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Senators Seek Probe of For-Profit College Rules

Republican Sens. Richard Burr and Tom Coburn entered the fight over for-profit colleges, demanding an investigation into the Department of Education's "gainful employment" regulations.

In a letter to the Education Department's inspector general Wednesday, Mr. Burr of North Carolina and Mr. Coburn of Oklahoma cited public documents indicating the proposed rules were leaked to short-sellers. The department, they wrote, "may have leaked the proposed regulations to parties supporting the Administration's position and investors who stand to benefit from the failure of the proprietary school sector."

Emails that surfaced in a lawsuit filed by a for-profit college in Florida show correspondence between different shortsellers and members of the Education Department's committee of outside advisers on the rules. (The final rules were published on Nov. 1.)

Department spokesman Justin Hamilton said the department "is committed to making sure that students are getting what they're paying for in preparation for a good job. We've operated with an unprecedented level of transparency and openness and maintain our commitment to issuing the best possible regulations." The process for writing the rules is here on the department's website.

The schools have ramped up lobbying efforts against the regulations, which would require career colleges and training programs to prove they're preparing students for gainful employment.

For-profit universities have come under scrutiny because they receive federal dollars through financial aid programs, and critics say students are often left with big debts and little education. The schools say they give opportunities to students who have no other alternatives for higher education.

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