## THE WALL STREET JOCRNAL.

## Cheat Sheets

Colleges Inflate SATs And Graduation Rates In Popular Guidebooks Schools Say They Must Fib

To U.S. News and Others
To Compete Effectively
Moody's Requires the Truth


##  <br> 





 there are no legail penalties for misiseadies; The pubbishersers say they try to tailor
their survey questions to reduce the oppor
 can colleges. rif they give gus incomeret
data, theres really not much we can do
about tit."

## stactuding certain yroups of low ssoring



 dents, but those hat do so ollow rules they
make up themselves.
It Just Skews the Average Northeastern University in Boston ex-
cludes both international students and
remedial students, who together represent about $20 \%$ of the freshman class. The
practice boosts the school's SAT average
by about 50 points, says provost Michael Baer.
New York University excludes from its
SAT scores students in a special state-sponsored pro-
gram. So does Manhatanville college in Purchase. N.Y. But Marist College in cept for about 2 who arces them - ex -
bled. Marist also excludes international "The reason those two groups are ex-
cluded is ij just skew the average. and it's not arcurate for kids who are trying to
figure out if they're admissible or not.".
says Harry Wood, Marist's vice president says Harry Wood
for atmissions.
Then there is Boston University. It
excludes the verbal SAT Tcores, but not the math scores, of about 350 international
students. The reason: Foreign students
often $n$. oten have trouble with English and tend to
do poorly on verbal SATs. but many score
better than U.S. students in math. 'Off the Wall' Data Monmouth University in West Long
Branch, N.J. provides no rationale for
overstating its SAT scores by more than
200 points for the College Handbook. guide published by the College Board.
David Waggone,
Director undergradubers appear to ouve been "fabricated" by
former Monmouth employee. "They're of
the wall", he concedes. "We accept what the colleges tell us,"
says Robert Seaver, a spokesman for the College Board. He calls the Monm
listing "extremely embarrassing." better,", problem is we're all trying to look
says St Syverson, forme ethics-committee chairman of the Nationa association of College Admission Coun
selos. Mr. Syverson says colleges widely
ignore NACAC's ethics code, which in-
 rst-year admitted or enroiled stude
Mary Lee Hogecianson, heups. Mary Lee Hoganson, head. guidance

## What's News-

Business and Finance
GM AGREED to sell its National group led by William R. Lobeck, forcompanies. People familiar with the
situation put the price at between si billion and $\$ 1.5$ billion and sald GM's ing bid from Alamo Rent A Car be-
cause of concern about the power a
consolidated Alamo and could wield in fleet negotiations.

Merrill Lynch risk managers re business with Orange County long beMerrill's top risk manager even took
the unusual step of visiting the county's treasurer to express concern
about his highly leveraged portfotio.

Lan Diery, one of Apple Computer's
op executives and a key architect of its efforts to regain market share, has ing diluted his power at the company.
U.S. stock funds surged $7.16 \%$ in
fhe first three months of 1995 , their strongest gain in two years. But stock
unds that invest abroad lost $1.85 \%$ Bond funds, meanwhile, gained $3.85 \%$

Fidelity Investments is forming a new unit to offer employee-benefits
administration, pitting itself against
insurers and benefits consultants.

Ford sald vehicle sales rose $3.4 \%$ in March, a day after other auto make
posted weak results for the month.

Construction spending fell $0.5 \%$ in uggesting that higher interest rates re prompting builders to cut back. Investors cheered signs of a slow-
ig economy and pushed the Dow Jones industrials to a new high.

The dollar edged up, belatedly ben riting from Monday's intervention by he Federal Reserve. The Fed's action has made some traders reluctant
take short positions on the dollar.

Seagram's plan to sell its $\$ 10$ billion stake in DuPont to fund a possible pur price of Seagram's stock and raising questions about the status of Sea-
gram's $14.5 \%$ stake in Time Warner.

Nearly 400 companies are camquiring the disclosure of the cost stock options in financial statements.
(Aarticle on Peoee as

FMC offered to acquire valve
naker Moorco International for $\$ 20$ a hare, or about $\$ 223$ million. But it said
might sweeten its bid, and Moorco's shares jumped $57 \%$ to $\$ 21.375$.

Stocks rose, with the Dow Yones In ustrial Average gaining 33.20 points also reached highs. Bonds moved higher and the dollar inched up.

## arkets- Stocks: Volume 330.554.440 shares. Dow ones industrials 4201.61. up 33.20: transpor- tation 1640.17. up 15.14: utilities 191.47, up Bonds: Lehman Brothers Treasury index 492.28, up 6.58 . Cos. Commodities: Oill st9.18 a barrel., upy 15 nots. Dow Jones futures index 151.16. off 19: spot index 19.39, up 1.13. Dolar: 86.20 yen, up 0.07: 1.3780 marks.



## TODAY'S CONTENTS

World-Wide


The Justice Department softened its op-
position to proposais to overhaul the civil Justice system, saying it would support some
tederal involvement to curb abuses with suits regarding defective products. Depart
mentofficials have begun laying out areas
possible common ground in meetings wit A telecommunications bull isn't expected
oreach the Senate floor until next month to reach the senatainofor untin next month
amid White House objections. Vice Prest. dent Gore. in a phone conversation with sen.
Presesiser haed of the Commerce commit-
lee tee sald he administration couldn't support
the bill. in part because it deregulates some A compromise Pentagon bill calls for
deep spending ucts in Clinton's defense-con-
version initiative, and the measure is also expected to delay action on proposed deb
relief for Jordan. (Article on Page B4) U.S. pollcles toward Pakistan need to be
reviewed. Clinton sald, suggesting that at-
lempts to get that nation lempts to get that nation to drop its nuclear
program haven't worked. He made his remarks on the eve of a visit by
Bhutto. (Article on Page A9)
Traq is atemping to dereven offensive
 senting U.S. interests meet with two Amen
cans imprisoned in Baghdad for illegally Prison terms would be increased for
people convicted of federal child-pornogra phy or prostitution offenses under a Con-
tract Writh America measure approved by
the House yesterday. The lawmakers also the House yesterday. The lawmakers also
passed a measure that would require federal
agencies to get parents' consent betore surveying minors about sex or religion.
Franclsco Duran was found guilty of
trying to assassinate President Clintor last
October when he repeatedidy fired a semiau-
tomatic rifle at the White House. A federal
jury rejected the jury rejected arguments that the 26-year-old
Colorado hotel worker was insane at the lime of the shooting incide
sentenced to life in prison.

| Madison Square Garden settled a federal lawsuit by agreeing not to display cigarette advertising where it can be seen in television broadcasts of various sporting events. (Article on Page A4) |  |
| :---: | :---: |
|  | Chicago's Mayor Richard M. Daley won election against independent Roland |
|  | ris in balloting that drew the |
|  | ury |
|  |  |
|  | throughout the campaign. |
|  | les have beente |
|  | a Guatemalan army intelligence unit, but the U.S. agency retains other links with |
|  | Guatemala on matters such as drug control, a White House aide said. Clinton took the |
|  |  |
|  | step amid a controversy over charges that Guatemalan officers on the CIA's payroll |
|  |  |
|  | Guatemalan officers on the CIA's payroll killed U.S. and Guatemalan citizens. |
|  | Germany's Kohl has decided to atte |
|  | Moscow's commemoration of the 50th anni- |
|  | versary of the end of World War II nextmonth but he won't attend a military |
|  |  |
|  |  |
|  |  |
|  | that celebrate Germany's defeat. |
|  |  |
|  | A Aritsh-born inmate in Attanta lost a |
|  | bid to avoid excution tomorrow when a judge rejected his lawers plea for a |
|  | stay. The case of the convicted murderer has prompted the European Parilament to urge |
|  |  |
|  | Clinton to intercede, citing Europe's "abhor- |
|  |  |


| CORPORATE GROW or secl: | Polirics \& POLICY: Social Security overhaul grows more likely, A14. |
| :---: | :---: |
| persuaded his board to buy Marion Merrill Dow, and now he has | LEGAL BEAT: Potentially violent worker is Catch-22 for Doss, B1. |
| to make the marriage work. Page B4. | international: Reach of a Russian payroll tax is extended, A9. |
| INSIDE TRACK: Insiders dump technology stocks, C1. | REVIEW \& OUTLOOK: Asians start to stand up to China, A12. |
| ECONOMY: Surging farm exports brighten U.S. trade picture, A2. | OPINION: Nathan Glazer Zrseounts class-based preferences, A12. |
| marketing: Baseball teams try to get fans out to the old ballgame, B1. | LEISURE \& ARTS: David Brooks on George Plimpton's new book, Al0. |



A Republican, He is Mulling
Uphill Run for President
To Save Racial Preferences
py pannur.aum

 firmative action's Republican roots - all
the way back to the Nixot administration. He thinks his position as a black "pragma
tist-optimist " will help convince white peo-
peo g good will ple of good will unat affirmative action has
been good for them, and tive nation. If
hex tend they tear down the elevator we're using to
get tothe top." he asks, "what ther device
is there?". Is there?". Fietcher, currentiy a member
But Mr. Fethision
ot U. U.S. Commission on Civil Rights and or man ocasionally given to self promo-
a mion, is also personally sore: "Tm the
tather of affirmative action," he says.
father "nistory."
hough

## Tough Sledding

Republican pragmatist or not, Mr.
letcher has a hard sell; a lot of people think he has his history right, but his
polities wrong. Republican committees in poitics wrong. Repubican committees in
Congress have already begun hearings on
a number of fronts that could eventually a number of fronts that could eventually
resuit in the elimination of billions of dollars in federal set-asides to minority-
owned businesses. And in California, antiaffirmative action groups hope to place an
initiative on that state's 1996 ballot that nitiative on that state's 1996 ballot that
would bar the state or its contractors from warding promotions, jobs or contracts based on racial or sex preferences. More-
over. opinion polls generally show a major
ity 10
Nonetheless, some think there is
method in Mr. Fletcher's madness method in Mr. Fletcher's madness. "As
reminds me of Jesse Jackson in 1988," says
Nigel Parkinson Nigel Parkinson, president of the National
issociation of Minority Contractor Association of Minority Contractors, an
advocacy group. .Jesse kept talking about
South Atrica and nobody wanted to talk South Africa and nobody wanted to talk
about South Africa but you see what has
Mr. Fietcher's claim to affirmative-
ction glory dates back to 1969 , when he served as an assistant secretary for employment standards. The post had been
created by George Shultz. President Nixon's first secretary of labor. At the
behest of Mr. Shultr, who was outspoken
bout the need to bring blacks into about the need to bring blacks into the
American economic mainstream, Mr. hetcher oversaw the revival and toughen-
ng of a Johnson-era affirmative-action plan that was mostly voluntary and, in the
Please Tum to Page A6, Column 3

Punchnow, New Jewery

## Tax Report <br> Of Federal and State Tax Developments

 COMPLANTS MOUNT bowt ins tre



##  <br> 


min


MUNICIPAL-BOND GROUPS lose a btg
$\qquad$ provision in the repeas a fiendishly complex municipai bond investors. This provision
inviles "maket-discunt" municipal
bonds, those that investors buy in the resaie bonds, those that investors buy in the resale
markets at a discount from face value.
Under the 1993 law, part or all of any gain an Under the 1993 law, part or aill of any gain an
investor makes from buying these oonds and
later selling them, or holding them until redemption, may be taxed as ordinary in-
come. not as a capptal giin.
Many Ways and Means Committee mem. bers earlier this year endorsed repealing the 1993 rule, which aftects bonds purchased
after April 30, 1993. But to the chagrin of
bond
$\qquad$ vote in the House as early as today, "We lost
round one, but the fight isn' over." says
Micah $\$$. Green of the Publicic Securities Micah S. Green of the PPal
Association in Washington.


SmaLL-BUSINESS GRoUPS hail Sens. Dole and Roth, along with House Ways and
Means Chairman Archer, for helping to
restore partial deductibity or healin ance premiums paid by more than 3.2 mil-
and lion self-employed workers. A bill approved
Monday by the Senate allows $25 \%$ deductibi-
ity for 1994 and
CATCHING UP: As of March 20, the IRS
had approved refunds totaling \$35.49 billion. down $10.7 \%$ from a year ago. Eariler in the
month. refunds were running about $20 \%$
below the below the
056, up $2.2 \%$.

TAX CHEATS love the earned income tax
credit, which is designed to help the working poor, says Richard $M$. Hersch, who is await-
ing sentencing after pleading guilty to filing nalse returns and money laundering. He told The Senate Governmental Affairs Committee
yesterday that EITC could stand for "Easy
Income for Tax Cheats."

THE IRS SURRENDERS in a battle over After losing several major court IRS lawyers are fiipally waving a white flag.
The IRS amount of investment 1 interest that some
investors could dedut Thestors could deduct. The new ruling says
the amount of investment interest that an
investor investor may carry over to a succeeding tax
year "is not limited by the year "is not limititd by the taxpayer's taxa
ble income for the taxable year in which the


The new rule applies to interest in-
curred both before and after the tar-ane


BRIEFS: The IRS received 56.2 million
individual income-tax returns as of March 24, down $1 \%$ from a year ago. ... Senate
Majority Leader Dole names Annette Guari Majority Leader Dole names Annette Guari-
scoWelsh. formerly yat the law firmo D Dewey
Ballantine in Washington, as tax counsel.

## In-House Battle <br> Merrill Lynch Officials Fought Over Curbing Orange County Fund <br> Firm's Risk Managers Tried To Reduce the Dangers, But Sales Groups Balked

 In Too Deep to 'Walk Away'
## by Latu Jasaki



 Merrill show that its risk managers repeal edily tried to impose controls. Also writing
memos urging caution were two powerful Which lent billions to the California
countys ill-fated investment fund, and it the fund.
But But instead of cutting back, Merrill
officials, internal memos and county trading records all indicate that some senior
Merril executives continued to aggres.
sively seek profits form the fast -growing business.
Huge Lawsult Filed Now, Merrill is fighting a $\$ 3$ billion
lawsuit in federal bankruptcy court in lawsuit in lederal bankruptcy court in
Santa Ana, Calif The county is suing the
nation's largest brokerage firm for, it nationses, "wantontony and calloustl" seling
allegen
risky investments to its investment fund.
whose $\$ 1.7$ billon loss pushed the fund Merrill says it did nothing wrong.
Although none of its top officials are commenting publicly, citing the pending
lawsuit, the firm maintains in a written statement that it took a "teamwork ap-
proach" toward Orange County and re
solved any initial internal disagreements. It adds: "Merrill had no unique or special
exposure to market risk or credit risk from its dealings with the Orange County ac-
count in comparison to our deatings with count in comparison to our
other institutional accounts."
Internal memos show that by early
199, however, some at Merrill were concerned about those deatings. The risk
managers' primary concern was a simple managers primary concern was a simple
one: losing money. Merrill was lending
aginst against Iliquid, volatile securities as col
lateral, and could have been on the hook
for millons, But the risk managers de for millions. But the risk managers, de-
pending on how you look at it were either
wrong about the exposure or did their job wrong about the exposure or did their job
well, because Merrill didn't lose a dime in Orange County. In fact, It made tens of
millions in commissions, fees and such. Tougher Legal Standard
But there were other issues involved
beyond Merrili's possible eosses. For one thing, ail securtues firms are well aware of
the public-relations damage from having a highly visible client sustain a huge loss. In addition. courts often hold securi-
ties firms to a tougher standard in dealing Ues firms to a tougher standardin deaing
with municipalites: Unilike individual or
corporate elients, municicpalitites tend to be corporate clients, municipalities tend to be
sheltered by a protective attitude in the courts. Brokers are held more responsible
for knowing te investment rules devised
by the municipalitites themselves and for staying within those guidelines. And what that means is that Merrill
could tace some tough going in Orange
County's tawsuit. County's tawsuit. Merrill's position may
become more
menticticult whe the internal ments, which into the infighting at a firm,
ing glimpe re admitted as evidence in court.
Among hose sounding an alarm was
Danied T. Napoli, Merrilts senior vice
president in charge of risk management.
He is perhaps Wall Street's most powerful president in charge of risk management.
He is perhaps Wall Street's most towerflui
risk cop. He reports directly to Daniel P.
Thll Tully, Merrill's chief executive, about the
firms strading positions and sits with Mr. firms strading positions and sits with Mr.
Tully on a 17 .-man executive committe.
Moreover, Mr. Napoli has the extratordinary authority to take a position with his irm's capital to offset traders' risks that
get out of line: most risk managers can
only tell traders to trim their hold On Feb. On Feb. 6, 1932, Mr. Napoli made an
unusual move, which Merrill says he didn't
discuss with Mr. Tully. He paid a personal discuss with Mr. Tully. He paid a personal
visit to Orange County Treasurer Robert
Citron Citron, the man charged with investing
funds for the county s municipalities and
other governmental bodies. By all ac-
counts. counts, Mr. Napoli seldom sees clien
however large or angry they might be.

## Huge Transactions

Me previous six was certainly both. In
the had hen hased more
than his capital to buy
volatile ders che volatile derivative securities from Merrill. Derivatives are investments linked to
movements In an underlying asset-in thls
case, a multiple of the difference between SWiss and U.S. interest rates. Now, Mr.
citron demanded to know, why wouldnt
Merrill lend against those securities at the
Mram Napolil arrived in Santa Ana,
Malif, with concerns of his own. "You have 10 times the leverage in your portiolio that
we allow in ours. Mr. Napolif told Mr.
Citron, according to a Merrill spokesman. Thomas Akin, a Merrill manager who
attended the Feb. 6 meeting, says Mr. Napoli was agitated over Mr. Citron's
double-leverage strategy The county's
fund had borrowed s.4 billion from the repurchase dest, pledifing gits from the
holdings as collateral, to buy more securi-

## As THE WALL STREET JOURNAL WEDNESDAY, APRRL S, 1995

## Cheat Sheets: How Colleges Inflate Ratings


statistics Are Unaudited
suen the most prestigious colleges Massachusetts Institute of Tectnology on March 9 , it was to announce a competi-
live breakthrougts not a scientific one: live breakthrough, not a scientific one:
Two MIT gradiate schools had placed Two Mr gradnate schools had placed
first in a U.S. News survey, "We all
live and die by those rankings," says Gordon Holland. president of Gettysburg College in Gettysburg. Pa and guidebooks stact as as marronaxis and Peterson's Four-Year Colleges are self-rewn formula for evaluating colleges, in cluding pollster-style surveys, but neariy cluding polister style surveys, but neariy As a result, says Roland King, director of public relations at the University of Mary.
land in College Park. "They're subject to cooking all the time.
To gauge the
To gauge the accuracy of colleges
reported numbers. this newspaper com reported numbers. this newspaper com-
pared datata colleges provide to the guides with similar statatistics they give to debt-rat
ing agencies and investors. A review of ing agencies and investors. A review of
more than 100 credit reports on colleges by more than 100 credit reports on colleges by
Moody's Investors Service Inc. and Standard \& Poor's, as well as bond prospec-
tuses, showed more than two dozen disrepancies in SAT scores, acceptance rates case, the Moody's and S\&P numbers were ess favorable to the colleges than the A Moody's credit report on Richard
Atockton College of New Jersey in Pomona or example, lists an average SAT score of in 1600 -point scale for freshmen
ntering in the fall of 1993. But U.S. News ists the average score as 1095. Harvey Kesselman, the college's vice president for
udent services, acknowledges that the student services, acknowledges that the
Moody's number is correct and says he cannot explain the numbers given to U.S. News.

Rankings Are Affected
Editors at U.S. News. Money, Barron's fact check. they have never compared their own data with information reported to the Nebt-rating agencies; indeed, only U.S. News was aware that the agencies col-
lected such information. U.S. News, whose college guide sells more copies than any
other, says it hopes to compare the dataother, says it hopes to compare the data-
bases in the future. Fudging the gul.
have a direct positive effect on rankings. Edward Hershey, former director of communications at Colby College in Water-
ville. Maine, says Colby moved up significantily in U.S. News's fall 1992 rankings of national liberal-arts colleges through "numbers massage" and an inadvertent In a letter last fall to the student
newspaper at cornell University, where he now works. Mr. Hershey recounted how
officials at one college - which he now conflims was Colby - huddled at "a meeting that could only be described as a
strategy. session on how to cheat on the survey."
Though he won't detail the "num-






| SAT Scores |  |  |
| :---: | :---: | :---: |
| Callepe | Leation | * |
| Boston limevently | Boston | Gave U.S. News a middle range of SAT scores with a midpoint of 1150 . Excluded the verbal, but not the math. scores of about 350 foreign students. |
| Florida lestithte of Technologe | Meltourne. Fa. | Gave U.S. News a middle range of SAT scores with a midpoint of 1065 . The scores excluded foreign students. |
| Harved Iniverity | Cambridge. Mass. | Gave US. News a middle range of SAT scores with a midpoint of 1400 . Gave Moody's a middle range of scores with a midpoint of 1385 |
| mamathanilite Callege | Purchase, NY. | Gave U.S. News a middele range of SAT scores with a midpoint of 1068 . The scores exctuoed economically disasvantaged stidents in a special state-sponsones program. |
| Marist Collepe | Pouphikeepsie, NY | Gave U.S. News a middle range of SAT scores with a midpoint of 985 . The scores excluded about 25 students who are leaming disabiled, as well as international students. |
| Marshall thiversity | Huntington, W. . 2. | Told Barron's $47 \%$ of its students scored 21 or better on the American College Test (ACT). Told Peterson's $36 \%$ of its students scored 21 or better. |
| Monmouth Univeraity | W Long Brach, N. | Gave College Handbook a middle range of SAT scores with a midpoint of 1115. Gave U.S. News a middle range of scores with a midpoint of 930 , which the admission director says excluded 150 remedial students. Told Moody's the median score was 816. |
| Mew Yert University | New York | Gave U.S. News a middie range of SAT scores with a midpoint of 1145 . The scores excluded about 100 economically disadvantaged students in a special state-sponsored program. |
| Morthoastern Universty | Boston | Gave U.S. News a middie range of SAT scores with a midpoint of 995. The scores excluded toreign and remedial students. |
| Bilchard Stection Collage of II.. | Pomona, N.J. | Gave U.S. News a middle range of SAT scores with a midpoint of 1096. Toid S\&P the average SAT score was 1041. Told Mooty's the averge SAT score was 991. An official says only the Moody's fogure includes all freshmen. |
| Sarnh Lawrence Colloge | Bronxville, N.Y. | Gave U.S. News a middie range of SAT scores with a midpoint of 1215. Gave Collepe Handbook a middle range of scores with a midpoint of 1145. Told Moody's the median score was 1150. |



bers massage." Mr. Hershey says that
in completing the U.S. News survey
in completing the U.S. News survey, en mistakenly reported that $80 \%$, rather
than 6 orn, of Colbys freshmen were in the top 10\% of their high-school class. "It was pure innocence, I swear," he says. "Of
course, the thing just rolled right on course, the thing just rolled right on
through." He says no one at U.S. News caught the error, even though the year
before colly had reported the figure as
When U.S. News's rankings came out in
September 1992. Colby jumped to 15 th
place from 20 th place. in his teter to
the Cornell newspaper. Mr. Hershey
wrote. "The downside was that we spent

## Acceptance Rates

## Coliepe



| Bard Colloge | Annandale-on-Hudson, N.Y. | 44\% | 62.6\% |
| :---: | :---: | :---: | :---: |
| Curistlisa Brese. Untueraity | Memphis, Tenn. | 59 | 73.0 |
| Doprat Unluensity | Chicago | 74 | 82.4 |
| Elizatoth City State lalverity | Elizabeth City, N.C. | 54 | 73.0 |
| Georrean Court Colliopa | Lakewood, N.J. | 81 | 84.4 |
| Hoed Collope | Frederick, Md. | 81 | 84.6 |
| Tout State Uliversity | Kent, Ohio | 33 | 86.7 |
| wicholios State Uliveraty | Thibodaux, La. | 94 | 100.0 |
| Wrosteyan Untuverity | Midodietown, Conn. | 41 | 42. |

Note Acceptance rete represents the petcentage of applicants accepted tor the tall 1 pess freshnian

Sourres: U.S. News's Americis's Best Colleges 1995 Collope Gulde and rocent Moodys huwstors Servico inc crodit reports
the following year figuring out how to play
with some other numbers to preserve our with some other numbers to preserve our
competitive advantage and forestall competitive advantage and forestall a
subsequent plunge in the ranikings that would have to be explained to concerned
alumni." alumni."
Sally
tor of communications, concedes that the school made an inadvertent error on applicants' class rank but denies that
officials ever intentionally fudged any orricials ever intentionally fudged any
figures: "The data is real. and we are as honest as humans can be., she says. Christian Brothers University in Memphis. Tenn., is another school that bene
fited from giving U.S. News questionable data. The magaine's America''s Best
Colleges 1995 College Guide said that in Colleges 1995 College Guide said that in
the fall of 1993 the school accepted $59 \%$ of its freshman applicants. a figure that helped place the schoon in. U.S. Newse's top
tier of southern colleges and universities. tier of southern colleges and universities.
But Moody's, in a credit report dated Jan. But Moody's, in a credit report dated JJan.
3, 1995 , said that in 1993 the school accepted 73\% of its appilicants. Christian Brothers says the Moody's Christian Brothers says the Moody's
tigure is accurate, and it can't explain
the number in U.S. News, "We try to be the number in U.S. News. "We try to be
honest," says Nick Scully, vice president for institutional advancement. "This
doesnt tlook real honest and 1 don't
dosw dnow if it was on purpose or not."

## Harvard's 'Mystery' Listing

Acceptance rates at Bard College, a highly regarded liberal-aris school, don
square, either. Moody's says the college in Annandale-on-Hudson, N.Y., accepted In Annale its frestman applicants for fall
1993. U.S. News reports the flgure at 4 . Both figures are wrong, says Mary

Inge Backund, Barfis director of Mamis
stion. She suys, he figures ifiven to Moodi's
 office and excluped disedvantaged applit
 who shotid have been excluted. This is a
contliet that we have reviarty win the uusiness affice," Ms, Bacithind says. The Ueription engror on my part." Bard's actual
 lop ranked school in the nation, stows up
ith slighty conflicting SAT data. Har with silighty conflicting SAT data. Har
vard gave U. S . Newn a mage of SAT cores for fall 1938 treshmen, and the benchmart score thar's a weili establishe
mark of excellence. But Harvarts mid. nark of excellence. But Harvard's midprom in a owety rargeports wat Harvard provided Moostys.

Martyn Mocrath Lewis, director of admission for Harvard and Raddifte Cof
leges, describes the Moody's mumbers as a "mystery" and says the U.S. New grures were eccurate. " don't Unink this is
significant." she soys. A Mooty s spokes woman says the score it published was The NCAA Compartson
Graduation rates are also subject to
aleight of hand. The National Coliegiate thietic Association requires its memben odisclose graduation rates for the student comparison of the numbers reported by 300
colleges to the NCAA and to U. News tances: in nearty every case, the overall stances, in neariy every case, the overail
graduation rates reported to the NCAA vere lower. Schools may have an incentive to play down overall graduation rates to rates look better in comparison, college officials say. Acceptance rates provide further op-
portunities for manipulation. Corad Shar row, whe was dean of admission at Rensselaer Polytechnic Institute in Troy,
N.Y., from 1986 to 1993, says about $20 \%$ of he school's applicants were rejected by the specific program tor which they ap-
plied but were accepted into another undergraduate program at RPI. All these
students were counted as rejects in the students were counted as rejects in the
school's reported admission figures. That
way the school appeared to be more way the school appeared to be more
selective overall than it actually was. He says he also used wawitisg lists
to enhance the numbers. "Suppose you enhance tpe numbers. "Suppose you
had 5,000 applications and suppose in the first round you accepted 2.500 of those. Then you had a waiting list," he explains. "So when the question comes up, how
many did you accept, you can in good conscience say you accepted 2,500 . That's
true." The school, however, would later true." The school, however, would later
accept another " 400 or 500 students off accept another list but continue to count
the waiting list but them as rejects, he says.
Mr. Sharrow says he Justified such
actions because the rankings emphasive a actions because the rankings emphasize a
college's acceptance rate, a figure that he coliege's acceptance rate, a igigure that he
believes doesn't connote quality. He says if college guides "abuse" such. numbers
"then what you ve got to do as an atmis. "Then what you've got to do as an atmis-
sions person is to juggle them in such a sions person is to juggle them in such a
way so the abuse is minimized." Rensselaer's new dean of admissions, Teresa C.
Duffy, says she stopped such practices last Duffy, says she stopped such practices last
year. Mel Elfin, special-projects editor at
U.S. News, defends the magazine's college U. Nide News, defends the magarine's college
guide despite some schoo's efforts to mation U.S. News prints is accurate, he estimates, adding: "Our job now is not to throw our hands up in the air and say it
doesn't work but to continue to beef up. doesn't work but
our defensive line.
But colleges are so accustomed to cheating by now, contends college consultant Martin Nemko, that it may be impossiNemko, of Oakland, Calif., says he was slated to write a guide for Little, Brown \& Co., a unit of Time Warner Inc., that would have required schools to distribute ques-
tionnaires to random groups of students. But in January, he wrote to colleges
saying he had been forced to scrap the saying he had been forced to scrap the
project after receiving "sufficient eviproject after receiving "sufficient evi-
dence that more than a few institutions dence that more han a
will be taking extraordinary measures to
guarantee that their student questiof guarantee that their student question?
naires paint an inordinately fattering picnaires paint an inordinately flattering pic
ture." One example was Texas A\&M Uni-
versity, which told him it planned to distribute the surveys mostly to honor
students, students, Mr. Nemko says. Admission
Director Gary Engelgau now says he Director Gary Engelgau now says he
hadn t finally decided on a distribution list but notes that honor students are gener-
ally more likely to fill out surveys. He adds: "Is you ask me to do sometthing. as
mut
min much as I can within the rules. r'l try to do
it so that it makes me look good."

## Ingersol-Rand Co.

Clark Equipment Businesses Likely to Be Kept in Merger Ingersoll-Rand Co. indicated it would
like to keep the businesses Clark Equipment Co. if it succeeds in
ind its fight to acquire Clark. "They're all good businesses, except said at an industrial manufacturing conference in New York.
VME Group NV
VME Group NV is the construction-
equipment business that Clark sold Volvo AB of Sweden. Thomas McBride, Ingersoll's chief financial officer, said in.
gersoll had no interest in
MME because it gersoi hac no interest in VME because
competes in Europe with Caterppllar Inc. the heavy construction equipment leader. Ingersoll has said it wants to acquire a
company that is a leader in its markets. company that is a leader in its markets.
The executives said the 577 -ashare, or The executives said the 577 - A-share, or
S1.34 billiono, offer for Clark tits that cri-
teria teria. They Hid Clark has both good
earnings and Eash flow earnings and eash flow and strong man
agement of its units, which include Melroe. agemenker of Bobcat skid-steer loaders;
the make
Club Car golf carts; Blaw-Knox construc Club Car golf carts; Blaw-Knox constru
tion equipment and Clark-Hurth axles Ingersoll said one of the biggest are of savings from a combination of the firms
would be eliminating Clart's headquarters ouild be eliminating Clark's
operation in South Bend, Ind.

