

# Dept. of Ed names 20 schools facing financial investigation after ‘severe’ audit findings

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The Department of Education released the names of 20 colleges and career academies after audits of their finances turned up “severe findings.”

Those 20 names round out the **list of 544 institutions** that have run afoul of Department of Education rules for managing their finances and face one of two levels of increased financial monitoring. More than half are for-profit colleges.

A partial list of just which schools are under that increased scrutiny, which the department of education calls “heightened cash monitoring” was **made public for the first time** this week. A reporter from **Inside Higher Ed**, a higher education news website (and PBS NewsHour content partner), first requested the names of the schools last summer but was told the department didn’t keep a list.

“Today we are taking another step to increase transparency and accountability,” Ted Mitchell, the department’s undersecretary for higher education, wrote in **a blog post** when the list was published.

Schools can be put under heightened cash monitoring for reasons ranging from a software glitch that leads to a missed paperwork filing deadline to accreditation problems and severe findings in federal program audits.

The 20 schools named today are among 69 institutions under the higher of the department’s two heightened cash monitoring tiers:

1. Salinas Beauty College
2. Stone Academy
3. American Institute of Medical Sonography
4. American National College
5. Buckner Barber School
6. Carver Bible College
7. Eastern Nazarene College
8. Eastern Oklahoma State College
9. Glenwood Beauty Academy
10. Hiwassee College
11. InfoTech Career College
12. Institucion Chaviano de Mayaguez
13. Jay’s Technical Institute
14. Manhattan Beauty School
15. Metropolitan Learning Institute
16. Pike Lincoln Technical Center
17. Royal Beauty Careers
18. Salon 496 Barber Academy
19. St. Catharine College
20. Taylor Technical Institute

It was the restrictions on department funds that come with heightened cash monitoring and a 21-day freeze on federal student aid payments that triggered the collapse of **Corinthian Colleges** last year.

Hundreds of former Corinthian students have filed requests to have their federal student loans forgiven with the Department of Education. More than 100 of those students, the “Corinthian 100,” are on a debt strike and have stopped making their loan payments. A few of the “Corinthian 100” **met with Mitchell** at the Consumer Financial Protection Bureau Tuesday as the first list of schools facing financial scrutiny came out.

One of those former students, Jessica King, believes if the list had been public in 2007, it could have saved her from more than \$33,000 in debt for a nursing certificate that never led to a job.

“If there was a notice when you walked in that they were under investigation for fraudulent behavior, do you think anyone in their right mind would have enrolled there?” she said in a phone interview with the NewsHour.

While some of the schools under the strictest level of financial monitoring are facing similar, serious investigations, Michael Stratford, the Inside Higher Ed reporter who originally requested the list of financially monitored schools, cautioned it isn't a simple consumer tool.

“Maybe some savvy students and families would be able to get value from this list,” he told the NewsHour. “Being on the list may be an indication of problems, but being on list doesn't necessarily mean a college has serious problems or that you would want to run away.”

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