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# Hold Shady Colleges Accountable

By ARNE DUNCAN

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It's time to ask: When career colleges defraud their students, who pays the price? Right now, the answer is simple: students and taxpayers. It's time for that to change — but it won't if Congress keeps blocking reform.

The question gained new urgency recently after the Department of Education announced a plan to relieve debt for thousands of students at Corinthian Colleges who were the victims of false advertising. At Corinthian, salespeople offered students a promise of a better future that had little connection to reality. Students — often those who were already struggling most to get by — ended up with no job prospects and deep in debt. Call it the ethics of payday lending, but with federal college loans.

The department acted to investigate, document the fraud and tighten oversight of the college to put an end to Corinthian's victimization of students. Following federal enforcement efforts, Corinthian is gone; it sold off most of its campuses, closed the rest and went bankrupt. While my department worked to minimize disruption for students, many remained in need of relief.

Recently, my department laid out a plan to get those students every dime of the debt relief they are entitled to under the law. Anyone who was the victim of fraud by Corinthian, or students who attended one of their schools that closed this spring, may be eligible for 100 percent debt relief.

It was the right thing to do. But some have rightly asked: What's the price tag for taxpayers?

The answer: It depends. We don't know how many students will seek and qualify for relief. But we do know that over the past five years, Corinthian students have taken out more than \$3 billion in student loans.

How much of the relief those students are owed comes from the pockets of Corinthian's well-compensated executives, under today's laws? Not a dime.

How much of the bill will taxpayers pay? All of it.

That's not justice. That's not an accountability system. And, perhaps most important, that's not an incentive to stop other bad actors from doing what Corinthian did.

The good news is, on Wednesday a new policy that our administration developed called gainful employment goes into effect. It will create new levers to prevent bad actors in the career college sector. These new rules of the road will help ensure that students at career colleges don't end up with debt they cannot repay, ultimately cutting off federal aid if institutions fail to hold up their end of the deal.

We fought harder than we should have needed to for gainful employment. The industry pushed back hard, spending millions to fight the rules in court and to influence members of Congress on both sides of the aisle. Legislation was introduced in both chambers and the House passed a bill to stop this. Ultimately, lawsuits blocked our first attempt at what should have been a common-sense rule. But we kept pushing, and our second attempt will take effect Wednesday — despite ongoing pushback. It's an important step in altering the rules to protect students and taxpayers, and prevent the next Corinthian.

That's why I am so troubled to see members of Congress, Republican and Democratic, continue to push back against basic accountability measures. Just this week, the Senate and House appropriations committees passed bills, with only Republican votes, that if they become law, would both cut funding for education and kill our gainful employment policy, allowing poorly performing career colleges to keep swindling students and taxpayers. This is despite amendments offered by Sen. Dick Durbin (D-Ill.) and Rep. Rosa DeLauro (D-Conn.) that would have preserved the policy to hold those poor performers accountable. With students across the country reeling from the predatory behavior of failed and fraudulent "career" colleges, it's truly mind-boggling that anyone would still be fighting so hard to shield those colleges, leaving students in the dark and taxpayers holding the bag.

The fact is, states, college executives and investors all need to have more skin in the game so that everyone has a stake in students succeeding. And that starts with Congress stepping up to strengthen accountability by fixing the law and providing the necessary enforcement resources.

It's time for Congress to stop defending a status quo that's indefensible and become part of the solution.

It's time for Congress to help us target and hold predatory colleges and their executives — not taxpayers — responsible for fraudulent acts.

It's time for Congress to help us ensure truth in advertising, through curbs on deceptive and aggressive recruiting and through transparency on student outcomes.

It's time for Congress to protect our service members and veterans by eliminating loopholes that make them targets for aggressive marketing and recruitment by for-profit colleges.

And it's time for Congress to fully fund and support enforcement efforts by the Department of Education.

Now more than ever, Americans need and deserve the opportunity to improve their lives through education. Students at Corinthian tried to do exactly that, and a lot of them ended up with huge

debt and a degree that meant little to employers, if they got a degree at all. Corinthian made a farce of the words “career college,” and handed the bill to students and to you.

It’s time for Congress to help stop these scams — not to sabotage accountability.

*Arne Duncan is the Secretary of Education.*

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