

# REGULATING TOO-BIG-TO-FAIL EDUCATION

A Review of the For-Profit  
College Industry

By Chris Hicks

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## **INTRODUCTION**

Before it collapsed and filed for bankruptcy in May 2015, Corinthian Colleges, Inc. (“Corinthian”) had been teetering on the brink of failure for months. In a filing with the Securities and Exchange Commission, Corinthian reported an \$80 million loss for the first three months of 2014<sup>1</sup> and projected a \$55 million cash shortfall.<sup>2</sup> Corinthian violated covenants on loans from Bank of America, leading the bank to reduce the amount it could borrow and to demand faster repayment.<sup>3</sup> When Corinthian failed to provide data on its students in a timely manner, the Department of Education (the “Department”) announced on June 12, 2014 that it would withhold Corinthian’s federal financial aid for 21 days.<sup>4</sup> The institution’s financial woes were well documented, and when its creditors refused to bridge the gap on its cash shortfall<sup>5</sup> its shares fell to less than a dollar, down from more than \$60 a decade earlier.<sup>6</sup>

Corinthian responded that halting the inflow of cash would be fatal due to their insolvent finances. They argued the Department would be responsible for the displacement and disruption of the 72,000 students they enrolled at their more than one hundred campuses.

The Department caved eleven days later and released an emergency \$16 million to Corinthian.<sup>7</sup> In the weeks that followed the Department would go further, sending a total of \$35 million in student aid to prevent the school from an immediate closing, even as it required Corinthian to begin to sell or close their campuses.<sup>8</sup> In November 2014, in a deal brokered by the Department, Corinthian sold 56 of its campuses to ECMC.<sup>9</sup> By April 2015 they had closed their nearly thirty remaining campuses. The result was 16,000 students having their education upended in the biggest collapse in U.S. higher education history.<sup>10</sup> Corinthian filed for bankruptcy the following month with \$143 million in debt and less than \$20 million in assets.<sup>11</sup>

Even after the closing, problems continued to mount. As evidence of Corinthian’s falsification of job placement and graduation rates was uncovered, hundreds of thousands of students suddenly became potentially eligible to have their federal student loans canceled. Students who had seen their campuses close were eligible for “Closed School” discharge if they didn’t transfer to new schools, but because Corinthian had gone bankrupt, the bill would be footed by taxpayers. If all potential eligible former students applied for some form of student loan cancellation, this could wind up costing the government as much as \$3.5 billion.<sup>12</sup>

It is unknown whether the collapse of Corinthian could have been prevented, but it is clear that by refusing to react to early indicators, regulators at the Department failed to mitigate the cost to former students and taxpayers, instead continuing to funnel tens of millions of dollars to the clearly troubled institution.

The Department has a variety of powerful tools at its disposal to use in preventing catastrophes like the Corinthian collapse, and in mitigating the personal and financial costs of such collapses when they occur. At present, however, a lack of coordination, transparency, and proactivity is severely hampering the effectiveness of the Department’s efforts. In the pages that follow I will review the current status of the Department’s financial oversight efforts and offer proposals for how they could be strengthened to better serve the public interest.

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**ASSESSING**  
**INSTITUTIONAL**  
**FITNESS**

Institutions participating in Title IV federal financial aid programs must demonstrate both financial responsibility and administrative capability. Under the Higher Education Act, the Secretary of Education has the ability to establish standards of fitness in these areas. If an institution violates these standards, the Secretary may limit, suspend, terminate, or otherwise restrict the institution's ability to participate in Title IV programs.

One potent tool that the Secretary can use to mitigate potential dangers posed to students and taxpayers is a requirement that an at-risk institution, for-profit or non-profit, post a letter of credit.<sup>13</sup> A letter of credit is collateral for a portion of the institution's federal financial aid, put up as an assurance that if the institution closes there will be funding to cover the cost of loan cancellation, teach-out plans, and any institutional obligations to the Department. This is intended to help ensure that eligible former students at for-profits will be able to quickly have their student debt canceled or complete their studies, and that taxpayers will have some protection against having to cover the costs incurred by a failing for-profit college. If a school is required to post a letter of credit, but is unable to, it is no longer allowed access to Title IV federal financial aid.

In addition to letters of credit, there are other valuable tools at the Department's disposal once an institution has failed a necessary requirement, such as limiting the number or proportion of students who can receive federal aid and limiting the percentage of tuition that can come from federal aid.

**FINANCIAL RESPONSIBILITY**

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To be considered financially responsible, an institution must provide the services it describes itself as providing in official publications and statements and make available the administrative resources necessary to comply with relevant Department standards.<sup>14</sup> To measure such responsibility, the Department can calculate a Financial Composite Score for the institution.\*

Financial Composite Scores are assessed on a scale of -1.0 to 3.0, with higher scores being better and a score of 1.5 representing sound financial responsibility and a score below 1.0 indicating that the company is not financially responsible. In 2011, Corinthian received a 0.9 Financial Composite Score. In order to continue to have access to Title IV funding, Corinthian would have to do one of two things. First, they could agree to become provisionally certified,

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\* As part of the evaluation of an institution's financial responsibility, the Department calculates three financial ratios for an institution: an equity ratio, a primary reserve ratio, and a net income ratio. Each ratio is scored separately and the three are combined to arrive at the institution's Financial Composite Score. If an institution's composite score is below the minimum requirement for unconditional approval (a score of 1.5) but within a designated threshold level (the "Zone," which is 1.0 to 1.4), such institution may take advantage of an alternative that allows it to continue to participate in the Title IV programs for up to three years under additional monitoring and reporting procedures but without having to post a letter of credit to the Department. If an institution's composite score falls below the minimum threshold level of 1.0 or the institution remains in the Zone for more than three consecutive years, the institution may be required to post a letter of credit to the Department.

accept Heightened Cash Monitoring level 1,\* and post an irrevocable letter of credit to the Department equal to 10% of the Title IV program funds they received during the fiscal year 2011 (calculated by the Department to be \$175.7 million). Second, they could regain their status as financially responsible and post an irrevocable letter of credit equal to 50% of the Title IV program funds received by during the fiscal year 2011 (calculated by the Department to be \$878.5 million).<sup>15</sup> Corinthian, however, never posted such a letter of credit, having contested their score to exploit the years-long appeal process. By the time the delayed final determination confirmed their failing result for 2011 they had passed the 2012 Financial Composite Score with a 1.5 score, rendering the previous finding moot.<sup>16</sup>

### ADMINISTRATIVE CAPABILITY

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An alternate measure of an institution's health is administrative capability. An institution is determined to lack administrative capability when evidence is found of significant problems affecting the institution's ability to administer Title IV financial aid programs, when it fails to provide all program, fiscal, and financial statements required for compliance in a timely manner, or when it appears to lack the ability to administer the Title IV programs competently.<sup>17</sup> The Department's Heightened Cash Monitoring list provides the clearest tracking of institutions the Department views as lacking either adequate administrative capability or required audits and financial sheets.

In its June 2014 letter, the Department notified Corinthian that they would be placed on Heightened Cash Monitoring 1 as a result of their failure to submit required documentation in a timely manner. The result was that Corinthian had to make disbursements to eligible students and parents before it could request or receive funds from the Department. This failure to be deemed administratively capable could have resulted in more severe actions from the Department, including a mandate that Corinthian post a letter of credit. Because Corinthian's creditors had already refused to bridge their \$55 million cash shortfall, it was unlikely that they would be able to secure such a letter. This would have immediately cut Corinthian off from federal financial aid.

The Department, however, chose not to require a letter of credit or any other sanction for Corinthian's failure to demonstrate administrative capability. Instead the Department, as noted earlier, released millions in taxpayer dollars and allowed Corinthian to continue to enroll new students—an indication that the Department viewed Corinthian as too big to fail. The institution thus received a bailout to prevent 72,000 students from having their education disrupted, despite strong evidence that it remained deeply troubled.

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\* There are two levels of Heightened Cash Monitoring. *Heightened Cash Monitoring 1*: After a school makes disbursements to eligible students from institutional funds and submits disbursement records to the Common Origination and Disbursement (COD) System, it draws down FSA funds to cover those disbursements in the same way as a school on the Advance Payment Method. *Heightened Cash Monitoring 2*: A school placed on HCM2 no longer receives funds under the Advance Payment Method. After a school on HCM2 makes disbursements to students from its own institutional funds, a Reimbursement Payment Request must be submitted for those funds to the Department.

## THE LESSONS OF CORINTHIAN'S COLLAPSE

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In reviewing the collapse of Corinthian, it is clear that there were many early warning signs to which the Department could have responded. Additional steps could have been taken to protect current and prospective students from an institution that was clearly on the brink of failure, and to limit the liabilities to taxpayers who had sent billions of dollars to the school in Title IV federal financial aid and would be forced to cover the cost of defense to repayment and closed school discharges.

And the case of Corinthian is not isolated. Officials at the Department have often seemed paralyzed with fear when faced with taking action against large for-profit institutions in crisis. Faced with the prospect of outcomes that could displace and disrupt the educational advancement of tens or hundreds of thousands of students, the Department has repeatedly propped up failing institutions or ignored early indicators that an institution was on the brink of failure. This approach has only increased the damage when such struggling institutions eventually failed.

The same month that Corinthian filed for bankruptcy, two more for-profit chains announced school closures: Education Management Corporation said it would close 15 of its 52 Art Institute campuses, and Career Education Corporation said it would undergo restructuring that would include the sale of all but two of its university holdings.<sup>18</sup> Both for-profit chains have campuses in heightened cash monitoring or that are considered not financially responsible.

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### **STRENGTHENING EARLY WARNING INDICATORS**

My review of the most recent data available on the nation's for-profit colleges has identified 499 for-profit colleges that were either subjected to Heightened Cash Monitoring or eligible for sanctions as a result of their Financial Composite Scores.<sup>19</sup> Of those 499 colleges, 262 were subjected to Heightened Cash Monitoring as a result of concerns about their financial responsibility, administrative capability, or late audits, while 189 produced Financial Composite Scores low enough to render them potentially responsible for providing letters of credit. There is some overlap between the two groups of institutions, but not much—only 58 of the for-profit colleges that were subjected to Heightened Cash Monitoring also had low Financial Composite Scores. Those 58 colleges, however, received more than \$595 million in federal financial aid in the for the 2014-2015 school year.<sup>20</sup>

These two tracking metrics have great potential to aid the Department in identifying whether a school needs to be more closely monitored, and in determining whether additional measures such as posting a letter of credit or suspending enrollment of new students are needed before the Department continues to authorize large investments into these colleges. In addition, other metrics could be used to catch early warning indicators before an institution is beyond repair and better protect students and taxpayers.

## **ASSIGN ALL COLLEGES FINANCIAL COMPOSITE SCORES**

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Today, colleges can be placed on Heightened Cash Monitoring for financial responsibility reasons without receiving a Financial Composite Score, either as a result of failing a financial responsibility test or because they failed to meet other performance criteria.<sup>21</sup> The Department has not explained why colleges have been found to have failed the financial responsibility test without a Financial Composite Score being calculated, and has not indicated whether colleges in that category have been required to post a letter of credit as a result.

When those colleges that did not receive a Financial Composite Score but were nonetheless deemed not financially responsible are added to those with a failing Financial Composite Score, the list of such institutions subjected to Heightened Cash Monitoring grows from 58 for-profit colleges to 204. These 204 colleges received \$4.3 billion in Title IV federal financial aid during the 2014-2015 school year.<sup>22</sup>

Missing data thus clearly plays a significant role in the current lack of overlap between the list of schools subjected to Heightened Cash Monitoring and those with failing Financial Composite Scores. Ensuring that every college is assigned a Financial Composite Score would render the system far more responsive and transparent.

## **TRACK ACTIONS AGAINST FOR-PROFIT INSTITUTIONS BY ACCREDITORS**

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Another area where improvement in tracking colleges' performance is possible is the accreditation process. In recent years, accreditation agencies have come under growing scrutiny for providing little accountability to poor-performing institutions. Former Education Secretary Arne Duncan went as far to say that "[f]or the most part, accreditation organizations are the watchdogs that don't bark."<sup>23</sup> These agencies have the potential to provide meaningful early warnings to the Department, but a December 2014 report by the Government Accountability Office found that Department "staff review accreditor sanction information and record their response to sanctions on an inconsistent basis, and existing guidance for Education staff on how to respond is unclear."<sup>24</sup> The report goes on to describes these troubling findings:

**Education directors who oversee schools typically forward copies of accreditor sanctions to their staff who are responsible for assuring that schools comply with federal student aid requirements. However, based on our review of a sample of 10 accreditor sanctions from fiscal year 2012 and interviews with Education officials who oversee schools, we found that Education did not consistently provide its analysts with these sanction notices. In three of our 10 selected cases, Education had received a copy of the sanction from the accreditor, but officials had no record that the analyst responsible for providing oversight of the relevant school ever received it. We selected these sanctions in part because they indicated potential federal student aid concerns. While in three cases there was no indication of monitoring by Education, records showed that Education took monitoring or**

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enforcement action in the other seven cases. The three sanctions cited failure to comply with accreditor standards in numerous areas including, respectively, financial practices and management; school integrity and quality of administrative officers; and financial resources, financial stability, and federal student aid program responsibilities.

For 36 of the 93 schools receiving federal student aid funds that were placed on probation by their accreditors in fiscal year 2012, we found no indication of follow-up activities by Education between the beginning of fiscal year 2012 and December 2013.

It is known that national accreditors need to increase their oversight and enforcement actions of for-profit colleges. But this increased oversight of financial responsibility and administrative capability needs to be tracked and utilized by the Department as well. When the Department is determining if an institution is capable of handling Title IV federal financial aid, these accreditor actions can signal that an institution should be required to post a letter of credit to prevent harm to students and taxpayers.

#### **INCORPORATE ACTIONS TAKEN BY FEDERAL AND STATE REGULATORS**

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For-profit colleges have routinely been the subject of state and federal government agency investigations for potential violations of federal and state laws.<sup>25</sup> These investigations should act as triggers for the Department to launch program reviews of schools' practices and ability to meet standards to access federal financial aid.

As reported by the *New York Times* in October 2015, "[i]n recent years, more than two dozen companies that run for-profit colleges have been investigated or sued by state prosecutors. To handle the load, 37 state attorneys general have teamed up to form a working group. Together, the 152 schools under investigation received about \$8.1 billion in federal student loan and grant payments last fiscal year, according to a detailed analysis by Mr. Miller for the *New York Times*, using data provided by the Education Department."<sup>26</sup>

By launching their own program reviews following the commencement of a state or federal agency investigation or lawsuit against a school, the Department could catch widespread fraud of students and taxpayers early on, instead of providing such schools with continued unrestricted access to billions in federal student aid. Such reviews could also help the Department determine whether a letter of credit is prudent, both to help cover the cost of any discharged loans due to students being misled and because potential settlements in such cases would impact the schools' financial well-being.



## HEIGHTEN LIMITATIONS DURING PROGRAM REVIEW

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Program reviews conducted by Federal Student Aid, can provide early warning signs that a school may be in distress. Federal Student Aid conducts these reviews to confirm that schools are able to meet Department requirements such as institutional eligibility, financial responsibility, and administrative capability after audits of those institutions uncover problems. Data provided by the Department on December 1, 2015 and included in my analysis show 24 for-profit colleges whose access to federal funds were restricted under Heightened Cash Monitoring while they were under review, five of which were "severe."

Following a lengthy investigation, the Department issued letters on January 29, 2016 to several Marinello Schools of Beauty and Computer Systems Institute (CSI) locations notifying them that they had lost access to Title IV federal financial aid. The Department announced that CSI had "submitted false job placement rates to its students, the Department, and its national accreditor" and that the Department had "determined that Marinello was knowingly requesting Federal aid for students based on invalid high school diplomas, underawarding Title IV aid to students, charging students for excessive overtime, and engaging in other acts of misrepresentation."<sup>27</sup> Less than a week later, Marinello Schools of Beauty announced the closure of their 56 campuses.<sup>28</sup>

The Department provided more than \$256 million in aid to CSI and Marinello Schools of Beauty since 2012, when many of the known abuses at the schools began.<sup>29</sup> Had the previous program review acted as an early warning sign, the Department could have required a letter of credit from both colleges, and from the remaining eight for-profit colleges placed in Heightened Cash Monitoring during program reviews,<sup>30</sup> to act as collateral in the event the schools were found to be engaging in wrongdoing.

## UPDATE FINANCIAL COMPOSITE SCORE METRICS

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The current Financial Composite Score was developed two decades ago to track private colleges' financial health and to ensure federal financial aid wasn't flowing to institutions that might abruptly close. In recent years, how these scores are calculated has come under growing scrutiny, with critics suggesting that they fail to predict a school's financial well-being and instead reflect how they structure their finances. A review of Financial Composite Scores posted in early 2014 found that "a small institute on the verge of collapse in California and numerous beauty schools across the country have lately been in better financial health than any university in the Ivy League."<sup>31</sup>

In numerous cases, small for-profit colleges showing signs of financial distress or facing accreditation difficulties have received Financial Composite Scores as high or higher than esteemed private universities. In 2014 *Inside Higher Education* compared Stanford University with Sofia University, a 250-student for-profit institute. Both scored the highest score possible (3.0), but Sofia University was on the verge of insolvency.<sup>32</sup> The President of Sofia University was going through the process of "significant budget cuts, pushed out longtime

faculty—including the university's co-founder—and then abruptly resigned, leaving the school in total financial and leadership crises.”<sup>33</sup> Today Sofia University is accredited with a “Notice of Concern.”<sup>34</sup>

My analysis found 15 for-profit colleges subject to Heightened Cash Monitoring—for issues including accreditation problems, program review, and financial responsibility—that each scored the highest financial composite score possible (3.0) for fiscal years ending in 2012-2013.<sup>35</sup> These institutions received a total of more than \$39 million in federal student aid for the 2014-2015 academic year.<sup>36</sup> Such non-financial factors should perhaps be considered when calculating financial scores, as the loss of accreditation and federal financial aid can quickly push a school into bankruptcy. It has also been shown that for-profit colleges have in some instances exploited loopholes in the Financial Responsibility Score algorithm to inflate their scores, for instance by shifting expenses into discontinued operations by stating intentions to close or sell off campuses.<sup>37</sup>

### **IMPLEMENT A PAYING CUSTOMER TEST**

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Once a school has failed to demonstrate financial responsibility and administrative capability, or has failed other metric-based standards such as cohort default rates, the Secretary should, in addition to requiring letters of credit, take action to limit the proportion of students eligible to receive Title IV federal financial aid.<sup>38</sup>

Following the enactment of the G.I. Bill, more than five thousand new for-profit schools were created within years. Investigations into these institutions revealed that some of these for-profit colleges were manipulating the system by inflating tuition, extending the length of courses, and enrolling more students than was appropriate. Congress adopted a market test for schools as a result, requiring that they “show that someone other than veterans was enrolled so that the schools could not simply price their programs to milk whatever maximum amount taxpayers offered up.”<sup>39</sup> The test was called the 85-15 rule because no more than 85 percent of the students in a program could be veterans financed by the government.<sup>40</sup> The Secretary could impose a similar rule now.

In considering risks that for-profit colleges pose to students and taxpayers, a similar 85-15 market test would indicate whether schools are pricing and selling with an exclusive eye to the aid that is available to low-income students. Placing a “paying customer” requirement on for-profit colleges would discourage them from setting prices at the maximum amount provided by federal aid—an amount that leaves students deep in debt—and protect taxpayers from footing large bills if the school is discovered to be misleading students or suddenly closes.

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**INCREASING TRANSPARENCY  
TO STUDENTS, PROSPECTIVE  
STUDENTS, AND TAXPAYERS**

Requiring institutions showing signs of trouble to post letters of credit and pass paying-customer market tests will better protect both students and taxpayers. Beyond that, however, the Department should also provide more transparency to students and the public. This would allow prospective students to make better-informed decisions, inform them when schools are engaging in activities detrimental to students, and ensure that funds are available in the case of a school closure or potential defense to repayment claims.

**STUDENT WARNINGS**

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The Department and institutions should notify students when the schools in which they are enrolling are facing heightened monitoring of their finances, failing financial tests required by the Department, undergoing a program review, or being investigated by a state or federal agency. This could help students determine if it's in their best interest to continue at their current school or transfer to another.

**RELEASE LIST OF INSTITUTIONS POSTING LETTERS OF CREDIT**

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While letters of credit are subject to the Freedom of Information Act, there is at present no comprehensive list of institutions that have been required to post them, at what amount (percentage of Title IV funding or total amount posted), or for how long. By failing to make this information public, the Department is depriving taxpayers of information about the potential costs they face if these institutions close. I have requested the full list of posted letters of credit between fiscal years 2013-2016 (Appendix A), and urge the Department to release this information in the public interest.

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**CONCLUSION**

After Corinthian shuttered its doors in April 2015, the Department posted a list of "viable transfer opportunities" for students that wanted to continue their education. More than a dozen of the schools listed by the Department were for-profit colleges facing state and federal investigations.<sup>41</sup> This decision provoked an outcry from twelve state attorneys general and Senator Dick Durbin (D-IL), prompting the Department to remove the troubled institutions from the lists provided to students. Only months later, many of the for-profit colleges that had been recommended as transfer opportunities were themselves in perilous financial shape, and one of them, Westwood College, announced that they were shutting down all their campuses in March 2016.<sup>42</sup>

Despite multiple warnings from state and federal agencies, in addition to their own findings of financial struggles and administrative incapability, the Department refused to restrict or revoke Corinthian's eligibility for federal financial aid until the school was on the brink of collapse in June 2014. By failing to react to early warning signs, the Department allowed Corinthian to turn taxpayer-funded financial aid into billions of dollars in shareholder profit and then let the school off the hook for billions that should have been refunded to both students and taxpayers. Instead, taxpayers were left to foot the bill and the Department continues to mercilessly pursue former Corinthian students for loan repayment.

Corinthian is not isolated in evading Department safeguards meant to protect students and taxpayers. After failing to submit their 2013 financial statements and compliance audits to the Department, ITT Technical Institute was required to post a letter of credit to the Department annually through November 2019. The current requirement is equal to 10% of the Title IV federal financial aid received the year prior, and is adjusted annually, with their 2014 letter of credit being worth \$79.7 million.<sup>43</sup>

Following their failure to submit financial documents in a timely manner, the Department found that ITT Technical Institute was not financially responsible, scoring only a 0.9 out of 3.0 in their 2013 Financial Composite Score. In a 2015 Securities Exchange and Commission filing, ITT Technical Institute informed shareholders that because they were already posting a letter of credit worth 10% of their federal financial aid, the Department's determination "did not result in additional sanctions or penalties from the Department." According to the filing, ITT Technical Institute continues to appeal this finding, delaying any potential requirement to post a larger letter of credit.<sup>44</sup>

In the filing ITT proposed a too-big-to-fail argument in the form of a barely concealed threat: "Any significant delay in our institution's receipt of Title IV Program funds due to the penalties that the ED has imposed on us could adversely affect our financial condition, results of operations, liquidity and cash flows, could cause us to be in default of the Financing Agreement and could negatively impact our ability to satisfy our payment obligations under contractual arrangements, including the RSAs and the Financing Agreement. Depending on the length of the delay, we cannot assure you that we would be able to continue to operate our business in such an event. If the [Department] requires us to increase the amount of our letter of credit payable to the ED, we cannot assure you that we would be able do so, or that we would be able to provide the cash collateral necessary to maintain any letter of credit."<sup>45</sup>

ITT Technical Institute has been investigated or sued by 19 states, the Securities and Exchange Commission, the Consumer Financial Protection Bureau and the Justice Department. Ninety-four ITT Technical Institute locations were subject to a "campus Improvement Plan and Student Achievement Monitoring" by its accreditor in May 2015.<sup>46</sup> The two ITT Technical Institute campuses listed in the Department's Heightened Cash Monitoring received \$584,871,485.56 in federal financial aid during 2014-2015. Its stock is trading at \$2.62 a share as of February 12, 2016, down from more than \$70 a share five years ago.<sup>47</sup>

As long as the Department continues to treat these large for-profit colleges as too big to fail, the colleges will continue to cause harm to students and waste billions in taxpayer dollars. It is unknown what liabilities students and taxpayers face in the event of another large for-profit college shutting down immediately or misleading students because of the lack of public information about letters of credit. It is known that the Department has the authority and responsibility to take decisive action when it finds these schools are incapable and not responsible enough to continue to be trusted with billions of dollars from taxpayers and the livelihoods of the thousands of students enrolled at them.

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**APPENDIX**

**Higher Education  
555 New Jersey Ave. NW  
Washington, DC, 20001**

January 29, 2016

U.S. Department of Education  
Office of Management  
Regulatory Information Management Services  
400 Maryland Avenue, SW, LBJ 2W220  
Washington, DC 20202-4536  
ATTN: FOIA Public Liaison

Dear FOIA Public Liaison:

This is a request under the Freedom of Information Act.

I request that a copy of the following documents (or documents containing the following information) be provided to me: copies of irrevocable letters of credit issued to higher education institutions, identified by both their OPE ID and institution name, including the total amount posted, what percentage of Title IV funding was posted, the posting bank, and the time period covered by the irrevocable letter of credit for fiscal years 2013-2016.

In order to help determine my status to assess fees, you should know that I am an individual seeking information and this request is not for commercial use.

The maximum dollar I am willing to pay for this request is \$500.00. Please notify me if the fees exceed \$25.00 or the maximum dollar amount listed in this letter.

Please note that I request a waiver of all fees for this request. Disclosure of the requested information to me is in the public interest because it is likely to contribute significantly to public understanding of the operations or activities of the government and is not primarily in my commercial interest.

Thank you for your consideration of this request.

Sincerely,

Chris Hicks  
chrisnhicks@gmail.com