

Opinion | EDITORIAL

## Education Is the Last Thing on Their Minds

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The for-profit education industry complained of excessive regulation last fall when the Obama administration issued new rules intended to curb abuses at profit-making colleges and trade schools. But lawsuits brought by whistle-blowers with firsthand knowledge of the industry make a strong case for why tough rules are needed.

Earlier this month, the Justice Department took the unusual step of joining a lawsuit brought by former employees of the Education Management Corporation, one of the largest for-profit college companies in the country. The employees charged that the company knowingly defrauded the government by illegally paying recruiters based on the number of students they enroll.

The court papers describe a “boiler room” atmosphere in which recruiters enrolled students who stood no chance of graduating and saddled them with debt they were unlikely to be able to pay off. They say the academic requirements laid out in Education Management’s advertisements were a sham and that the company accepted all students who completed applications and submitted 150-word essays.

The former employees also charge that students who declined to enroll because their financial aid packages were too small were sometimes pressed to convert to part-time studies. They were then given refunds but were not told that the proceeds were from loans that they were obligated to repay. The plaintiffs claim large numbers of students who enrolled in Education Management schools dropped out, probably after incurring debt from loans.

Despite these claims, and other revelations, the industry is continuing to press Congress to roll back government regulation. It is pushing particularly hard against a new rule that would cut off federal education aid to programs whose graduates end up saddled with debt that they have little hope of ever repaying.

Instead of protecting the industry, lawmakers should be looking out for constituents who have been ripped off by unscrupulous schools and for the taxpayers who foot the bills for both student aid and loan defaults.

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