

Center for American Progress



# ACICS Must Go

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By Ben Miller June 2016

# Introduction and summary

Getting students to apply to and enroll in college can require a lot of creativity at an institution without any brand recognition. Even so, FastTrain College’s recruiting tactics took the idea of an exotic approach far too literally. According to a 2014 complaint filed by the U.S. Department of Justice, the Florida-based college chain allegedly hired strippers and attractive women to convince young men to enroll.<sup>1</sup> Sadly, the school appeared to pay more attention to finding provocatively attired recruitment agents than following the law. Last November, a jury convicted the former FastTrain president Alejandro Amor on charges of stealing more than \$6.6 million in federal financial aid by enrolling ineligible students, fabricating high school diplomas, and making false statements to the U.S. Department of Education.<sup>2</sup> In May 2016, a judge sentenced him to 96 months in prison.<sup>3</sup>

According to the Department of Justice complaint, FastTrain engaged in these fraudulent practices starting as early as 2009 and continued until the college closed about six weeks after a Federal Bureau of Investigation raid in 2012.<sup>4</sup> These actions strongly suggest there were serious problems at FastTrain for years.

Somehow, despite all of these issues, the Accrediting Council for Independent Colleges and Schools, or ACICS—a nonprofit entity tasked with evaluating if FastTrain was of sufficient quality to participate in the federal student aid programs—seemed to find no major problems with the college. In fact, not only did ACICS fail to raise any public alarm bells about FastTrain, it named the school an honor roll institution in 2011 for its “excellent understanding” of the quality assurance process.<sup>5</sup>

Sadly, this disconnect between fraud allegations and praise from ACICS regarding troubled colleges is far from a one-time occurrence. From 2010 to 2015, there were 90 instances where ACICS named campuses or institutions to its honor roll around the same time they were under investigation by state or federal government agents. And the 12 companies that own those campuses are just part of the 17 institutions or corporate entities under investigation that have accessed federal financial aid dollars wholly or in part due to ACICS’ decisions. (See Table 1)

Allowing so many troubled actors to access the federal financial aid system has cost taxpayers billions of dollars. According to a Center for American Progress analysis, the 17 institutions, campuses, or corporate entities under investigation that ACICS approved have taken in more than \$5.7 billion in federal funds over the past three years. That represents 52 percent of all federal aid dollars received by ACICS-approved colleges during that time period.

The substantial number of troubled actors with access to federal aid dollars thanks to ACICS is a symptom of a larger problem. A detailed review of ACICS policies, procedures, and student outcomes data paint a clear picture of a deeply troubled agency. Our review found that ACICS:

- Accredits a large number of colleges or companies that have been subject to federal or state investigations or settlements
- Takes minimal to no public action against colleges, even when outside investigations or peer agencies raise red flags
- Uses weaker student outcomes measures to judge colleges and sets lower thresholds on these measures compared to other peer agencies
- Produces the worst combined student outcomes of any major accreditation agency
- Conducts inadequate job placement rate verification
- Establishes weaker standards for areas such as recruitment and admission that are typically a source of problems for colleges

In total, these results strongly suggest that ACICS is incapable of acting as a sufficient assessor of college quality and that its repeated poor judgment leaves millions of students and billions of taxpayer dollars at risk.

Fortunately, there is an opportunity to rectify this situation. ACICS must be recognized every few years by the U.S. Department of Education so that the colleges it approves can participate in the federal financial aid programs. This June, a department panel known as the National Advisory Committee on Institutional Quality and Integrity, or NACIQI, will meet to decide ACICS' fate.<sup>6</sup> This commit-



tee, which is comprised of private citizens appointed by the House, Senate, and the U.S. secretary of education, can recommend that the department terminate ACICS' recognition, presenting an opportunity to protect students and taxpayers in a manner that ACICS has proven incapable of doing.

In response to this upcoming meeting, ACICS is attempting to make a number of last minute changes. (See “Insufficient Changes” text box) This includes replacing its executive director and creating new ethics standards.<sup>7</sup> While attempting to improve is a laudable goal, these changes are, sadly, too little too late. The agency had a half decade to improve, stemming from its last negative NACIQI review in 2011.<sup>8</sup> Changes made two months out from the meeting suggest desperation—not a serious commitment to change. And even still, the new proposals fail to address fundamental issues such as weak measures of student success, low thresholds for student achievement, and standards for recruitment, admissions, and job placement that fail to head off problems.

The failures of ACICS also raises questions about the viability and integrity of the overall accreditation system. Its challenges are illustrative of the issues plaguing accreditation writ large—insufficient accountability, overly close connections between accreditors and the colleges they approve, and an emphasis on process over outcomes. Failing to take action against the agency that typifies all of these problems will send an unfortunate message to the other accreditors that any level of poor behavior is acceptable.

Allowing ACICS to persist is simply unacceptable. For the good of both American students and taxpayers, its role as gatekeeper for federal financial aid must be terminated.

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The Center for American Progress is an independent, nonpartisan policy institute that is dedicated to improving the lives of all Americans, through bold, progressive ideas, as well as strong leadership and concerted action. Our aim is not just to change the conversation, but to change the country.

## Our Values

As progressives, we believe America should be a land of boundless opportunity, where people can climb the ladder of economic mobility. We believe we owe it to future generations to protect the planet and promote peace and shared global prosperity.

And we believe an effective government can earn the trust of the American people, champion the common good over narrow self-interest, and harness the strength of our diversity.

## Our Approach

We develop new policy ideas, challenge the media to cover the issues that truly matter, and shape the national debate. With policy teams in major issue areas, American Progress can think creatively at the cross-section of traditional boundaries to develop ideas for policymakers that lead to real change. By employing an extensive communications and outreach effort that we adapt to a rapidly changing media landscape, we move our ideas aggressively in the national policy debate.

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