredited by a recognized accreditor, which makes accreditation a valuable and profitable stamp of quality and approval for colleges. Indeed, absent accreditation, schools cannot access taxpayer dollars, and many would not be able to continue operating.

NACIQI serves as a gatekeeper for the gatekeepers. Its recommendation to the Secretary of Education will help determine whether ACICS is allowed to continue operating as an accreditor and guarantor of the educational quality of the schools it certifies.

Consumer advocates, education groups, veterans advocates, and thirteen state attorneys general have called for NACIQI to recommend denying ACICS’s petition for a renewal of recognition, arguing that this accreditor’s dismal track record disqualifies it from continuing to serve in this capacity. NACIQI, however, has its own problematic track record, regularly identifying issues with the accreditors it oversees, but rarely using its own authority to hold those accreditors accountable for their failures. Despite widespread condemnation of the lax standards of accreditation agencies, in the past six years, NACIQI has recommended against renewal of an accreditor in exactly one case, and even that recommendation was ultimately overruled by the Secretary of Education.

This staff report examines ACICS’s performance as an accreditor and addresses broader issues of federal oversight of accreditors. The report finds:

• ACICS has a history of accrediting schools that have faced investigations, penalties, and settlements for violations of federal and state law. ACICS has accredited seventeen institutions that have been sued, investigated by, or reached settlements with state and federal governments for defrauding students or engaging in other deceptive practices. This history casts doubt on its ability to serve as a responsible gatekeeper of educational quality and taxpayer dollars.

• ACICS oversight was lax, and warning signs were ignored even when accreditors were confronted with clear evidence of wrongdoing. College employees who witnessed ACICS’s accreditation processes have questioned the rigor of the accreditor’s reviews; one called it a “dog and pony show.” When a whistleblower contacted ACICS about problems, at Northwestern Polytechnic University, ACICS “asked for a thin explanation, accepted it at face value, and issued no sanctions.” These charges were later born out when the school was accused of operating as a visa mill for foreign students and manipulating grades to keep tuition money flowing.

• ACICS-accredited schools consistently produce astronomical debt levels and terrible outcomes for students. Compared to institutions certified by other major accreditors, many ACICS-accredited institutions consistently post some of the worst student outcomes in the country, measured by graduation rates, post-enrollment earnings, and debt burdens. As a group, students who attend ACICS-accredited colleges have higher debt levels and default rates than students who attend colleges certified by other major accreditors. A majority of ACICS-accredited colleges also rank among the worst in the country in terms of student earnings ten years after enrollment.

• NACIQI review processes have consistently failed to address documented concerns about accreditors. In nearly 80% of the renewal recommendations NACIQI has made since 2010, the review board initially identified compliance issues with accreditors, but took no immediate action. Instead, NACIQI simply put more time on the clock – giving accreditors an additional year to address
identified problems and ultimately reapproving the accreditor’s recognition in almost every instance. Even accreditors that fail to fix the problems identified in their reviews within a year are given an additional six months to keep trying. The board has the authority to force accreditors to improve performance, but the Department fails to act in a meaningful way to protect students and to safeguard the interests of taxpayers. Biannual NACIQI reviews focus more on technical paperwork violations and ‘check-the-box’ compliance than on meaningful issues involving students’ education or their economic well-being.

- In its supervision over ACICS, NACIQI has an exceptionally egregious record of failed oversight. Some of ACICS’s worst failures have occurred in the time since a June 2011 NACIQI review declared it to be in compliance. In the 2011 review, ACICS’s renewal was delayed, but ultimately approved. ACICS then proceeded to maintain accreditation for more than a dozen questionable schools, despite credible evidence that serious violations of federal and state law had occurred. Most notably, ACICS continued to accredit Corinthian Colleges until the day the troubled chain of schools closed its doors and declared bankruptcy, and it continued to accredit Northwestern Polytechnic University, the school recently accused of operating as a visa mill for foreign students. The Corinthian disaster has reverberated throughout the country, undermining the futures of hundreds of thousands of students and potentially costing taxpayers billions of dollars. As questions about the oversight exercised by Corinthian’s accrediting agency have become more serious, ACICS has begun a last-minute effort to improve its image. Last month, the accreditor replaced its President and CEO and sent ITT Educational Services, Inc. – another embattled for-profit college accredited for more than a decade by ACICS – a “show cause” letter asking the company to submit information and plans to demonstrate that it should be allowed to maintain its accreditation. ACICS has also announced additional steps to finally improve the accuracy of data from the colleges it accredits. Then, with less than three weeks to go before their NACIQI review, ACICS announced a freeze on new applications for accreditation as well as other changes, including the creation of an ethics board to examine conflict of interest issues with ACICS board members and an increased number of on-site reviews for accredited colleges.

These steps, all occurring within weeks of its upcoming NACIQI review, represent the first serious, public indicators that ACICS is even aware of any problems with its existing practices. They do not, however, prove that there will be any meaningful changes in those practices, and they do not alter ACICS’s years-long record of dereliction of its duty to oversee the schools it certifies as accredited colleges eligible for federal student loan dollars. The seriousness of ACICS’s efforts to clean up its act at the last minute was further undercut by the accreditor’s hosting – at the same time – a conference “where college administrators learned how to evade attorney general lawsuits.”

ACICS has spent years cranking open the spigot to allow taxpayer funds to flow to some of the sleaziest actors in American higher education. Because ACICS passed out accreditation to these so-called colleges, hundreds of thousands of people who relied on the accreditor to do its job now hold worthless credits and face billions of dollars of debts they may never be able to repay. If NACIQI members and Department of Education (ED) officials want to restore public confidence in their own review process, they must demonstrate that they understand the devastating consequences of ACICS’s long record of failure.

II. Background

In order for a college to participate in federal student financial assistance programs – including accessing federal student loan dollars, Pell grants, and some military tuition assistance funds – it must be accredited by an approved independent accrediting agency. The Department of Education delegates to such agencies the responsibility of assessing and overseeing schools.

Federal law contains clear requirements that accrediting agencies must meet if they are to be recognized by the Department of Education. These requirements are designed to protect students and safeguard federal student aid funds, ensuring that accreditors do their part by carefully monitoring whether schools and educational programs live up to their word when it
comes to providing students with a quality education. They are designed to ensure that all colleges and universities receiving federal dollars maintain at least a minimum level of quality and performance. The law requires that an accreditor “consistently applies and enforces standards” to ensure that the training offered by an institution of higher education is “of sufficient quality to achieve . . . the stated objective for which the courses or the programs are offered.”

The accreditor must also demonstrate that it assesses whether the schools it accredits “maintain clearly specified educational objectives,” and “maintain degree and certificate requirements that at least conform to commonly accepted standards.” It also requires that an accreditor “must demonstrate that it has standards for accreditation . . . that are sufficiently rigorous to ensure that the [accrediting] agency is a reliable authority regarding the quality of the education or training provided by the institutions or programs it accredits.” In other words, an accreditor’s standards must be high enough that its stamp of approval for a school guarantees that the school is providing quality education and training to students. As part of certifying the quality of a school, the accreditor’s standards must assess a school’s “success with respect to student achievement in relation to the institution’s mission.”

NACIQI’s periodic reviews are meant to ensure that accrediting agencies are well-equipped to play this role in guaranteeing the quality of colleges and universities. NACIQI’s eighteen members are appointed by the Secretary of Education (who appoints six members), the House of Representatives (three recommended by the Speaker of the House and three by the minority leader of the House), and the Senate (three recommended by the Senate majority leader and three by the minority leader of the Senate). According to federal law, members must be chosen from “individuals who are representatives of, or knowledgeable concerning, education and training beyond secondary education, representing all sectors and types of institutions of higher education.” Committee members serve in a part-time capacity, and are supported by a small full-time staff. Currently, NACIQI members include college presidents and administrators from both public and private institutions, the head of a chain of for-profit colleges that recently converted to non-profit status, and individuals with direct experience in accreditation.

The current system of accreditation has come under fire for failing to serve the interests of both students and taxpayers. A 2014 study from the Government Accountability Office found that between 2009 and 2014, accreditors terminated the accreditation of only about 1% of schools under their charge. The study also reported that schools with weaker student outcomes were no more likely to be sanctioned by accreditors than schools with stronger student outcomes. Indeed, a Wall Street Journal analysis found that eleven colleges had a graduation rate below 10% – and were able to maintain their certification even with such poor outcomes.

The Department of Education has acknowledged that recent years have seen “far too many schools maintain their institutional accreditation even while defrauding and misleading students, providing poor quality education, or closing without recourse to students.” Secretary of Education Arne Duncan even went as far as to call accreditors “the watchdogs that don’t bark,” noting that accreditors have failed to make student outcomes a priority in their work. Calling this situation “inexcusable,” the Department has committed to “strengthening its monitoring and review of agencies that have accredited such institutions.”

The consequences of accreditation failures loom large for millions of students – and for taxpayers. The federal government spends $129 billion on federal student aid annually. For American taxpayers, this money is an investment in the future: federal aid helps students pay for college so that they can pursue a degree that will allow them to get ahead, find a good job, and support their families. But this taxpayer investment is wasted when student aid funds are funneled to sham colleges – many of which operate as for-profit entities that use federal student aid dollars to enrich top executives. Meanwhile, students are left with a shoddy education and a staggering debt load, unable to rely on their education to secure a job that will help them responsibly repay their loans. Accreditors that repeatedly certify the quality of education at these predatory schools fuel this vicious cycle by keeping the federal money flowing – not only exploding the number of students who could end up financially ruined for trying to invest in their education, but also exposing taxpayers to massive liabilities when these fraudulent schools fail, allowing students to assert their legal rights to have their federal student loans cancelled and refunded.
III. Findings

1. ACICS Has a History of Accrediting Schools Accused of Numerous Violations of Federal and State Law

ACICS continued to provide accreditation to Corinthian Colleges until the day that the troubled chain of for-profit schools declared bankruptcy. At its peak, Corinthian was the nation’s largest for-profit chain with 120 campuses enrolling well over 100,000 students. Corinthian posted a $20 million profit in 2010, and paid its CEO $4.5 million. Meanwhile, in the five years before the company’s collapse, students took out roughly $3.5 billion in federal student loans. Corinthian’s business model appeared to be based on scooping up federal financial aid by any means necessary – including fraud. Before it collapsed, Corinthian was under investigation by over twenty state attorneys general and faced several lawsuits from state and federal authorities, including a successful lawsuit filed by the Consumer Financial Protection Bureau, alleging that Corinthian defrauded students by roping them in using false and misleading information – and then saddled them with crippling debt that would be impossible to repay. While all of this was happening, ACICS renewed accreditation for seven Corinthian campuses in 2013 and maintained accreditation for another 52 Corinthian campuses, permitting them to suck down billions in federal student loan dollars until the school finally collapsed in 2015.

The Department of Education is currently processing tens of thousands of claims from former Corinthian students to have their federal student loans cancelled under the “borrower defense to repayment” provision of the Higher Education Act. The true cost of Corinthian’s fraud could total in the billions for students and taxpayers, but ACICS has yet to face any accountability for allowing Corinthian to fraudulently rake in billions of dollars of federal aid and guaranteeing that Corinthian students were receiving a quality education until the day its doors were closed. When asked about its repeated certifications of Corinthian Colleges in a hearing of the Senate Committee on Health, Education, Labor, and Pensions, ACICS president and CEO Albert Gray acknowledged that “accreditors, like any other organization, make mistakes”—but concluded by stating that the decision to continue allowing Corinthian to operate right up until the moment it collapsed “was not one of those mistakes.”

ACICS’s glaring lack of oversight with regard to Corinthian Colleges is not an outlier. Shady and legally questionable business practices are part of a disturbing pattern at ACICS-approved colleges. ACICS has continued to extend accreditation to seventeen institutions that have been sued, investigated by, or reached settlements with state and federal governments (Table 1). As thirteen state attorneys general wrote in their letter to the Department opposing renewal of recognition for ACICS: “Even in the crowded field of accrediting failures, ACICS deserves special opprobrium.”

The long list of ACICS-accredited schools under investigation or sued for their practices includes Westwood College, which reached a $7 million settlement with the U.S. Department of Justice in 2009 related to a whistleblower lawsuit alleging that Alta (the company that owned Westwood) and some of its Westwood campuses falsified information allowing it to claim federal student aid. In March 2012, Westwood reached another settlement, this one with Colorado’s attorney general over allegations that the school had inflated job placement rates, provided misleading information about the average wages of graduates, and failed to disclose the terms of its financing program. Just a few months earlier, in January 2012, the Illinois Attorney General filed a lawsuit against Westwood, asserting that “Westwood officials lied to potential students about almost every aspect of its criminal justice program, from its exorbitant costs to a graduate’s slim career prospects,” leaving graduates with thousands of dollars in debt and worthless degrees. Last November, Westwood reached a $15 million agreement with the Illinois Attorney General related to these accusations.

Yet during the entire three-year period, which multiple lawsuits were filed related to Westwood’s abusive practices toward students and false claims that allowed it to draw down federal aid dollars, ACICS did not identify any significant problems or levy any meaningful sanctions against Westwood. Quite the opposite, in fact – remarkably, the accrediting agency instead
named several Westwood campuses to its “honor roll” for schools that “have demonstrated an excellent understanding of the accreditation process.”\textsuperscript{10} ACICS did not withdraw accreditation from Westwood’s fifteen campuses until March 2016 – on the same day that the college closed its doors for good.\textsuperscript{41}

A recent analysis from the Center for American Progress shows that ACICS’s conspicuous blind spot with regard to Westwood’s abusive practices was not unique. Of the seventeen ACICS-accredited institutions that have been investigated by state or federal actors, the analysis found that twelve of them had campuses that were celebrated as “honor roll” colleges by ACICS between 2010 and 2015.\textsuperscript{42} In other words, a majority of the ACICS-accredited institutions under investigation – for allegations such as falsifying job placement rates, stealing federal financial aid, misrepresenting the transferability of academic credits, or engaging in illegal recruitment practices – were also the recipients of ACICS “honor roll” recognition.

<table>
<thead>
<tr>
<th>School/Company</th>
<th>Summary of Investigation or Allegation</th>
<th>One or More Campus Named to ACICS Honor Roll</th>
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</thead>
<tbody>
<tr>
<td>Alta Colleges (Westwood College, Redstone College)</td>
<td>Falsifying claims for federal aid; abusive marketing practices</td>
<td>*</td>
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<tr>
<td>American Commercial College</td>
<td>Theft of federal financial aid; lying about share of school’s revenue coming from ED</td>
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<tr>
<td>Anamarc College</td>
<td>Relatives of school owners sued for stealing funds</td>
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<tr>
<td>Career Education Corporation (Brooks Institute, Harrington College of Design, International Academy of Design and Technology, Le Cordon Bleu, Missouri College, Pittsburgh Career Institute, Sanford-Brown)</td>
<td>Falsifying job placement rates, violations of state statutes and regulations; SEC and FTC investigations</td>
<td>*</td>
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<tr>
<td>Computer Systems Institute</td>
<td>Falsifying job placement rates</td>
<td></td>
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<tr>
<td>Corinthian Colleges (Everest)</td>
<td>Refusing to comply with ED requests for job placement data; investigations concerning falsification of job placement rates</td>
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<tr>
<td>Daymar College</td>
<td>Violating the Consumer Protection Act; lying about transferability of credits</td>
<td></td>
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<tr>
<td>Education Affiliates Inc. (Fortis)</td>
<td>Using fake high schools to help students illegally obtain federal student aid</td>
<td>*</td>
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<tr>
<td>Education Management Corporation (Art Institutes, Brown College, Brown Mackie College)</td>
<td>Illegal and deceptive recruiting practices</td>
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<tr>
<td>FastTrain College</td>
<td>Using exotic dancers to recruit students; recruiting students and taking federal aid for students without high school diplomas</td>
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<tr>
<td>Globe University and Minnesota School of Business</td>
<td>Misrepresenting transferability of credits, abusive marketing practices</td>
<td>*</td>
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<tr>
<td>ITT Educational Services, Inc.</td>
<td>Illegal recruitment activities; sued by the Consumer Financial Protection Bureau for issues related to private student loans</td>
<td>*</td>
</tr>
<tr>
<td>Kaplan Higher Education (Kaplan, TESST College of Technology, Texas School of Business)</td>
<td>Misleading marketing claims and enrollment practices; employing unqualified instructors at some campuses</td>
<td>*</td>
</tr>
<tr>
<td>Lincoln Technical Institute</td>
<td>Falsifying placement statistics</td>
<td>*</td>
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<tr>
<td>National College</td>
<td>Misrepresenting job placement rates</td>
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<tr>
<td>Salter College</td>
<td>Questionable recruitment tactics; misleading job placement numbers</td>
<td></td>
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<tr>
<td>Spencerian College</td>
<td>Misrepresenting job placement numbers</td>
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At its most recent annual conference for college administrators, ACICS even held a session for school officials to train them in how to evade attorney general lawsuits. This May 2016 session was led by two lawyers for Daymar College – an ACICS-accredited for-profit school that recently reached a $12 million settlement with the Kentucky attorney general over alleged violations of the state’s consumer protection laws, including lying to students about the transferability of credits, improperly denying students access to financial aid to buy their textbooks from vendors other than Daymar’s high-priced bookstore, and hiring unqualified faculty who lacked the required credentials (Table 1). By hosting this session, ACICS helped counsel schools on how to skirt state and federal investigations and lawsuits by limiting the access of outside compliance monitors, shoving students into forced arbitration, and using the ACICS seal of approval to persuade judges of a school’s legitimacy in the face of attorney generals’ claims of wrongdoing.

2. ACICS Has Ignored Obvious Signs of Wrongdoing at Schools It Accredits

In late 2014, a whistleblower at Northwestern Polytechnic University (NPU) contacted ACICS about concerns related to the school’s practices, sending the accreditor a numbered list of specific problems. The list identified serious problems with the school’s core functions as an educational institution: the college was operating without any full-time faculty members or a qualified librarian, instructors were not qualified to teach certain courses, cheating was “rampant,” and a senior administrator was changing large numbers of grades to prevent students from failing classes.

ACICS’s response to these dramatic claims was tepid at best. The accreditor “wrote to the university, requesting that it provide a chart of its enrollment numbers, along with a description of how it was maintaining its programs’ ‘stability.’ The accreditor also asked for ‘data sheets’ and signed job descriptions for its librarian and all full-time faculty members.” ACICS then allowed NPU to maintain its accreditation without sanction – and even invited an NPU faculty member to speak at its annual conference on the topic of how to acculturate foreign students at universities.

This is not the only evidence of lax oversight on the part of ACICS when it engages with the schools it accredits.

A former director of financial aid at a campus of ITT Technical Institute – an ACICS-accredited school – has described ACICS’s accreditation process as a “dog and pony show,” saying that “ACICS’s entire business model is to act as a rubber stamp so that schools engaged in widespread misconduct can continue to profit off of federal student aid.”

Other former ITT employees who witnessed ACICS representatives on campus to conduct reviews have noted that the accreditors focused on paperwork, rather than on broader concerns with the quality of education the school offered. The “ACICS auditors stayed sequestered in a room” examining files, explained a former ITT employee from the Baton Rouge campus.

ACICS teams “spend a week or so in rooms filled with files and papers,” wrote another ITT employee who worked for the school in four different states. All told, “the leaders of the accrediting body establish practices that give the illusion that they are taking the schools through a rigorous accreditation process, but in fact they are not holding to their commitment of protecting consumers by looking deep enough at all levels of the for-profit business model.”

These allegations strongly suggest that ACICS’s accreditation process fails to meet minimal federal standards. Even when directly confronted with evidence of wrongdoing, ACICS seems to have looked the other way, allowing predatory schools to continue operating and putting students’ educational and financial future at risk.

3. ACICS-Accredited Institutions Have Poor Student Outcomes

The purpose of accreditors like ACICS is to provide a basic guarantee that the accredited schools are providing a high-quality education. Judged by this purpose, ACICS is a failure, since the schools it accredits consistently exhibit some of the worst student outcomes in the country.
Graduation rates at ACICS-accredited institutions are substantially lower than at institutions accredited by other agencies. A ProPublica analysis found that only about one-third of students (35%) attending ACICS-accredited institutions graduate within six years – making ACICS the only major national accreditor in the country whose approved schools graduate fewer than half of their students. By comparison, the national average six-year graduation rate for four year colleges is substantially higher at 60% (Figure 1).

Almost three-quarters (73%) of undergraduates at ACICS institutions borrow using federal student loans in order to attend. This figure is well above borrowing rates at schools accredited by other agencies and significantly higher than the national average of 47% for all colleges (Figure 1). Students at ACICS-accredited schools also borrow more to attend these schools than their peers at institutions accredited by other agencies, leaving students to grapple with higher debt loads. The average student borrower at an ACICS-approved institution takes out loans of nearly $8,000 a year – more than student borrowers at colleges approved by any other major national or regional accreditor.

In addition, students at ACICS-accredited institutions are more likely to default on their student loans than students at institutions accredited by other agencies. An analysis by ProPublica found that 22% of students at ACICS-accredited schools defaulted on their loans.

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**Figure 1: ACICS Lags Far Behind National Average on Key Student Outcomes**

![Graph showing ACICS graduation, borrowing, default, and non-repayment rates compared to national averages.](image-url)
within three years. This default rate is substantially higher than the national average of 14% for all colleges (Figure 1), and the second-highest among the four national ED-approved accreditors.\(^5^6\)

In addition to the high default rates of students attending ACICS-accredited colleges, a substantial majority of students simply fail to make any progress in actually paying back their loans. A staggering 60% of students at ACICS-accredited schools had not paid back a single dollar of their loan principal within three years after leaving. ACICS is the only major accreditor in the nation where a majority of students failed to make any progress on repaying loans after leaving a program. That non-repayment rate is 23 percentage points higher than the national average for all schools (Figure 1).\(^5^7\)

Many students choose to attend college in order to improve their earning capacity, and unsurprisingly, the ability of a student to repay his or her loans is related to that student’s earnings after graduation.\(^5^8\) Department of Education data on the median earnings of students, ten years after their enrollment in an institution, show that 62% of ACICS-approved schools rank in the bottom third nationally. The Department of Education also tracks the share of students who received federal aid and who, six years after enrollment, have gone on to earn more than the average high school graduate. Here too ACICS’s record is heartbreaking: 57% of its schools have outcomes that rank in the bottom third of all institutions.\(^5^9\) Six years later, too many students at these colleges are earning no more than their peers with a high school degree who stayed in the workforce, and must now also struggle with thousands of dollars in student loan debt. The data are clear – many students at a majority of ACICS-accredited institutions would actually have been better off financially if they had never attended that institution, and instead had simply entered or stayed in the workforce.

Students at colleges with the ACICS seal of approval are more likely to borrow – at higher amounts – to attend school, yet they are less likely to graduate with a degree, less likely to pay back their loans than students at colleges endorsed by other accrediting agencies, and too many go on to earn less than students who attended other schools. The differences between outcomes for students attending ACICS-accredited colleges and those for students attending institutions approved by other accrediting agencies are not minor – in fact, they are dramatic and consequential. These results are not driven by a few poorly-performing institutions that drag down ACICS’s overall averages. Rather, the majority of ACICS-accredited schools rank among the worst in the nation when it comes to key student outcomes.

4. Outcomes of NACIQI Review Processes Consistently Fail to Address Demonstrated Concerns About Accreditors

NACIQI is the government watchdog that serves as the gatekeeper for the gatekeepers – reviewing the performance of accreditors and making recommendations to the Secretary of Education on whether such accreditors should be allowed to continue in that role. Federal law sets forth accreditor responsibilities for ensuring students receive quality education and training – but NACIQI’s review process has historically overlooked these requirements and focused instead on whether accreditors are complying with technical bookkeeping criteria.

NACIQI has several options when an accreditor is up for renewal. It can recommend renewal of recognition; it can recommend denial of recognition; or it can recommend that an accreditor be given a period of months to come into compliance with specific Higher Education Act standards. Of these options, the most common recommendation that NACIQI makes with regard to the accrediting agencies that come up for review is to simply give them an extra year to address compliance problems. But this analysis finds that when this happens, most accreditors subsequently secure renewal for the remainder of their term with little additional discussion.\(^6^0\) Regardless of the problems that are identified in the review process, NACIQI rarely recommends meaningful restrictions that can prevent troubled accrediting agencies from continuing to certify schools while it responds to identified problems with its accreditation standards.

Since February 2010, NACIQI has acted on 77 renewal requests submitted by 64 accrediting agencies.\(^6^1\) In only four cases has the Committee taken any action beyond delaying approval or requiring a compliance report before extending recognition. NACIQI approved 17 of the overall 77 renewal requests without recommending any delay.\(^6^2\) They denied one request outright: the Puerto Rico State Agency for the Approval of Public...
Postsecondary Vocational Technical Institutions and Programs. In this case, NACIQI recommended that the accreditor’s petition for renewal be denied – but that rare negative recommendation was later overruled by the Secretary of Education during the Department’s review of the recommendation.\textsuperscript{63} 

This left 59 renewal requests where NACIQI chose to give accreditors extra time to respond to compliance problems that were identified in the renewal process. But in 48 of these 59 cases – over 80% of times in which NACIQI identified problems – NACIQI simply gave the accreditor even more time to comply or required only a compliance report before renewing the accreditation (Figure 2).\textsuperscript{64} Seven more cases are still pending while accreditors prepare their compliance reports.\textsuperscript{65} 

NACIQI rarely makes use of one of the most serious sanctions it can recommend during these extra time periods: preventing an accrediting agency from accrediting any new institutions while its compliance issues are outstanding. The Committee has made this recommendation only four times during the past six years. Two of those accreditors are no longer in operation; one has returned to compliance, and the fourth remains under sanction – that is, not allowed to accredit any new institutions – while it prepares a compliance report.\textsuperscript{66} 

\textbf{Figure 2: Few Accreditors Face Sanctions, Even When Renewal Not Immediately Granted}
5. NACIQI Has a Record of Failed ACICS Oversight

Evaluated by the standard of student outcomes, as all accreditors should be, ACICS clearly falls short. However, as it has with other accreditors, NACIQI has taken half-steps in its recommendations regarding ACICS – none of which have adequately addressed the accreditor’s failures. The Department of Education’s staff report on ACICS provided to NACIQI members in advance of its Spring 2011 meeting identified fourteen issues or problems with the accreditor’s procedures. But rather than examining the dismal student outcomes at many ACICS-accredited institutions, or the fact that several of its institutions had been investigated by state or federal authorities, the staff report focused on concerns such as the accreditor’s documentation of its processes and procedures or its policies for soliciting feedback on its standards.67

In response to these identified compliance issues, NACIQI did not recommend termination of ACICS, but instead recommended that the accreditor be given an additional twelve months to come into compliance. Twenty-four months later – after various process-related delays – in July 2013, the Secretary accepted ACICS’s response to these compliance issues and granted the accreditor a three-year term of recognition.68

Some of ACICS’ worst failures occurred during that three-year period. Most notably, ACICS continued to certify the quality of education provided by Corinthian Colleges up until the day the chain of schools filed for bankruptcy in May 2015. However, Corinthian was not the only troubled institution that remained accredited by ACICS during this three-year period. According to the Center for American Progress’ analysis, fourteen out of the seventeen cases of ACICS-accredited schools investigated, sued, or settling with state or federal authorities occurred following ACICS’s probation and June 2013 renewal of recognition recommended by NACIQI.69

IV. Conclusion

Students and taxpayers depend on a robust system of federal oversight to ensure that accrediting agencies live up to their responsibilities when assessing schools. Like all accreditors, ACICS should be carefully scrutinized to evaluate whether it has met those responsibilities during the period since its last recognition by the Department of Education. NACIQI members and the Secretary of Education will have a lot to consider: ACICS’s record over the past five years is littered with instances of the schools it accredits facing lawsuits, bankruptcies, closures, and poor student outcomes – and a refusal by ACICS to admit that it has made any mistakes.70 While ACICS has taken several last-minute steps to improve its image as a tough accreditor, it is not clear if these actions will be effective in the long-term and whether ACICS will have any interest in following up once they have made it past their own review period. In any case, a few last minute efforts to look tough do not erase the last five years of failure.

As the Department of Education works to fulfill its pledge of strengthening its monitoring and review of accrediting agencies, it should thoroughly examine its own history of decision-making. NACIQI recommendations rarely depart from a few well-worn and ineffective tracks. In its current form, the advisory committee and department review process focuses largely on technical documentation issues and, when compliance problems are identified, takes no meaningful action. Finally, while the Department publishes data to show how institutions accredited by each accrediting agency perform on a set of student outcomes, NACIQI appears then to ignore objective standards of student achievement in its renewal recommendations.

Students and taxpayers have a right to expect that the federal government has their back when it comes to rigorous monitoring of accrediting agencies. After years of lax oversight, the Department of Education can meet that standard only if it makes immediate changes in how it handles the accreditor renewal process and clearly demonstrates that it understands the devastating consequences of ACICS’s long record of failure. These changes must start with ACICS at the June NACIQI meeting.
Rubber Stamps: ACICS and the Troubled Oversight of College Accreditors

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Endnotes


3 Ben Miller, ACICS Must Go, Center for American Progress (June 2016) (online at: https://www.americanprogress.org/issues/education/report/2016/06/06/138826/acics-must-go/).


6 Analysis of data compiled from NACIQI meeting reports from Fall 2010 – Fall 2015, available online at: http://www2.ed.gov/about/bdscomm/list/naciqi.html#meetings. Seven renewal requests are still pending while accreditors respond to compliance issues identified during their review, and three other accreditors that came up for review during the period of this analysis became inactive accreditors before receiving renewal of recognition from NACIQI.

7 Seven institutions have received six-month extensions of their original 12-month deadline for addressing compliance issues. Four of these institutions subsequently received a renewal of their recognition, and applications for renewal from the remaining three institutions are still pending as they prepare additional compliance reports.


12 Molly Hensley-Clancy, “College Accr...s-training-session-on-avoiding-lawsuits?utm_term=yf8p3rKoom#sjoNzMy995).

13 20 U.S.C. 1099b and 34 CFR 602

14 20 U.S.C. 1099b(a)(4)

15 34 CFR 602.17(a)(1)-(3)

16 34 CFR 602.16(a)

17 34 CFR 602.16(a)(1)(i)


19 Charter, National Advisory Committee on Institutional Quality and Integrity (online at: http://www2.ed.gov/about/bdscomm/list/naciqi-dir/naciqi-charter2015.pdf).


27 David Dayen, “‘Chipping Away At My Soul’: Insiders Detail The Decline And Fall Of Corinthian’s For-Profit College Empire,” The Huffington Post (June 4, 2015) (online at http://www.huffingtonpost.com/2015/06/04/corinthian-colleges-loan-forgiveness_n_7492908.html).


33 Ben Miller, ACICS Must Go, Center for American Progress (June 2016) (online at: https://www.americanprogress.org/issues/higher-education/report/2016/06/06/138826/acics-must-go/).


39 Ben Miller, ACICS Must Go, Center for American Progress (June 2016) (online at: https://www.americanprogress.org/issues/higher-education/report/2016/06/06/138826/acics-must-go/). CAP’s analysis notes that in a few cases, ACICS "temporarily postponed its approval decision, but it awarded six new grants of accreditation to Westwood campuses in 2011 and renewed accreditation for several branches in 2014."

40 ACICS, “Honor Roll Institutions” (online at http://www.acics.org/events/content.aspx?id=4127). Ben Miller, ACICS Must...
41 Letter from Albert C. Gray, President and CEO, ACICS, to Mr. Norman Blome, CFO, Westwood College (March 29, 2016) (online at http://www.westwood.edu/Westwood_Acknowledgement_of_Campus_Closures.pdf).

42 Ben Miller, ACICS Must Go, Center for American Progress (June 2016) (online at: https://www.americanprogress.org/issues/higher-education/report/2016/06/06/138826/acics-must-go/).

43 For full references, see Letter from Ben Miller, Senior Director, Postsecondary Education, Center for American Progress, to Members of the National Advisory Committee on Institutional Quality and Integrity and the U.S. Department of Education (online at: http://www.republicreport.org/wp-content/uploads/2016/04/Center-for-American-Progress-Comments-on-ACICS-to-NACIQI.pdf).


53 National Center for Education Statistics, “Table 326.10: Graduation rate from first institution attended for first-time, full-time bachelor’s degree-seeking students at 4-year postsecondary institutions, by race/ethnicity, time to completion, sex, control of institution, and acceptance rate: Selected cohort entry years, 1996 through 2008” (May 2016) (online at http://nces.ed.gov/programs/digest/d15/tabs/d15_326_10.asp). Graduation rate cited is for students entering in the 2008 cohort.


55 Ben Miller, Up to the Job? National Accreditation and College Outcomes, Center for American Progress (September 8, 2015) (online at https://www.americanprogress.org/issues/higher-education/report/2015/09/08/119248/up-to-the-job/).


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Out of the 49 times that an accreditor has come up for review after submitting a compliance report, NACIQI has approved the report through a “consent agenda” vote – meaning that accreditors are considered as a group and not discussed during the committee meeting – on 38 occasions (78%).

Analysis of data compiled from NACIQI meeting reports available online at: http://www2.ed.gov/about/bdscomm/list/naciqi.html#meetings. Accreditation agencies submit applications for renewal every five years (or four years for state agencies). This analysis does not examine how NACIQI treated agency requests for expansions of the scope of their accreditation authority. Thirteen of the 77 renewal petitions in this dataset involve an accreditor filing their second request during the period covered by this data.

NACIQI’s Fall 2015 recommendation related to the Association of Institutions of Jewish Studies was an initial grant of recognition rather than a renewal, but is included in this count.

Spring 2012 NACIQI meeting. See also pp. 87-88 in the full transcript of NACIQI’s Spring 2014 meeting (online at http://www2.ed.gov/about/bdscomm/list/naciqi-dir/2014-spring/naciqi-transcript-06-18-14.pdf). In Spring 2014, the accreditor was granted a six month extension for good cause, required to come into compliance and appear at a NACIQI meeting. However, in Fall 2015, the accreditor’s application was deferred to next meeting because of a technical glitch that prevented the accreditor from getting draft report in time to respond. As a result, the renewal request from the Puerto Rico State Agency for the Approval of Public Postsecondary Vocational Technical Institutions and Programs – which NACIQI recommended denying – is still pending.

In 42 of the 59 instances when a compliance report was required (71% of all petitions involving compliance issues), NACIQI reviewed the report and then took no further action, recommended renewal covering the remaining term of an agency’s recognition. In 6 of these 59 instances, accreditors were given additional six-month extensions for good cause while they continued to come into compliance with outstanding issues. Four out these six cases have already resulted in a renewal of an agency’s recognition for the remainder of its term, and two extensions are still pending. Two out of the 59 instances resulted in NACIQI recommending that the accreditor submit an additional report or appear before the advisory committee to report on certain issues. The Commission on Massage Therapy Accreditation’s petition for renewal was considered at the Fall 2010 meeting and NACIQI recommended compliance actions. When the agency’s report was considered at the Fall 2012 meeting, NACIQI recommended renewing their recognition for the remaining three years of their term but also asked the agency to submit a follow-up report in six months. At its Spring 2013 meeting, NACIQI also recommended compliance actions for the North Central Association of Colleges and Schools’ Higher Learning Commission. When the agency appeared before NACIQI again in Spring 2015, the committee renewed its recognition for 2.5 years but asked the agency to appear again to discuss retention, persistence, and completion rates.

In five of these cases, accreditors were only recently required to address compliance issues and have not yet submitted a compliance report for NACIQI’s consideration. In one other case, concerning the American Association for Marriage and Family Therapy’s Commission on Accreditation for Marriage and Family Therapy Education, the accreditor appeared before NACIQI in Fall 2011, was given twelve months to come into compliance with issues identified by ED staff, but then became an inactive accrediting agency without submitting a compliance report. Department of Education, “Accreditation > Agency List” (online at http://ope.ed.gov/accreditation/agencies/aspx). Finally, the American Veterinary Medical Association’s Council on Education is currently on a 12-month extension for new issues identified during a review after the accreditor had already been given a year-long compliance period and an additional six-month extension for good cause.

NACIQI recommended preventing the North Central Association’s Commission on Accreditation and School Improvement (NCA-CASI) (Fall 2011), the Middle States Commission on Secondary Schools (Spring 2012), and the Commission on Accreditation of Healthcare Management Education (Spring 2013) from accrediting new institutions while they responded to compliance issues. At its Spring 2014 meeting, NACIQI then recommended renewing recognition for the Middle States Commission on Secondary Schools for the remainder of its term. The Commission on Accreditation of Healthcare Management Education has now become an inactive accreditor. In January 2013, NCA-CASI informed the Department of Education that it was no longer seeking a renewal of recognition, and NCA-CASI is no longer an active accrediting agency. At its Fall 2013 meeting, NACIQI recommended that the
Western Association of Schools and Colleges, Accrediting Commission for Community and Junior Colleges, be given 12 months to come into compliance with issues identified in the Department's staff report. At the Fall 2015 meeting, NACIQI then recommended granting a continuance of the agency’s recognition for an additional six months while it prepared another compliance report, but also recommended limiting the agency’s current recognition to prevent it from accrediting any baccalaureate-level programs during the continuance period.

67 U.S. Department of Education, Staff Report to the Senior Department Official on Recognition Compliance Issues: Accrediting Council for Independent Colleges and Schools (June 2011) (online at http://www2.ed.gov/about/bdscomm/list/naciqi-dir/2011-spring/staff-analyses-6-2011.pdf). Department staff also identified one other issue related to ACICS’ request to expand its scope of recognition to include accreditation of doctoral programs. ACICS later informed the Department that it was no longer requesting an expansion of scope.


69 Ben Miller, ACICS Must Go, Center for American Progress (June 2016) (online at: https://www.americanprogress.org/issues/higher-education/report/2016/06/06/138826/acics-must-go/).
