

Welcome to Screw U.

What would you do if you were going to school and one day it just wasn't there anymore? Young women at some career colleges are losing money to the tune of \$10,000 and up. Kate Torgovnick investigates.

When Christina Pelloni showed up early for class at her technology college two years ago, she was stunned: The school was gone. She picked up her phone and frantically called her classmates. "What do you mean, 'gone'?" one student asked.

"The sign has been taken down and the vinyl letters in the window are scratched off," said Christina, who was six months away from graduating from the Academy of Technology in Orlando, Fla. "The receptionist desk is missing. It's like they just packed up and vanished."

Christina, now 21, and her classmates never found out what happened to the school. Instead of a degree, she was left with a \$21,000 loan for an education she never completed. "It's really a struggle to get the bill paid," Christina tells me now.

This scenario is not that unusual—it's happening to students at nursing, technology and beauty schools all around the country. More than half of all trade-school students are women, and around 75 per-

cent of those women are in their 20s, just trying to improve their chances of landing a better job. When a school suddenly dissolves like this, whether it's a premeditated scam by the owners or the result of poor management, it's these students who often pay the price—along with you, me and anyone else who would rather buy a new laptop than pay higher taxes. That's right: Defaulted student loans from trade schools, both licensed and unlicensed, cost taxpayers as much as \$10 billion every five years.

Mary Jayne Faye of the Massachusetts Department of Education regularly gets phone calls from panicked students whose career colleges have unexpectedly closed. "This is how we hear about rogue schools," she says. "A student will call us in tears or be completely angry and say, 'I've been attending such and such [school], and I'm having a problem.'" She adds that she's often never heard of the places they name. Every state has an office that licenses trade schools; many states have even set up tuition reimbursement funds, which help students recover at least some of their loan money if a legit school goes under before they graduate. But that doesn't

help the many students who enroll in unlicensed schools that open up without the state's knowledge.

That's what happened to Christina. Two years ago, she knew she wanted to go to a school that offered a program in network securities (the field that deals with preventing computer systems from being hacked). So when she found a Web site for the Academy of Technology, which was affiliated with the established Metro Wide Technical Institute in New Jersey, she got excited. "There aren't a lot of schools that teach the type of courses I wanted," she says. "It was the Academy of Technology or go all the way to New Jersey for school." It never occurred to her to find out whether the school had a valid state license. But who knew you had to check on that?

Everything seemed great to Christina at first. She went to visit the academy, where she was introduced to former students who gushed about how successful they'd become since they graduated. And the school's director, Kirk Sanchez, impressed Christina and her mom, Lori Bender. "He was charming. And he made promises," Lori tells me. She claims that Kirk said



These desks went up for auction when Decker College abruptly shut its doors. Too bad that proceeds didn't go to some of the students who were left paying off thousands of dollars in loans for degrees they never received.

Christina would graduate in 14 months and make \$80,000 a year. (No schools, by the way, are allowed to guarantee post-graduation salaries or job placement—not even Yale or Harvard.)

Christina could barely imagine making that much money so quickly after graduation. "I was thrilled," she says. But the program was way too expensive for her: The courses cost \$16,000, plus supplies. Kirk told them she could take out a loan for the cost of tuition and supplies and suggested they tack on living expenses, as well. "Kirk e-mailed me what I needed to fill out, and he took care of it from there," says Lori, who adds that, in retrospect, this might have been a red flag. Of course, the big loan, living expenses and all, meant higher payments in the end, but Christina wasn't too worried because she thought she'd be raking in that 80 grand.

From her first day of school, things seemed to go well. "My class was really

enjoyable. We were all very tight-knit and eager to get the material down pat," she says. There were about 15 students in her class and two instructors, Darby and Pete. But then about two months after Christina started the program, Darby quit. The students were confused. "No one would tell us why," Christina says. Pete took over, and the class continued as before for another few months. "Then one day Kirk came into the class and said, 'We're moving to a smaller location, because we don't need

"I was furious. I had two weeks left until graduation. I feel like I was scammed."

something this big.' The academy moved to a rundown strip mall in a seedy area. That's when I started to worry that the school might close and leave me with this huge loan," Christina says.

Christina told Kirk that she wanted to get a refund, because it seemed like the school was having some money troubles. Kirk did some fast talking, she claims, telling her that things would be back on track soon, when the school enrolled more students. "Then he said, 'We're not going to

charge you for the \$500 certification test, and I'll give you extra books.'" So she gave him a second chance and continued to show up for class. Christina says that was the last time Kirk returned her calls.

It was eight months after Christina started the program that she pulled up to the building for her night class to find the school had disappeared. "We tried to call Kirk, but I was never able to get him," Christina says. "I thought, 'We've been screwed. Plain and simple, they ran off with our money.'"

It's not only the *unlicensed* schools that can end up burning your money. In September, Chrissy Hogan, 22, couldn't wait to take her final certification test, which was scheduled for that month, so she could graduate from the electrical science program at Decker College in Louisville, Ky. Decker was a licensed school with a good reputation, and after taking classes for two years, Chrissy was ready to get her degree. But then she got a phone call **continued**



continued informing her that the test was postponed until October, because the school had booked too many students to take it at once. She was pissed. When October came around, Chrissy says, the test was postponed again. Nervous, she began checking the school's Web site to find out what was up. Then one day she logged on to find an official message to the students, saying Decker was bankrupt and would be shutting its doors. "I was

Chrissy (above) thought she'd have her degree by now, but instead she works for a temp agency and lives with Granny. Christina (opposite page) can't even visit a strip mall without having horrible flashbacks.

company that had a large stake in the college. Yet in October, according to *The New York Times*, 40 FBI agents raided two of Decker's three campuses, "seeking evidence of conspiracy to defraud, wire

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fraudulent. I had two weeks left! I feel like I was scammed," Chrissy says.

You may recognize the name Decker as the formerly respected institution that has been in the news a lot recently. The college's CEO was William Weld, a former governor of Massachusetts who's now running for governor of New York. And Rudy Giuliani is the chairman of a com-

pany that had a large stake in the college.

Yet in October, according to *The New York Times*, 40 FBI agents raided two of Decker's three campuses, "seeking evidence of conspiracy to defraud, wire fraud and student financial aid fraud." "I wrote to the school and told them I wanted my transcript," Chrissy says. "They said the transcripts had been locked up, transferring credits had been locked up and anything having to do with financial aid or certificates had been locked up. We can't see any information because of the FBI investigation."

Fortunately, since Decker was licensed through the Kentucky Board for Proprietary Education, there is some hope for its former students who had government loans. The board is trying to come up with creative ways to help the students so they're not left penniless and without degrees—possibly granting degrees to some and returning a percentage of the tuition money to others. But none of that can move forward until the FBI has concluded its investigation, which could take months, even years. And the Decker students who paid for their (mis)education with private bank loans or money out of pocket? They're shit out of luck. Government money will cover only government loans.

Christina—the Florida girl from the vanished strip-mall school—would probably like it if the FBI were sniffing around her defunct technology college. On a mission to get her money back and feeling like no one was doing much of an inquiry into what the hell happened, she contacted lawyers. But they were hesitant to take on the case, she says, because it was unlikely she'd get a big return on a lawsuit. She called her bank, and it couldn't help her. Her mom called the Florida Department of Education, but all they could offer was to try to place Christina at another career college, which didn't help, because her major was so specific. "There wasn't anything anyone could do," Christina says.

She and her mother also tried to appeal to New Jersey's Metro Wide Technical Institute, which was supposedly affiliated with the academy. But Lori claims that when she called them for help, they said they had nothing to do with the Florida school, even though their Web site says, "In April 2002, the Institute established a branch campus called the Academy of Technology in Orlando, Florida." And now, even Metro Wide's phone number is disconnected.

This all seems crazy and unfair to me, so I call the Florida Department of Education and ask questions of my own. A representative tells me that after a student called to complain about the academy closing, they sent an investigator to the site where the school had been and posted notices asking students to call the department.

The representative says they are trying to find the school's owner, Kirk Sanchez, but have been unable to locate him. "If he did resurface, he'd be turned over to local law enforcement," she says, as if he's skipped town or something.

I decide to do a little sleuthing myself. I'm ready to call every Sanchez in the country and knock on doors for answers. I start with the phone number on Kirk's public application for a provisional license for the Academy of Technology (which expired way before Christina enrolled). I call it, hoping to find someone who might have a forwarding address. A man with a thick accent answers.

"Hello, I'm trying to find Kirk Sanchez," I say tentatively.

"That's me."

I'm a bit stunned. "Were you the owner of the Academy of Technology?" I ask.

"Yes," he says. "I'm driving right now. Can you call back later?"

"Sure," I say, taken aback. When I call a second time, he again gives me an excuse and asks if I'll call back. The last time I get him on the line, I ask, "Why did the academy close?"

He answers, "I'm sorry, I don't think I can help you." *Click.*

Next, I call back the Florida Department of Education. "I've located Kirk Sanchez. Do you want his number and address?" I ask the representative.

"Yes, yes. Oh my, great. I know they wanted to find him," she says.



I read the information to her, then point out: "It's the same phone number and address he used to register for the school's provisional license. He didn't disappear."

"Ooo-kay," she says. "Maybe he moved

in between or something? I'll pass that on." I ask her to keep me posted if anything happens, but I never hear from her again.

With all of this going on, you'd expect the government would pass a law to make sure that only schools with solid financial standing could open. But in fact, the opposite is true: Congress just passed legislation that actually *relaxes* some rules for career colleges. If trade-school students were wealthy and voted in larger numbers, as opposed to being mostly twentysomethings with little to no cash, do you think this would be happening?

By the time this story went to press, the government still had not taken any action to help Christina's situation. And in the meantime, she is still paying off her loan and lacking a degree.

So much for that \$80,000 salary.

"It's hard for me to trust any education institution now," Christina says. "I guess no one cared about anything but getting my money." ♦

Don't be duped

Here's what to do if you're considering enrolling in a career college

Make sure it's licensed.

Call your state's licensing agency (find the number at consumer-action.org). Ask how long the school has been operating and whether there have been any complaints.

Make sure it's accredited. Find this info online with the two biggest non-governmental accrediting agencies: the Accrediting Commission of Career Schools and Colleges of Technology ([accscot](http://accscot.org)

[.org](http://org)) and the Accrediting Council for Independent Colleges and Schools (acics.org).

Check for complaints. In addition to the state licensing agency, call the Better Business Bureau (get your local number at bbb.org) and check out the "adult education" personal testimonials at badbusinessbureau.com.

Talk to bigwigs in your chosen field. Ask what training they recommend

and what salary to expect.

Consult graduates. Not just current students in the program.

Think before you sign. Wait two weeks and do the research before committing to a school.

Consider a state-run community college. These are often cheaper and better regulated than private career colleges. Plus, at least it's a safe bet the state's not going to go bankrupt.