

Contents

BREAKING NEWS

NCLC Report

Press Release and Executive Summary

The just released report from the National Consumer Law Center reports that proprietary schools' self-reporting of job placement and graduation claims is based on flawed formulas for gauging results, and thus casts doubt on current data. p.1

CAREER COLLEGE UPDATES

Auto Tech Center Gets Final Polish for Opening

New England Tech's new automotive center will support an enrollment growth from 600 to 1,000 students in the school's 18-month program. p.5

DeVry Inc. Provides Update on Financial Impact of Workforce Reduction Program

The estimated annual savings from the second and third quarter workforce reductions are expected to be approximately \$10.5 million. p.7

DeVry University Extends Tuition Benefit for Active-Duty Military Students to Include National Guard and Reserve Members

The expanded program will include special benefits for both service personnel and their spouses. Benefits include reduced tuition and qualification for accelerated or online study. p.7

eCollege's Learning Outcome Manager to Enable Evidence-Based Method for Proving Student Mastery of Learning Outcomes

Improved functionality leverages eCollege's content manager and program intelligence



The Career College Information Source

Published by:

WORKFORCE COMMUNICATIONS

627 Bay Shore Drive, Suite 100, Oshkosh, WI 54901
920-231-9950 • 1-800-558-8250 • Fax 920-231-9977

Web site: www.workforce-com.com
Email: mcooney@workforce-com.com

Michael J. CooneyEditor
Terry L. StaerkelProduction Manager
Stacy L. WeinreisProduction Designer
Terri DoughertyStaff Writer
Sean P. JohnsonStaff Writer
Jim MeyerStaff Writer
Barbara SchmitzStaff Writer

© 2005 The Baxandall Co., Inc.

Editorial Advisory Board:

- ❖ **Chairman**
Stephen B. Friedheim
Education Systems & Solutions, Dallas, TX
- ❖ Richard W. Ashley, Executive Vice President
Southwest Florida College, Fort Myers, FL
- ❖ Richard C. Close, Managing Director
Jefferies & Co., Nashville, TN
- ❖ Richard R. Dumaresq, Executive Director
PAPSA, Harrisburg, PA
- ❖ Jan Griffin, President
Griffin Marketing Group, Indianapolis, IN
- ❖ John B. Lee, Ed.D., President
JBL Associates, Inc., Bethesda, MD
- ❖ Robert L. Martin, Executive Director
Career College Foundation
- ❖ Tom E. Netting, Vice-President
Jefferson Government Relations, Washington, DC
- ❖ Harry Weber, President
Weber & Associates, Greenville, SC

▶ The *Career Education Review* is archived by the University of California, Los Angeles (UCLA).

manager to support accreditation and drive program improvement and growth. p.8

Culinary Academy Cuts Teaching Staff

Twenty-three teaching assistants at the California Culinary Academy have been laid off, prompting charges from students that their high-priced education and potential culinary careers were being damaged. p.10

Critics Question For-Profit School Accreditation Agency

Dallas TV station WFAA-TV's "Investigative Report" targeted ACICS in a story full of old news and misunderstanding. p.12

Commentary on WFAA-TV's "Special Report on For-Profit Trade Schools"

by Stephen B. Friedheim

Taking the media to task for ill informed reporting, Stephen goes on to offer sage advice in dealing with the media. p.13

NEW CAMPUS LOCATIONS

ITT Closes in on its 80th School

The company continues its growth plans with the opening of its 79th ITT Technical Institute southeast of Cleveland and plans for the first facility in the Baltimore area. p.15

DeVry University Announces Plans to Open New Raleigh-Durham Location

DeVry University will offer undergraduate and graduate degree programs at the university's second North Carolina center. p.15

Universal Technical Institute, Inc. Begins Training at Norwood Facility and Receives Licensing Approval From the State of Massachusetts

The 170,000-square-foot facility located on a 24.5-acre site can accommodate 1,900 students. p.16

NEW PROGRAMS

Anesthesiologist Assistants Facing Flood of Job Offers

The demand is reported to be extraordinary with an average of 12 job offers per graduate. p.17

Baker College of Flint Adds New Associate's Degree Program

Polysomnography is a new, rapidly growing health-related field dedicated to the study of sleep disorders. p.18

PERSONNEL APPOINTMENTS AND PROMOTIONS

Robert S. Silberman, Strayer Education chairman, has been appointed to chair the Strayer University board of trustees. p.19

John White will assume the role of Universal Technical Institute chairman of the board, upon the retirement of Robert Hartman in September. p.19

ACQUISITIONS AND MERGERS

Kaplan Higher Education Acquires Southwest Health Career Institute

The purchase of the Albuquerque, New Mexico school is Kaplan's first in the state and expands the campus network to 76 locations in 19 states. p.20

EDUCATION TRENDS

New School Boom: Student Population Soars to Highest Level Ever

A total of 49.6 million children attended public and private school in 2003, beating the previous high mark of 48.7 million set in 1970 when the baby boom generation was in school. p.21

CORPORATE SCHOOL NEWS AND REPORTS

APOL Apollo Group, Inc.

The company has reported a 40 percent increase in its fiscal third-quarter profit, as enrollment grew at its main unit, the University of Phoenix. Apollo earned \$141.8 million, or 77 cents per share, compared with \$101.1 million, or 56 cents per share, in the prior year's third quarter. Revenue rose 24.6 percent to \$619 million from \$497 million a year ago. p.22

CECO Career Education Corp.

The company has reported that the Department of Education is reviewing its financial statements

from 2000 through 2003, and will prevent the company from applying to open any new locations until the investigation is completed. The company also reported that it won two court victories with the dismissal of a federal suit against the company in Texas and an Illinois State court's refusal to certify a class action suit against its online campus. **p.23**

COCO Corinthian Colleges, Inc.

The company cut its quarterly profit forecast, saying fewer students started classes than expected, sending its shares down more than 18 percent. New enrollment is down 5 percent this quarter from last year's fiscal fourth quarter. **p.24**

ECLG eCollege®

The company has formed a strategic alliance with Campus Management to help administrators more efficiently manage data between the eCollege's course management system and Campus Management's student information systems. **p.25**

ESI ITT Educational Services, Inc.

ITT Educational Services, Inc. No Longer Subject of U.S. Department of Justice Investigation

The company has received a letter that indicated that the multi-year nationwide investigation has not revealed evidence of wrongdoing by the company or its senior management. The company's shares rose nearly 12 percent the day after the announcement. **p.26**

The company paid dearly for the 16-month investigation in terms of stock price, legal costs, and the strain of producing some 11 million pages of documents and making key personnel available for interviews. **p.27**

LINC Lincoln Educational Services Corp.

The company has announced the pricing of its initial public offering at \$20 a share with 4 million shares offered by Lincoln and selling stockholders. **p.30**

LEGAL ISSUES AND INVESTIGATIONS

Career Academy Owner Suing Province

Seven years after the Career Academy went bust, its embattled founder is suing the provincial government, claiming its policy forced the private training school into bankruptcy and out

of business. Owner Lorraine (Lush) Mastropietro is also promoting her book, *Unfinished Business*, which details the academy's collapse. **p.31**

The OIG Makes "Unannounced" Customer Service Visits

In an effort to fight identity theft OIG agents are dropping by schools to brief financial aid officers on the issue. Their unannounced visits are a source of stress for the school administrators. **p.32**

OIG'S Statement Regarding Their Identity Theft Initiative

Identity theft is now one of the fastest-growing consumer crimes in the nation. **p.32**

Identity Thief Teaches Colleges About Fraud

An interview with a former identity thief, who assumed more than 50 aliases to collect about \$316,000 in federal student grants and loans, has been made available on DVD by the OIG as part of its identity theft initiative. **p.33**

Former School President Pled Guilty to Making False Statements and Failing to Make Refunds

Don Brun, former president of MBTI Business Training Institute, pled guilty to charges of financial aid fraud and false statements. **p.33**

Colleges Suspect Forged Grades

Officials believe students at Glendale Community College have falsified transcripts from other L.A. area trade and technical colleges. **p.34**

REVIEW OF ADVERTISEMENTS

Display Ads **p.35**

In our May 2005 issue we featured display ads from New York City that we felt were less than ethical and should be challenged by regulatory agencies.

ABHES's Carol Moneymaker agreed and wrote to the New York Bureau of Proprietary School Supervision expressing her concerns.

The Bureau has responded by letter and agreed to investigate.

The offending ads have been reprinted for reference.