

A FURTHER PERSPECTIVE

The GAO's Credibility Gap

By Mark Hyman on 1.18.11 @ 6:07AM

I was a recent guest lecturer at Johns Hopkins University. During the course of my talk I remarked to the students that I never would have imagined I would have written three columns on the topic of colleges and college admissions procedures. I can now add a fourth column to my résumé.

Reading the prior columns on this topic is worthwhile. They provide the reader a clear understanding of the assault on career colleges by the U.S. Department of Education. Unlike state-owned public institutions and private, not-for-profit colleges, career colleges operate on a for-profit basis.

The first two columns (October 6, 2010 and December 1, 2010) detail the systematic attack on the for-profit college universe. The third column (December 14, 2010) reports the major revisions made to a Government Accountability Office report that originally alleged unethical and, at times, fraudulent actions by career college recruiters.

The GAO delivered the report to the Senate Health, Education Labor and Pensions Committee during an August 2010 hearing. The report formulated the basis of critical testimony that leveled very serious charges regarding career college recruiting practices.

I found numerous inconsistencies in the GAO report and had countless questions regarding assertions made in the report. I believed some of the claims in the GAO report raised serious questions about the agency's methodology and its interpretation of conversations between college officials and undercover GAO operatives.

I put several questions to the GAO. The agency appeared to fully answer some of questions and offered only vague responses to others. In a matter of weeks after I submitted my questions the GAO quietly released a revised version of the original report. After being questioned over the revisions a GAO spokesman stated, "Ultimately nothing has changed with the overall message of the report, and nothing has changed with any of our findings."

Nothing could be further from the truth. The revised findings significantly changed the report. In addition, they were significant enough to call into question either the competence or the integrity of the GAO.

I was not the only one challenging the GAO. The Coalition for Educational Success is an interest group comprised of career colleges. The coalition filed a lawsuit against the Department of Education after the agency refused to release documents requested by the coalition under the Freedom of Information Act. Of interest to the coalition were documents possibly showing ties between Ed Dept officials and stock investment "short sellers." Allegedly a small number of investors "shorted" the stock of several publicly-traded companies that operate career colleges whose stocks dramatically fell in price after the Ed Dept began threatening to implement new restrictive regulatory policies affecting only career colleges.

In late 2010, the coalition hired Norton-Norris, a consulting firm specializing in higher education. The firm was asked to review dozens of hours of audio recordings given to HELP Committee Chairman Senator Tom Harkin (D-IA) by the GAO. The recordings purportedly captured exchanges between college recruiters and undercover GAO personnel posing as prospective students.

Norton-Norris first discovered that several audio recordings of some of the conversations were missing so the authenticity of GAO investigations involving some schools could not be verified. Additionally, it appeared the undercover GAO applicants turned recorders on and off during some conversations thereby eliminating a electronic record of some portions of the interviews.

Norton-Norris was able to confirm the accuracy of the GAO's findings in only 14 of the reported 65 conversations.

According to a 68-page report of the firm's findings (GAO Bias Evident in Report to HELP Committee), "the GAO misrepresented conversations and explanations to meet their needs." The firm found "fragments of discussions were extracted to embellish and even fabricate [the GAO's] claims of deceptive and questionable behavior [by career colleges]."

In its review of the tapes, the firm found numerous instances in which the GAO fabricated entire conversations. Further, the GAO studiously ignored statements in the exchanges that portrayed career college recruiters as acting professionally and responsibly.

According to the revised GAO report, a college recruiter "told the undercover applicant that getting a job is a 'piece of cake' and then told the applicant she [the college recruiter] has graduates making \$120,000-\$130,000 a year." In scouring the audio tapes of that interview, Norton-Norris found that conversation never took place. It was completely fabricated by the GAO.

In another scenario, the GAO alleged a college recruiter misled an undercover applicant regarding the true cost of a program by providing a quote for only nine months and not the entire 12 months of a year. According to Norton-Norris, the confusion was in the minds of the GAO officials who did not understand the differences between a calendar year and an academic year. In fact, the college recruiter complied with the National Association of College Admissions Counseling's Statement of Principles of Good Practice. To do as the GAO suggested would have been in violation of the practices that all colleges -- regardless of profit status -- practice.

Norton-Norris also found instances in which helpful and useful information offered by college recruiters was intentionally omitted from the GAO report. An example is the following

exchange that took place but was not reported:

Undercover applicant: "Is employment guaranteed?"

Admissions Representative: "No, that I cannot say. Any school that says that to you, is uh, gets the Pinocchio award."

This detailed examination of the GAO's work underscores that the agency has -- at least in this one instance -- acted irresponsibly. It would be naïve to believe this is the only occasion.

In fact, the government's auditor has behaved in a truly egregious manner. This type of behavior in the private sector would have resulted in the complete collapse of a public accounting firm. Just ask the now-defunct Arthur Andersen, LLP.

Mark Hyman is a commentator for Sinclair Broadcast Group, Inc.