

Durbin, Senators call for review by accreditors of EDMC's sale of for-profit colleges

June 23 2017 3:10 PM



WASHINGTON, D.C. - In a letter to the heads of several regional college accreditors, Senators Dick Durbin (D-IL), Elizabeth Warren (D-MA), Sherrod Brown (D-OH), and Kamala Harris (D-CA) and Congresswoman Rosa DeLauro (D-CT) called for close scrutiny of the proposed sale of the Education Management Corporation's (EDMC) for-profit college chains to The Dream Center Foundation. The proposed sale would allow EDMC's schools, including Argosy University, South University, and the Art Institutes – institutions with a history of predatory behavior – to be converted to non-profit status

and thereby escape stricter accountability for their treatment of students and use of taxpayer dollars.

In their letter, Durbin, Warren, Brown, Harris, and DeLauro cited the nearly \$100 million 2015 settlement between EDMC and the U.S. Department of Justice (DOJ) and dozens of state attorneys general for illegal and predatory recruiting practices, and highlighted recent data showing that a "staggering number" of EDMC programs are "saddling their students with stunning levels of student debt and producing graduates earning poverty-level wages." The letter notes accrediting agencies' responsibility in approving the proposed sale, stating, "EDMC's troubling legal history raises important questions for your agency's review of this transaction and about whether the Dream Center's takeover of EDMC's school will improve the quality of education offered to students."

"We are deeply concerned that EDMC may be attempting to skirt federal accountability rules and protections for taxpayers by converting its institutions to non-profit status while maintaining key elements of for-profit governance, including a predatory operating and recruitment model, forced arbitration agreements as a condition of student enrollment, a pattern of spending more on marketing and recruitment than on instruction, and a financial arrangement that allows institution leaders to personally profit from the institution's operations," the Members of Congress wrote.

"The proposed sale of EDMC poses significant risks for students and taxpayers. We, therefore, urge you to closely coordinate with other accreditors to scrutinize and evaluate this transaction."

Full text of the letter is available [here](#).