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## Views

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### Sweating Bullets at the GAO

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The authors of the Government Accountability Office's for-profit secret shopper investigation pulled off a statistically impressive feat in August. Let's set aside for the moment that on Nov. 30, the government watchdog [quietly revealed](#) that its influential testimony on for-profit colleges was riddled with errors, with 16 of the 28 findings requiring revisions. More interesting is the fact that all 16 of the errors run in the same direction -- casting for-profits in the worst possible light. The odds of all 16 pointing in the same direction by chance? A cool 1 in 65,536.

Even the most fastidious make the occasional mistake. But the GAO, the \$570 million-a-year organization responsible for ensuring that Congress gets clean audits, unbiased accounting, and avowedly objective policy analysis, is expected to adhere to a more scrupulous standard. This makes such a string of errors particularly disconcerting.

In fact, the GAO is constituted precisely to avoid such miscues. Its report-vetting process entails GAO employees who are not involved with the project conducting a sentence-by-sentence review of the draft report, checking the factual foundation for each claim against the appropriate primary source. While the research is compiled and proofed, legislators who requested the investigation may keep in routine contact with the GAO to stay apprised of the inquiry.

The GAO issues hundreds of reports a year, and by most accounts revisions of the kind released two weeks ago are almost unheard of. As a former GAO assistant director who worked at GAO for a decade on issues including higher education explained to us Wednesday, the organization's rigorous review process leaves little or no room for error.

He said, "[It is] extremely rare for the GAO to issue corrected testimony or reports. In fact, in my 10 years that I was there, I never once saw that happen." He went on to say, "It is stunning to me, given [the GAO] process, how this many errors could have happened. It raises a lot of questions as to the pressure the GAO was under. . . . They must be sweating bullets over at GAO."

What kinds of mistakes are we talking about here? The corrections were generally changes in emphasis or wording that altered the complexion of the finding. For instance, the original report claimed that a financial aid officer purposely ignored an undercover applicant's supposed \$250,000 in savings when calculating eligibility for financial aid. What the report neglected to reveal was that the financial aid representative did so "upon request by applicant." This does not necessarily exonerate the financial aid officer, but it does raise questions about the impetus for the inappropriate behavior.

In another instance, an applicant went from being informed that he or she "could take out the maximum in student loans" despite not actually needing that much (revised) to being told that he or she "should" (original) do so. And in a different scenario, a for-profit official supposedly told an applicant that massage therapists could earn up to \$100 an hour -- when the review showed that the official actually said that the applicant could expect to earn up to \$30 an hour, a figure that is below the Bureau of Labor Statistics' estimate of \$34 for therapists in California.

The list goes on and on. Each of the GAO's 16 corrections indicates that the recorded evidence was presented in an inaccurate or incomplete fashion, in every case portraying for-profits in a negative light.

What happened? Our source speculated that the pressure of issuing the report in time for [Sen. Tom Harkin's Aug. 4 committee hearing](#) and in time to support the issuance of the Department of Education "gainful employment" regulations led GAO investigators to be less careful than normal.

The problem is that the "we were in a hurry" defense doesn't explain why the errors all point in the same direction — one that happens to reflect the policy preferences of the chairman of the Senate HELP committee and of administration appointees at the Department of Education. Lanny Davis, the veteran Clinton hand who has now taken to the barricades for the for-profit providers, told us Wednesday that he thinks there is an obvious distinction between "gross incompetence" and "setting out to deceive" — and that the original GAO report crosses the line. "Given that all 16 of the so-called mistakes portrayed career colleges in a negative light, I believe there is no sliver of possibility that this was not an intentional distortion of the truth by somebody with an agenda or somebody who was pushed into doing it," Davis argued.

The issue goes beyond incompetence or politically motivated misinformation in a government report; the message of the GAO's initial publication has been "baked in" to the Harkin hearings and the Department of Education's rulemaking on gainful employment.

Our GAO source observed that the original report's finding that all of the investigated providers were up to no good was "woven into the overarching narrative that there are a lot of bad actors out there that have to be dealt with." Even though the GAO's revisions were substantial enough to merit a public correction, the narrative has crystallized and been wielded by Harkin and Department officials to press the case for their agendas as recently as this week (see Harkin's December 14 speech on the Senate floor). Even more troubling, despite finally acknowledging the litany of errors that permeate the report, GAO spokespeople have asserted that "nothing changed with the overall message of the report, and nothing changed with any of our findings."

The bigger question is whether we can be confident that the GAO has caught all of the errors or is being honest with the report's critics. The former GAO official speculated that the recent corrections could be just the "tip of the iceberg in terms of the mistakes made in the report. It calls into question the entire report because it shows that there were not sufficient quality controls in place for whatever reason." Complicating things is that the GAO is not subject to Freedom of Information Act Requests, which makes getting to the bottom of things just a bit difficult. (Of course, the Department of Education is subject to FOIA requests, and the advocates for the career college sector have filed suit to obtain the primary source materials.)

Regardless of how this gets sorted out, this affair has crippled efforts to talk honestly about problems that need to be addressed. It is hardly shocking that there are unscrupulous for-profit providers trafficking in misinformation and misusing federal student aid dollars. Every sector, public and private, faces such problems. And the practices of all providers that collect public funds deserve to be scrutinized and monitored. The government has every right to police how its student aid dollars are being spent.

But trampling public confidence in an esteemed federal watchdog helps no one — not the individual students that are being taken advantage of by fly-by-night providers, not the colleges that are acting in good faith, not the bureaucrats charged with regulating the sector, and not the taxpayers who wish to root out corruption in student lending.

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