

United States Senate
Washington, DC 20510-1304

December 18, 2013

The Honorable Arne Duncan
Secretary
Department of Education
400 Maryland Ave, SW
Washington, DC 20202

Dear Secretary Duncan:

A recent Huffington Post article, *How A For-Profit College Created Fake Jobs To Get Taxpayer Money*, reports that Corinthian Colleges, Inc., has engaged in deceptive practices to artificially boost job placement rates in an effort to mislead students and accreditors. I write to ask the Department of Education to respond to these allegations and to spell out what, if any, direct authority the Department has to hold Corinthian accountable for this fraudulent behavior.

According to the article, this scam took a number of forms. Everest College, a subsidiary of Corinthian, operated a subsidy program in which local employers were paid an “on-boarding allowance” of \$2,000 per head to hire graduates into temporary, 30-day positions. After the 30 days, Everest graduates were let go and cut off from career services through the college.


In spite of marketing claims that graduates could expect long-term job placement in their chosen fields and higher wages due to their degree, the article reports that Everest career counselors are trained to look for companies that have high employee turn-over rates so they can shuttle multiple graduates to the same positions. The College also is alleged to pay temp agencies to hire its graduates.

The article also highlights Corinthian Colleges’ manipulative marketing practices. This was done by outright lying – advertising numbers substantially higher than actual rates. Meanwhile, graduates find themselves with large debts, a questionable degree, and a short-term, dead-end job.

Given that Corinthian Colleges received nearly \$10 billion over the last decade in federal student aid funding, these practices and misrepresentation to students is an egregious misuse of taxpayer dollars. Today, I am asking the Department of Education to look in to these allegations and use whatever authorities it may have to hold Everest and its parent company, Corinthian Colleges, accountable. I am calling on you and this Administration to work with Congress to respond more aggressively to abuses against students and the public such as those perpetrated by Corinthian.

Thank you for your attention to this important issue. I look forward to your prompt reply.

Sincerely,

A handwritten signature in blue ink, appearing to read "Dick Durbin". The signature is fluid and cursive, with the first name "Dick" and last name "Durbin" clearly distinguishable.

Richard J. Durbin
United States Senator

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Washington, DC 20510-1304

December 17, 2013

Dr. Michale S. McComis, M.Ed., Ed.D.
Executive Director
Accrediting Commission of Career Schools and Colleges
2101 Wilson Boulevard, Suite 302
Arlington, VA 22201

Dear Dr. McComis,

A recent Huffington Post article, *How A For-Profit College Created Fake Jobs To Get Taxpayer Money*, reports that Corinthian Colleges, Inc., has engaged in deceptive job placement practices to artificially boost job placement rates in an effort to mislead students and accreditors. The Accrediting Commission of Career Schools and Colleges (ACCSC) is one of two national accrediting agencies for many of Corinthian Colleges' subsidiary campuses. Given what appear to be sustained, intentional deceptive practices, what is ACCSC doing to hold Corinthian accountable and ensure they do not continue these fraudulent practices?

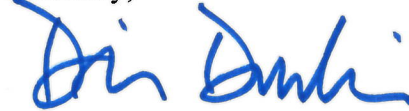
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In spite of marketing claims that graduates could expect long-term job placement in their chosen fields and higher wages due to their degree, the article reports that Everest career counselors are trained to look for companies that have high employee turn-over rates so they can shuttle multiple graduates to the same positions. The College also is alleged to pay temp agencies to hire its graduates. These deceptive tactics give the illusion of a successful job placement rate, which is required to maintain ACCSC accreditation.

The article also highlights Corinthian Colleges' manipulative marketing practices. This was done by outright lying – advertising numbers substantially higher than actual rates. Meanwhile, graduates find themselves with large debts, a questionable degree, and a short-term, dead-end job.

Given that Corinthian Colleges received nearly \$10 billion over the last decade in federal student aid funding, these practices and misrepresentation to students is an egregious misuse of taxpayer dollars. I look forward to learning whether the ACCSC will even respond to this disturbing information.

Sincerely,

A handwritten signature in blue ink, appearing to read "Dick Durbin", is written over the typed name.

Richard J. Durbin
United States Senator

RICHARD J. DURBIN

ILLINOIS

ASSISTANT MAJORITY LEADER

United States Senate
Washington, DC 20510-1304

COMMITTEE ON APPROPRIATIONS

COMMITTEE ON FOREIGN RELATIONS

COMMITTEE ON THE JUDICIARY

COMMITTEE ON RULES
AND ADMINISTRATION

December 17, 2013

Dr. Albert C. Gray, Ph.D.
President and Chief Executive Officer
Accrediting Council for Independent Colleges and Schools
750 First Street, NE
Suite 980
Washington, DC 20002

Dear Dr. Gray,

A recent Huffington Post article, *How A For-Profit College Created Fake Jobs To Get Taxpayer Money*, reports that Corinthian Colleges, Inc., has engaged in deceptive job placement practices to artificially boost job placement rates in an effort to mislead students and accreditors. The Accrediting Council for Independent Colleges and Schools (ACICS) is one of two national accrediting agencies for many of Corinthian Colleges' subsidiary campuses. Given what appear to be sustained, intentionally deceptive practices, what is ACICS doing to hold Corinthian accountable and ensure they do not continue these fraudulent practices?

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Given that Corinthian Colleges received nearly \$10 billion over the last decade in federal student aid funding, these practices and misrepresentation to students is an egregious misuse of taxpayer dollars. I look forward to learning whether the ACICS will even respond to this disturbing information.

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Richard J. Durbin
United States Senator

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Washington, DC 20510-1304

December 18, 2013

Mr. Jack D. Massimino
Chairman and CEO
Corinthian Colleges, Inc.
1350 I St. NW #1270
Washington, DC 20005

Dear Mr. Massimino,

A recent Huffington Post article, *How A For-Profit College Created Fake Jobs To Get Taxpayer Money*, reports that Corinthian Colleges, Inc., has engaged in deceptive job placement practices to artificially boost job placement rates in an effort to mislead students and accreditors. Is this true? I ask that you provide an accurate accounting of how your graduates are placed in jobs in their field, the average tenure of these jobs, and any financial arrangements Corinthian has with these employers.

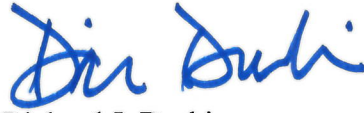
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The article also highlights Corinthian Colleges’ manipulative marketing practices. This seems to have been done by outright lying – advertising numbers substantially higher than actual rates. Meanwhile, graduates find themselves with large debts, a questionable degree, and a short-term, dead-end job.

Given that Corinthian Colleges received nearly \$10 billion over the last decade in federal student aid funding, allegations like these presents an egregious misuse of taxpayer dollars. You owe an explanation to your students, the public and the United States government. I welcome you to provide that explanation in your response to me and outline steps you are taking to ensure it never happens again.

Sincerely,

A handwritten signature in blue ink that reads "Dick Durbin". The signature is written in a cursive, slightly stylized font.

Richard J. Durbin
United States Senator