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Programming note/shameless plug: I am finally on Mastodon.

The history of the telephone industry is a bit of an odd one. For the greatest part of the 20th century, telephony in the United States was largely a monopoly of AT&T and its many affiliates. This wasn't always the case, though. AT&T held patents on their telephone implementation, but Bell's invention was not the only way to construct a practical telephone. During the late 19th century, telephone companies proliferated, most using variations on the design they felt would fall outside of Ma Bell's patent portfolio. AT&T was aggressive in challenging these operations but not always successful. During this period, it was not at all unusual for a city to have multiple competing telephone companies that were not interconnected.

Shortly after the turn of the 20th century, AT&T moved more decisively towards monopoly. Theodore Newton Vail, president of AT&T during this period, adopted the term "Universal Service" to describe the targeted monopoly state: there would be one universal telephone system. One operated under the policies and, by implication, the ownership of AT&T. AT&T's path to monopoly involved many political and business maneuvers, the details of which have filled more than a few dissertations in history and economics. By the 1920s the deal was done, there would be virtually no (and in a legal sense literally no) long-distance telephone infrastructure in the United States outside of The Bell System.

But what of the era's many telephone entrepreneurs? For several American telephone companies struggling to stand up to AT&T, the best opportunities were overseas. A number of countries, especially elsewhere in the Americas, had telephone systems built by AT&T's domestic competitors. Perhaps the most neatly named was ITT, the International Telephone and Telegraph company. ITT was formed from the combination of Puerto Rican and Cuban telephone companies, and through a series of acquisitions expanded into Europe.

Telefónica, for example, is a descendent of an early ITT acquisition. Other European acquisitions led to wartime complications, like the C. Lorenz company, which under ITT ownership functioned as a defense contractor to the Nazis during WWII. Domestically, ITT also expanded into a number of businesses outside of the monopolized telephone industry, including telegraphy and international cables.

ITT had been bolstered as well by an effect of AT&T's first round of antitrust cases during the 1910s and 1920s. As part of one of several settlements, AT&T agreed to divest several overseas operations to focus instead on the domestic market. They found a perfect buyer: ITT, a company which already seemed like a sibling of AT&T and through acquisitions came to function as one.

ITT grew rapidly during the mid-century, and in the pattern of many industrial conglomerates of the time ITT diversified. Brands like Sheraton Hotels and Avis Rent-a-Car joined the ITT portfolio (incidentally, Avis would be spun off, conglomerated with others, and then purchased by previous CAB subject Beatrice Foods). ITT was a multi-billion-dollar American giant.

Elsewhere in the early technology industry, salesman Howard W. Sams worked for the P. R.

Mallory Company in Indianapolis during the 1930s and 1940s. Mallory made batteries and electronic components, especially for the expanding radio industry, and as Sams sold radio components to Mallory customers he saw a common problem and a sales opportunity: radio technicians often needed replacement components, but had a hard time identifying them and finding a manufacturer. Under the auspices of the Mallory company Sams produced and published several books on radio repair and electronic components, but Mallory didn't see the potential that Sams did in these technical manuals.

Sams, driven by the same electronics industry fervor as so many telephone entrepreneurs, struck out on his own. Incorporated in 1946, the Howard W. Sams Company found quick success with its Photofact series. Sort of the radio equivalent of Haynes and Chilton in the auto industry, Photofact provided schematics, parts lists, and repair instructions for popular radio receivers. They were often found on the shelves of both technicians and hobbyists, and propelled the Sams Company to million-dollar revenues by the early 1950s.

Sams would expand along with the electronics industry, publishing manuals on all types of consumer electronics and, by the 1960s, books on the use of computers. Sams, as a technical press, eventually made its way into the ownership of Pearson. Through Pearson's InformIT, the Sams Teach Yourself series remains in bookstores today. I am not quite sure, but I think one of the first technical books I ever picked up was an earlier edition of Sams HTML in 24 Hours.

The 1960s were an ambitious era, and Sams was not content with just books. Sams had taught thousands electronics technicians through their books. Many radio technicians had demonstrated their qualifications and kept up to date by maintaining a membership in the Howard Sams Radio Institute, a sort of correspondence program. It was a natural extension to teach electronics skills in person. In 1963, Sams opened the Sams Technical Institute in Indianapolis. Shortly after, they purchased the Acme Institute of Technology (Dayton, Ohio) and the charmingly named Teletronic Technical Institute (Evansville, Indiana), rebranding both as Sams campuses.

In 1965, the Sams Technical Institute had 2,300 students across five locations. Sams added the Bramwell Business College to its training division, signaling a move into the broader world of higher education. It was a fast growing business; it must have looked like a great opportunity to a telephone company looking for more ways to diversify. In 1968, ITT purchased the entire training division from Sams, renaming it ITT Educational Services [1].

ITT approached education with the same zeal it had overseas telephone service. ITT Educational Services spent the late '60s and early '70s on a shopping spree, adding campus after campus to the ITT system. Two newly constructed campuses expanded ITT's business programs, and during the '70s ITT introduced formal curriculum standardization programs and a bureaucratic structure to support its many locations. Along with expansion came a punchier name: the ITT Technical Institute.

"Tri-State Businessmen Look to ITT Business Institute, Inc. for Graduates," reads one corner of a 1970 full-page newspaper ad. "ITT adds motorcycle repair course to program," 1973. "THE ELECTRONICS AGE IS HERE. If your eyes are on the future, ITT Technical institute can prepare you for a HIGH PAYING, EXCITING career in... ELECTRONICS," 1971. ITT Tech has always known the value of advertising, and ran everything from full-page "advertorials" to succinct classified ads throughout their growing region.

During this period, ITT Tech clearly operated as a vocational school rather than a higher education institution. Many of its programs ran as short as two months, and they were consistently advertised as direct preparation for a career. These sorts of job-oriented programs were very attractive to veterans returning from Vietnam, and ITT widely advertised to veterans on the basis of its approval (clearly by 1972 based on newspaper advertisements, although some sources say 1974) for payment under the GI Bill. Around the same time ITT Tech

was approved for the fairly new federal student loan program. Many of ITT's students attended on government money, with or without the expectation of repayment.

ITT Tech flourished. By the mid-'70s the locations were difficult to count, and ITT had over 1,000 students in several states. ITT Tech was the "coding boot camp" of its day, advertising computer programming courses that were sure to lead to employment in just about six months. Like the coding boot camps of our day, these claims were suspect.

In 1975, ITT Tech was the subject of investigations in at least two states. In Indiana, three students complained to the Evansville municipal government after ITT recruiters promised them financial aid and federally subsidized employment during their program. ITT and federal work study, they were told, would take care of all their living expenses. Instead, they ended up living in a YWCA off of food stamps. The Indiana board overseeing private schools allowed ITT to keep its accreditation only after ITT promised to rework its entire recruiting policy---and pointed out that the recruiters involved had left the company. ITT refunded the tuition of a dozen students who joined the complaint, which no doubt helped their case with the state.

Meanwhile, in Massachusetts, the Boston Globe ran a ten-part investigative series on the growing for-profit vocational education industry. ITT Tech, they alleged, promised recruits to its medical assistant program guaranteed post-graduation employment. The Globe claimed that almost no students of the program successfully found jobs, and the Massachusetts Attorney General agreed. In fact, the AG found, the program's placement rate didn't quite reach 5%. For a settlement, ITT Tech agreed to change its recruiting practices and refund nearly half a million dollars in tuition and fees.

ITT continued to expand at a brisk pace, adding more than a dozen locations in the early '80s and beginning to offer associates degrees. Newspapers from Florida to California ran ads exhorting readers to "Make the right connections! Call ITT Technical Institute." As the 1990s dawned, ITT Tech enjoyed the same energy as the computer industry, and aspired to the same scale. In 1992, ITT Tech announced their "Vision 2000" master plan, calling for bachelor's programs, 80 locations, and 45,000 students for beginning of the new millennium. ITT Tech was the largest provider of vocational training the country.

In 1993, ITT Tech was one of few schools accepted into the first year of the Direct Student Loan program. The availability of these new loans gave enrollment another boost, as ITT Tech reached 54 locations and 20,000 students. In 1994, ITT Tech started to gain independence from its former parent: an IPO sold 17% ownership to the open market, with ITT retaining the remaining 83%. The next year, ITT itself went through a reorganization and split, with its majority share of ITT Tech landing in the new ITT Corporation.

As was the case with so many diversified conglomerates of the '90s (see Beatrice Foods again), ITT's reorganization was a bad portent. ITT Hartford, the spun-out financial services division, survives today as The Hartford. ITT Industries, the spun-out defense contracting division, survives today as well, confusingly renamed to ITT Corporation. But the third part of the 1995 breakup, the ITT Corporation itself, merged with Starwood Hotels and Resorts. The real estate and hospitality side-business of a telephone and telegraph company saw the end of its parent.

Starwood had little interest in vocational education, and over the remainder of the '90s sold off its entire share of ITT Tech. Divestment was a good idea: the end of the '90s hit hard for ITT Tech. Besides the general decline of the tech industry as the dot com bubble burst, ITT Tech's suspect recruiting practices were back. This time, they had attracted federal attention.

In 1999, two ITT Tech employees filed a federal whistleblower suit alleging that ITT Tech trained recruiters to use high-pressure sales tactics and outright deception to obtain students eligible for federal aid. Recruiters were paid a commission for each student they

brought in, and ITT Tech obtained 70% of its revenue from federal aid programs. A federal investigation moved slowly, apparently protracted by the Department of Education's nervous approach following the criticism it received for shutting down similar operation Computer Learning Centers. In 2004, federal agents raided ITT Tech campuses across ten states, collecting records on recruitment and federal funding.

During the early 2000s ITT Tech students defaulted on \$400 million in federal student loans. The result, a large portion of ITT Tech revenue coming from defaulted federal loans, attracted ongoing attention. ITT Tech was deft in its legal defense, though, and through a series of legal victories and, more often, settlements, ITT Tech stayed in business.

ITT Tech aggressively advertised throughout its history. In the late '90s and early '00s, ITT Tech's constant television spots filled a corner of my brain. "How Much You Know Measures How Far You Can Go," a TV spot proclaims, before ITT's distinctive block letter logo faded on screen in metallic silver. By the year 2000, International Telephone and Telegraph, or rather its scattered remains, no longer had any relationship with ITT Tech. Starwood agreed to license the name and logo to the independent public ITT Technical Institutes corporation, though, and with the decline of ITT's original business the ITT name and logo became associated far more with the for-profit college than the electronics manufacturer.

For-profit universities attracted a lot of press in the '00s---the wrong kind of press. ITT Tech was far from unique in suspicious advertising and recruiting, high tuition rates, and frequent defaults on the federal loans that covered that tuition. For-profit education, it seemed, was more of a scam on the taxpayer dollar than way to secure a promising new career. Publicly traded colleges like DeVry and the University of Phoenix had repeated scandals over their use, or abuse, of federal aid, and a 2004 criminal investigation into ITT Tech for fraud on federal student aid made its future murky.

ITT Tech was a survivor. The criminal case fell apart, the whistleblower lawsuit lead to nothing, and ITT Tech continued to grow. In 2009, ITT Tech acquired the formerly nonprofit Daniel Webster University, part of a wave of for-profit conversions of small colleges. ITT Tech explained the purchase as a way to expand their aeronautics offerings, but observers suspected other motives, ones that had more to do with the perceived legitimacy of what was once a nonprofit, regionally accredited institution. Today, regional accreditors re-investigate institutions that are purchased. There was a series of suspect expansions of small colleges to encompass large for-profit organizations during the '00s that lead to the tightening of these rules.

ITT Tech, numerically, achieved an incredible high. In 2014, ITT Tech reported a total cost of attendance of up to \$85,000. I didn't spend that much on my BS and MS combined. Of course, I attended college in impoverished New Mexico, but we can make a comparison locally. ITT Tech operated here as well, and curiously, New Mexico tuition is specially listed in an ITT Tech cost estimate report because it is higher. At its location in Albuquerque's Journal Center office development, ITT Tech charged more than \$51,000 in tuition alone for an Associate's in Criminal Justice. The same program at Central New Mexico Community College would have cost under \$4,000 over the two years [2].

That isn't the most remarkable, though. A Bachelor's in Criminal Justice would run over \$100,000---more than the cost of a JD at UNM School of Law, for an out-of-state student, today.

In 2014, more than 80% of ITT Tech's revenue came from federal student aid. Their loan default rate was the highest of even for-profit programs. With their extreme tuition costs and notoriously poor job placement rates, ITT Tech increasingly had the appearance of an outright fraud.

Death came swiftly for ITT Tech. In 2016, they were a giant with more than 130 campuses and 40,000 students. The Consumer Financial Protection Bureau sued. State Attorneys General followed, with New Mexico's Hector Balderas one of the first two. The killing blow, though, came from the Department of Education, which revoked ITT Tech's eligibility for federal student aid. Weeks later, ITT Tech stopped accepting applications. The next month, they filed for bankruptcy, chapter 7, liquidation.

Over the following years, the ITT Tech scandal would continue to echo. After a series of lawsuits, the Department of Education agreed to forgive the federal debt of ITT Tech attendees, although a decision by Betsy DeVos to end the ITT Tech forgiveness program produced a new round of lawsuits over the matter in 2018. Private lenders faced similar lawsuits, and made similar settlements. Between federal and private lenders, I estimate almost \$4.5 billion in loans to pay ITT Tech tuition were written off.

The Department of Education decision to end federal aid to ITT Tech was based, in part, on ITT Tech's fraying relationship with its accreditor. The Accrediting Council for Independent Colleges and Schools (ACICS), a favorite of for-profit colleges, had its own problems. That same summer in 2016, the Department of Education ended federal recognition of ACICS. ACICS accreditation reviews had been cursory, and it routinely continued to accredit colleges despite their failure to meet even ACIC's lax standards. ITT Tech was not the only large ACIC-accredited institution to collapse in scandal.

Two years later, Betsy DeVos reinstated ACICS to federal recognition. Only 85 institutions still relied on ACICS, such august names as the Professional Golfers Career College and certain campuses of the Art Institutes that were suspect even by the norms of the Art Institutes (the Art Institutes folded just a few months ago following a similar federal loan fraud scandal). ACICS lost federal recognition again in 2022. Only time will tell what the next presidential administration holds for the for-profit college industry.

ITT endured a long fall from grace. A leading electronics manufacturer in 1929, a diversified conglomerate in 1960, scandals through the 1970s. You might say that ITT is distinctly American in all the best and worst ways. They grew to billions in revenue through an aggressive program of acquisitions. They were implicated in the CIA coup in Chile. They made telephones and radios and radars and all the things that formed the backbone of the mid-century American electronics industry.

The modern ITT Corporation, descended from spinoff company ITT Industries, continues on as an industrial automation company. They have abandoned the former ITT logo, distancing themselves from their origin. The former defense division became Exelis, later part of Harris, now part of L3, doomed to slowly sink into the monopolized, lethargic American defense industry. German tool and appliance company Kärcher apparently holds a license to the former ITT logo, although I struggle to find any use of it.

To most Americans, ITT is ITT Tech, a so-called college that was actually a scam, an infamous scandal, a sink of billions of dollars in federal money. Dozens of telephone companies around the world, tracing their history back to ITT, are probably better off distancing themselves from what was once a promising international telephone operator, a meaningful technical competitor to Western Electric. The conglomeration of the second half of the 20th century put companies together and then tore them apart; they seldom made it out in as good of condition as they went in. ITT went through the same cycle as so many other large American corporations. They went into hotels, car rentals, then into colleges. They left thousands of students in the lurch on the way out. When ITT Tech went bankrupt, everyone else had already started the semester. They weren't accepting applicants. They wouldn't accept transfer credit from ITT anyway; ITT's accreditation was suspect.

"What you don't know can hurt you," a 1990s ITT Tech advertisement declares. In Reddit threads, ITT Tech alums debate if they're better off telling prospective employers they never went to college at all.

[1] Sources actually vary on when ITT purchased Sams Training Institute, with some 1970s newspaper articles putting it as early as 1966, but 1968 is the year that ITT's involvement in Sams was advertised in the papers. Further confusing things, the former Sams locations continued to operate under the Sams Technical Institute name until around 1970, with verbiage like "part of ITT Educational Services" inconsistently appearing. ITT may have been weighing the value of its brand recognition against Sams but apparently made a solid decision during 1970, after which ads virtually always use the ITT name and logo above any other.

[2] Today, undergraduate education across all of New Mexico's public universities and community colleges is free for state residents. Unfortunately 2014 was not such an enlightened time. I must take every opportunity to brag about this remarkable and unusual achievement in our state politics.