

February 4, 2014

The Honorable Barack Obama
President of the United States
1600 Pennsylvania Avenue
Washington, DC 20500

Dear Mr. President:

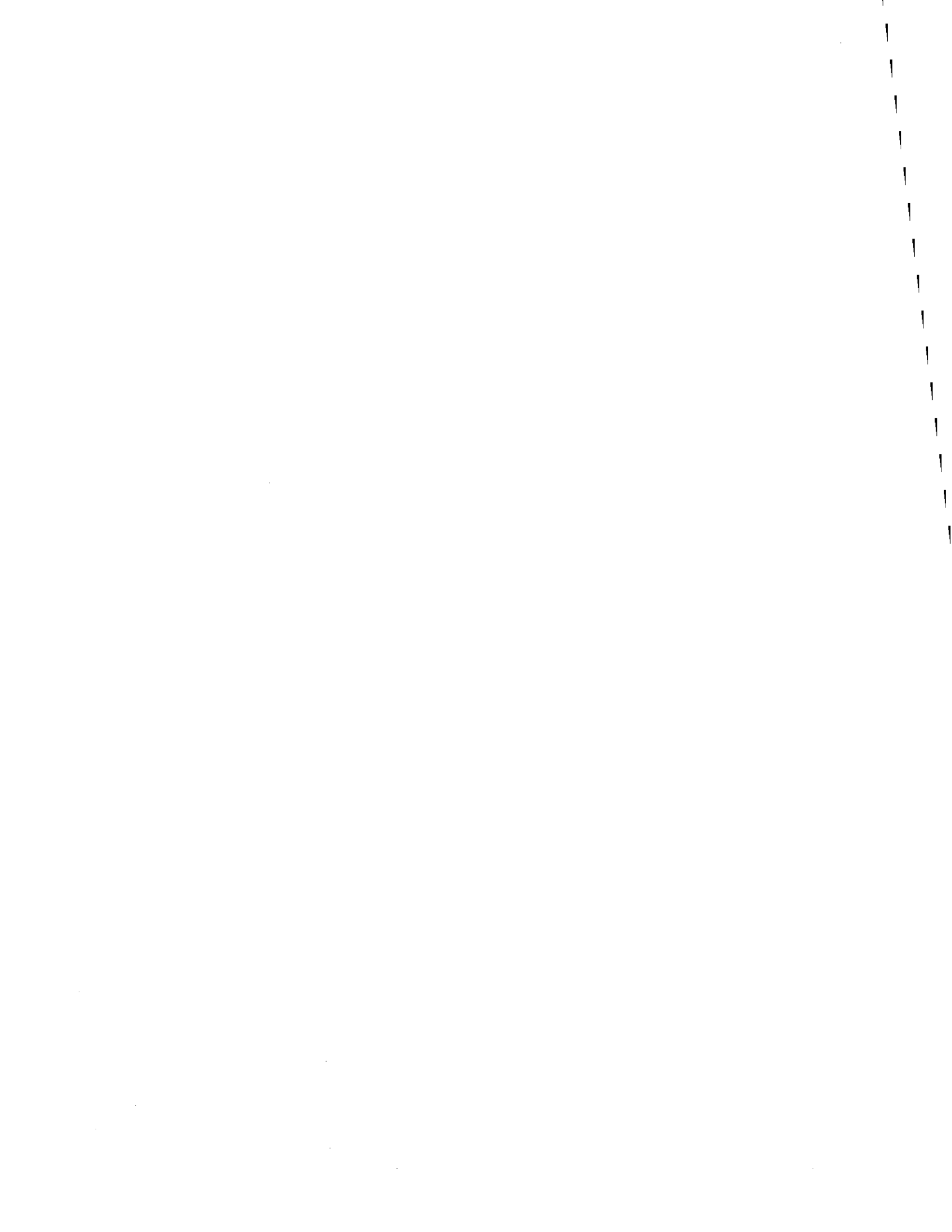
Our organizations—which work on behalf of students and college access, veterans, consumers, and civil rights—were heartened by your remarks last August when you so effectively summed up the problems in the for-profit college industry:

[T]here have been some schools that are notorious for getting students in, getting a bunch of grant money, having those students take out a lot of loans, making big profits, but having really low graduation rates. Students aren't getting what they need to be prepared for a particular field. They get out of these for-profit schools loaded down with enormous debt. They can't find a job. They default. The taxpayer ends up holding the bag. Their credit is ruined, and the for-profit institution is making out like a bandit. That's a problem.

Your administration now has an opportunity to better protect taxpayers and students, including our nation's veterans, service members and their families, from predatory career education programs. The Education Department is developing draft regulations to enforce the statutory requirement that all career education programs that receive federal funding, whether at for-profit, public or nonprofit colleges, "prepare students for gainful employment in a recognized occupation." The negotiated rulemaking panel convened last year by the Department to develop the draft regulations was unable to reach consensus. Even after the Department made multiple changes requested by the for-profit college industry representatives that dramatically weakened the draft regulation, the for-profit college industry representatives objected to it. The changes would have made the regulation so weak on predatory colleges and so hard on low-cost, high-performing colleges that not a single negotiator voiced support for the Department's last proposal.

We urge the Administration to issue promptly a stronger, more effective proposed regulation so that the urgently needed rules can be finalized by November 1, 2014, and go into effect by July 1, 2015. At a minimum, we believe the regulation should include the following five elements:

1. **A repayment rate or another metric to effectively prevent programs with high borrowing and high dropout rates from receiving federal funding.** A low completion rate is one of the ways that programs can fail to prepare students for gainful employment, particularly when they leave school with substantial debt. But programs where 99% of the students drop out with heavy debt that they are unable to pay down could still pass the Department's most recent proposal. A program-level cohort default rate (pCDR) was the only metric in that proposal to assess the outcomes of students who do not complete a program. However, a pCDR alone is not sufficient for at least two reasons. First, the well-documented manipulation of cohort default rates by some for-profit college corporations undermines their meaning. Second, default is an extreme situation, measuring whether



borrowers have failed to make any required payments in at least 270 days and does not measure whether students are able to pay down their loans. To be clear, we believe that a strong repayment rate or other metric addressing programs with high borrowing and high dropout rates should be a separate requirement that gainful employment programs must pass, in addition to the other tests, in order to retain eligibility.

2. **A meaningful approval process to weed out programs that will not prepare students for gainful employment in the specified occupations *before they harm students*.** Programs that lack the programmatic accreditation or other attributes needed for graduates to be hired in the field should not be eligible to receive taxpayer funds, yet the Department's most recent proposal would allow funding to continue to flow to these programs. For example, federal funding should not be available for dental assisting and other medical programs whose graduates are ineligible for the licensing exam required to work in that field. Subsidizing such programs misleads students, who trust the federal government to fund only worthwhile programs and is clearly inconsistent with the statutory requirement that all career education programs receiving federal funding "prepare students for gainful employment in a recognized occupation."
3. **Borrower relief that is fair and provides a greater incentive to improve weak programs.** The Department proposed *partial* relief—at no cost to taxpayers—for *some* students who enroll in programs that the Department ultimately determines systematically and consistently fail to prepare students for gainful employment in the specified occupations. We believe students should not be responsible for *any* loans they received to attend such programs. Providing full relief to all such students is not only fair, it also provides a more effective incentive for schools to improve their programs so they never have to provide such relief.
4. **Meaningful debt-to-earnings standards.** The debt-to-earnings standards in the Department's last proposal were so weak that literally thousands of programs with median and mean debt levels that exceed their graduates' *entire* discretionary incomes would not fail the standards. This is clearly too low a standard. Students and taxpayers deserve better.
5. **Protection for schools offering low-cost programs in which most students do not borrow.** The final 2011 gainful employment regulation automatically passed all low-cost programs where the majority of graduates do not borrow. The federal district court reviewing the regulations upheld this provision, which recognized that such programs do not consistently leave students with unaffordable debts. The new draft regulation should also. In contrast, the Department's last proposal would unintentionally jeopardize funding for many of these low-cost programs because the metrics would consider only students receiving Title IV funding, which in many cases are a small, unrepresentative share of the program's students. These proposals would incentivize more schools to leave the Federal student loan program, lead to the voluntary or involuntary closure of effective, low-cost programs, and is at odds with related statutory precedent which acknowledges the importance of the share of students borrowing in applying default rate sanctions.

We believe these five elements are essential, but there are other areas in which thoughtful proposals were submitted by negotiators that merit further consideration. Several of the negotiated rulemaking panel working groups and individual negotiators developed detailed proposals to strengthen the regulation in important ways while reducing its burden on high-performing, low-cost colleges. For

example, the Department's proposals do nothing to increase the accuracy or comparability of the job placement rates that schools advertise to students. As the commissioner of the National Center for Education Statistics told the negotiated rulemaking panel in September, the exclusion of deceased students is just about the only thing that the many current definitions of job placement have in common. In light of this lack of comparability and the increasing evidence of widespread manipulation and inflation of job placement rates in the for-profit college industry, the proposals by the working group on job placement are timely, thoughtful, and practical.

We applaud the Members of Congress who recently sent a letter to Secretary Duncan urging the Administration to move decisively towards issuing a final regulation. We thank you for your leadership in seeking to improve higher education and career opportunities for all Americans. We and our members and supporters stand with you and look forward to the prompt issuance a strengthened gainful employment rule and other urgently needed steps to enforce current laws to better protect students, taxpayers, and our nation's economy.

Sincerely,

AFL-CIO	Mississippi Center for Justice
The American Association of State Colleges and Universities (AASCU)	National Association for Black Veterans, Inc. (NABVETS)
American Association of University Professors (AAUP)	National Association for College Admission Counseling
American Association of University Women (AAUW)	National Consumer Law Center (on behalf of its low-income clients)
American Federation of Teachers (AFT)	National Consumers League
Americans for Financial Reform	National Education Association
Association of the United States Navy (AUSN)	The National Guard Association of the United States (NGAUS)
Center for Law and Social Policy	National Women Veterans Association of America
Center for Public Interest Law	New Economy Project (formerly NEDAP)
Center for Responsible Lending	NYPIRG
Children's Advocacy Institute	Paralyzed Veterans of America
Consumer Action	Public Advocates Inc.
Consumers Union	Public Higher Education Network of Massachusetts (PHENOM)
Consumer Federation of California	Public Citizen
Council for Opportunity in Education	Rebuild the Dream
Crittenton Women's Union	Service Employees International Union
East Bay Community Law Center	Student Veterans of America
Generation Progress	United States Student Association
Initiative to Protect Student Veterans	U.S. PIRG
The Education Trust	Veteran Student Loan Relief Fund
The Institute for College Access & Success	Veterans Education Success
Institute for Higher Education Policy (IHEP)	Veterans for Common Sense
Iraq and Afghanistan Veterans of America (IAVA)	VetJobs
The Leadership Conference on Civil and Human Rights	VetsFirst, a program of United Spinal Association

League of United Latin American Citizens
MALDEF

Vietnam Veterans of America
Young Invincibles

cc: Hon. Arne Duncan, Secretary of Education
Hon. Cecilia Muñoz, Director, White House Domestic Policy Council
Hon. Gene Sperling, Director, White House National Economic Council
Hon. Sylvia Mathews Burwell, Director, Office of Management and Budget

National Defense Authorization Act, FY 2014
Public Law 113-66

Subtitle E—Member Education and Training

SEC. 541. ADDITIONAL REQUIREMENTS FOR APPROVAL OF EDUCATIONAL PROGRAMS FOR PURPOSES OF CERTAIN EDUCATIONAL ASSISTANCE UNDER LAWS ADMINISTERED BY THE SECRETARY OF DEFENSE.

(a) IN GENERAL.—Chapter 101 of title 10, United States Code, is amended by inserting after section 2006 the following new section:

“§ 2006a. Assistance for education and training: availability of certain assistance for use only for certain programs of education

“(a) IN GENERAL.—Effective as of August, 1, 2014, an individual eligible for assistance under a Department of Defense educational assistance as provided in subsection (b), only use such assistance for educational expenses incurred for a program as follows:

“(1) An eligible program (as defined in section 481 of the Higher Education Act of 1965 (20 U.S.C. 1088)) that is offered by an institution of higher education that has entered into, and is complying with, a program participation agreement under section 487 of such Act (20 U.S.C. 1094).

“(2) In the case of a program designed to prepare individuals for licensure or certification in any State, if the program meets the instructional curriculum licensure or certification requirements of such State.

“(3) In the case of a program designed to prepare individuals for employment pursuant to standards developed by a State board or agency in an occupation that requires approval or licensure for such employment, if the program is approved or licensed by such State board or agency.

“(b) WAIVER.—The Secretary of Defense may, by regulation, authorize the use of educational assistance under a Department of Defense educational assistance program or authority covered by this chapter for educational expenses incurred for a program of education that is not described in subsection (a) if the program—

“(1) is accredited and approved by a nationally or regionally recognized accrediting agency or association recognized by the Department of Education;

“(2) was not an eligible program described in subsection (a) at any time during the most recent two-year period;

“(3) is a program that the Secretary determines would further the purposes of the educational assistance programs or authorities covered by this chapter, or would further the education interests of students eligible for assistance under the such programs or authorities; and

“(4) the institution providing the program does not provide any commission, bonus, or other incentive payment based directly or indirectly on success in securing enrollments or financial aid to any persons or entities engaged in any student recruiting or admission activities or in making decisions regarding the award of student financial assistance, except for the recruitment of foreign students residing in foreign countries who are not eligible to receive Federal student assistance.

Title 10 changes

“(c) DEFINITIONS.—In this section:

“(1) The term ‘Department of Defense educational assistance programs and authorities covered by this section’ means the programs and authorities as follows:

“(A) The programs to assist military spouses in achieving education and training to expand employment and portable career opportunities under section 1784a of this title.

“(B) The authority to pay tuition for off-duty training or education of members of the armed forces under section 2007 of this title.

“(C) The program of educational assistance for members of the Selected Reserve under chapter 1606 of this title.

“(D) The program of educational assistance for reserve component members supporting contingency operations and certain other operations under chapter 1607 of this title.

“(E) Any other program or authority of the Department of Defense for assistance in education or training carried out under the laws administered by the Secretary of Defense that is designated by the Secretary, by regulation, for purposes of this section.

“(2) The term ‘institution of higher education’ has the meaning given that term in section 102 of the Higher Education Act for 1965 (20 U.S.C. 1002).”

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 101 of such title is amended by inserting after the item relating to section 2006 the following new item:

“2006a. Assistance for education and training: availability of certain assistance for use only for certain programs of education.”

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on August 1, 2014.

SEC. 542. ENHANCEMENT OF MECHANISMS TO CORRELATE SKILLS AND TRAINING FOR MILITARY OCCUPATIONAL SPECIALTIES WITH SKILLS AND TRAINING REQUIRED FOR CIVILIAN CERTIFICATIONS AND LICENSES.

(a) IMPROVEMENT OF INFORMATION AVAILABLE TO MEMBERS OF THE ARMED FORCES ABOUT CORRELATION.—

(1) IN GENERAL.—The Secretaries of the military departments, in coordination with the Under Secretary of Defense for Personnel and Readiness, shall, to the maximum extent practicable, make information on civilian credentialing opportunities available to members of the Armed Forces beginning with, and at every stage of, training of members for military occupational specialties, in order to permit members—

(A) to evaluate the extent to which such training correlates with the skills and training required in connection

with various civilian certifications and licenses; and

(B) to assess the suitability of such training for obtaining or pursuing such civilian certifications and licenses.

(2) COORDINATION WITH TRANSITION GOALS PLANS SUCCESS PROGRAM.—Information shall be made available under paragraph

(1) in a manner consistent with the Transition Goals Plans Success (GPS) program.

(3) TYPES OF INFORMATION.—The information made available

under paragraph (1) shall include, but not be limited to, the following:

(A) Information on the civilian occupational equivalents of military occupational specialties (MOS).

(B) Information on civilian license or certification requirements, including examination requirements.

(C) Information on the availability and opportunities for use of educational benefits available to members of the Armed Forces, as appropriate, corresponding training, or continuing education that leads to a certification exam in order to provide a pathway to credentialing opportunities.

(4) USE AND ADAPTATION OF CERTAIN PROGRAMS.—In making information available under paragraph (1), the Secretaries of the military departments may use and adapt appropriate portions of the Credentialing Opportunities On-Line (COOL) Credentialing and Educational Research Tool (CERT) of the programs of the Army and the Navy and Credentialing and Educational Research Tool (CERT) of the Air Force.

(b) IMPROVEMENT OF ACCESS OF ACCREDITED CIVILIAN CREDENTIALING AND RELATED ENTITIES TO MILITARY TRAINING CONTENT.—

(1) IN GENERAL.—The Secretaries of the military departments, in coordination with the Under Secretary of Defense for Personnel and Readiness, shall, to the maximum extent practicable consistent with national security and privacy requirements, make available to entities specified in paragraph (2), upon request of such entities, information such as military course training curricula, syllabi, and materials, levels of military advancement attained, and professional skills developed.

(2) ENTITIES.—The entities specified in this paragraph are the following:

(A) Civilian credentialing agencies.

(B) Entities approved by the Secretary of Veterans Affairs, or by State approving agencies, for purposes of the use of educational assistance benefits under the laws administered by the Secretary of Veterans Affairs.

(3) CENTRAL REPOSITORY.—The actions taken pursuant to paragraph (1) may include the establishment of a central repository of information on training and training materials provided members in connection with military occupational specialties that is readily accessible by entities specified in paragraph (2) in order to meet requests described in paragraph (1).

Testimony of Yasmine Issa
Before the Senate Health, Education, Labor and Pension Committee
Hearing on Federal Spending on For-Profit Education
June 24, 2010

Thank you for inviting me to speak today. My name is Yasmine Issa. I thought that going to school to learn a marketable skill would allow me to provide for my family. Instead, it has left me more than \$20,000 in debt, and unable to be hired in the field I trained for.

In 2005, I was 24 years old and recently divorced, with 3-year-old twin girls. I needed a good job in order to support myself and the twins, but I had been a stay-at-home mom up to that point, and I didn't have a college degree or any professional training. My aunt works in the radiology department at a hospital, and told me that was a promising and rewarding path, so I started looking online for ultrasound schools.

I found a Sanford-Brown Institute in White Plains, near my home in Yonkers, NY, and went to the campus and spoke with a school representative. The first day I went to visit, I was told to take an entrance exam, which I passed. They said I needed at least 32 college credits to enter the program, and I already had 59 credits from when I attended Manhattanville College for two years, so that wasn't a problem.

The program was 12 months of accelerated classes plus a six-month internship in a doctor's office and or hospital. The recruiters explained that I could sit for the certification exam by either having a bachelor's degree or working full time for one year as an ultrasound sonographer. They made it sound so easy, and they assured me I would have no problem finding a job to meet this requirement as soon as I completed the program. They said that career services at the school wouldn't stop until I had a position. Their job placement services sounded really helpful, so it seemed like a sure thing.

The recruiters kept calling me and pressuring me to sign up for the program. They said that the seats were filling fast and the registration deadline was just days away. With a family to take care of, I didn't have time to waste being unemployed, and I needed skills, so I decided to enroll, and I was very excited about my new career.

The program cost me a little over \$32,000. I paid for a lot of the costs with savings and child support, but I also had to take out \$15,000 in federal student loans through Sallie Mae. Using some of the child support money that I received for my daughters was the only way I could pay for school, but I believed going back to school and getting trained would yield a good return on my investment.

After a lot of hard work, I completed the program in June of 2008. I began looking for a job aggressively, applying for every ultrasound job in the tri-state area. I posted my resume on Monster.com and other job hunting web sites. In the beginning I would call to check in with Michelle Rawlins, the lady in charge of job placement at Sanford-Brown. I told her where I applied and asked her if there was anything else I should do. She told me

to just keep looking and check in with her every week. She said she would fax my resume to any job openings she was aware of. She sent one or two emails to my entire class with job openings, and I applied for those as well. Overall, career services didn't end up being very helpful at all.

After a few months, I was getting the same answers everywhere I went. The hospitals and doctors offices all wanted one of two requirements: either for the ultrasound tech to be certified by the American Registry for Diagnostic Medical Sonographers (ARDMS), or to have two to five years of experience working as an ultrasound tech. But I couldn't sit for the registry's exam until I had experience, and I couldn't get real experience without being certified.

The more I didn't use my ultrasound skills, the more I was losing the skills. I asked Michelle Rawlins if I could get another internship in a hospital to keep up my skills and better my chances of being hired there. She transferred me to the dean of the school, who sounded sympathetic but never followed up or returned my calls. I tried in all kinds of ways to get help from Sanford Brown, but they avoided me and had nothing to offer.

When I visited a hospital in New Jersey, the supervising ultrasound tech informed me that if I had attended an accredited school, I would have been able to sit for the registry exam immediately after graduating. This was how I found out that Sanford-Brown Institute's ultrasound program was not accredited. The school as a whole is accredited, but their ultrasound program is not. I couldn't believe it.

I looked on the ARDMS web site and found that Bergen Community College in New Jersey offers an accredited ultrasound program for about half what I paid Sanford-Brown. I called to see if I could take a few more ultrasound courses through Bergen so I could qualify to sit for the registry exam. I was told no, because my credits wouldn't transfer.

I never felt so low in my life. Five months after finishing the program, I had no prospects for employment, but still had a family to take care of, rent, bills, and now the outstanding student loans. I was depressed, I felt like I wasted my time and money on a phony school, and fell for their false promises.

I went online to see if there were any complaints about Sanford-Brown, and found several from students in New York and across the United States. Their stories were, if not exactly the same, very similar to mine. They all felt like victims of a scam, just like I did.

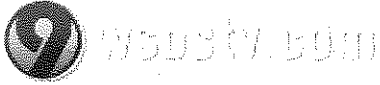
It has now been two years since I completed the program and the interest on my unpaid loans is growing. I currently owe a little over \$21,000, including about \$4,000 from my two years of college. The closest I have come to a real ultrasound job was the two months when I worked as a temp for a private doctor while his ultrasound tech was on vacation. It's hard to find any work without a marketable skill, but going to Sanford-Brown to get one has left my family and me worse off than if I had never gone back to school.

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Updated: 6:27 p.m. Tuesday, Nov. 22, 2011 | Posted: 5:10 p.m. Monday, Nov. 21, 2011

Whistleblower 9: Students say they were misled by local college



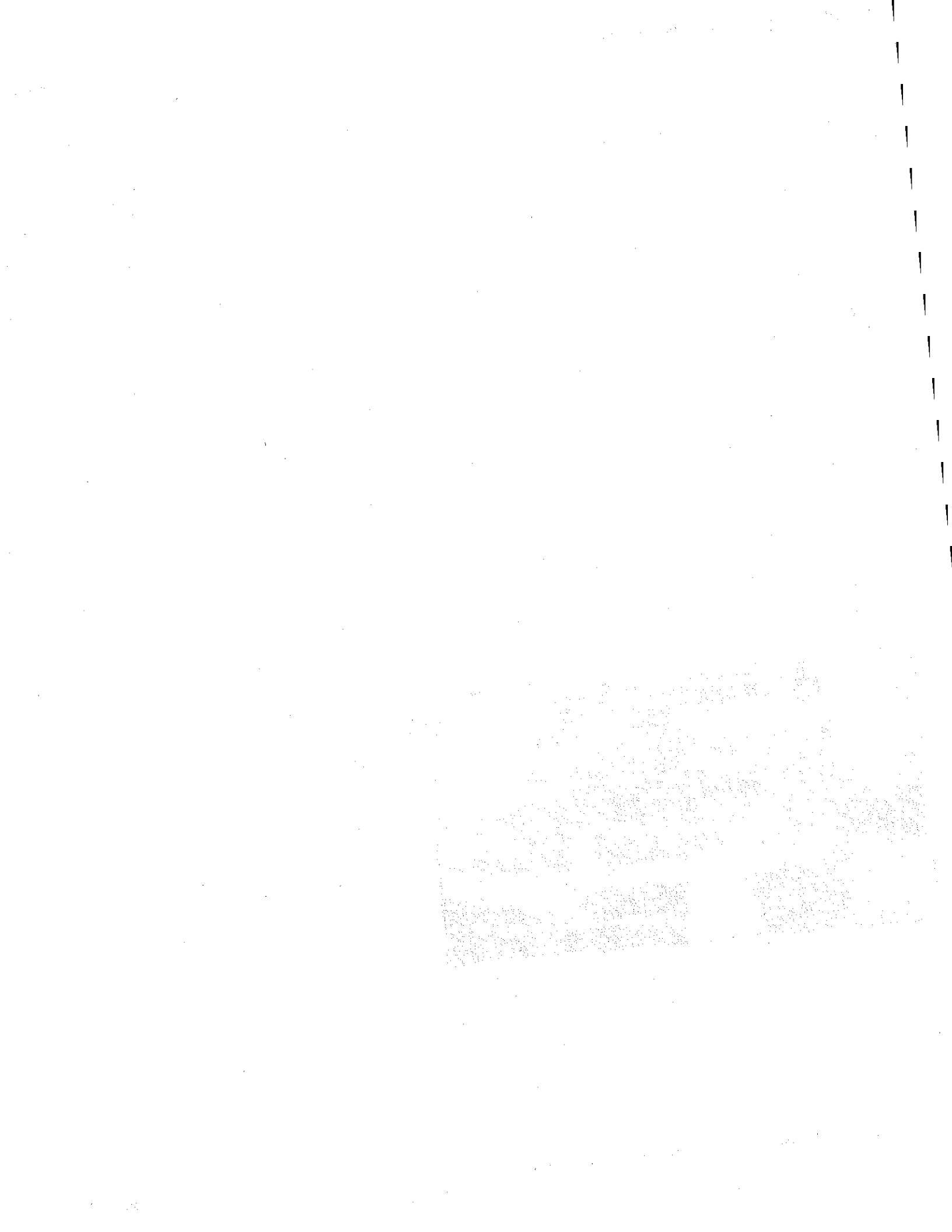
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CHARLOTTE, N.C. — Two state agencies are now investigating a local college.

Students at for-profit Kaplan College say they were misled for months about the school's dental assistant program.



Eyewitness News reporter Jim Bradley has been investigating their claims, taking them to state regulators and questioning college leaders.

VIDEO: Whistleblower 9: Students react to college's offer

VIDEO: Whistleblower 9: Kaplan College officials meet with NC's Community College System

This involves the Kaplan College location on Independence Boulevard.

Now, North Carolina's attorney general has stepped in, with others, to investigate.

But it all started with 15 students from Kaplan's dental assistant program who came to Eyewitness News telling the same story -- that Kaplan counselors signed them up promising their program was about to be nationally accredited, but it never happened.

Student Tiffany Nesbitt couldn't hold back tears as she and 14 other women told Eyewitness News the same story -- that they'd been misled by Kaplan College about the one-year, \$18,000 dental assistant program they all enrolled in.

The students admitted they signed a disclosure form in which Kaplan makes clear its program is not approved by CODA, the National Commission on Dental Accreditation. But the students all said Kaplan counselors assured them it soon would be.

"They told me they were in the process of becoming CODA accredited, that it was already in the making, that they would be accredited by the next month," Nesbitt said.

That was last March. But it wasn't until a month ago, as many of the students approached the end of their training, that they were told the program wasn't accredited at all.

The impact of that news was huge for students. Going through an accredited program is one of the ways to become eligible to be nationally certified -- and employable -- at the higher level, and better paid position, called Dental Assistant 2.

But since the dental assistant program at Kaplan's Charlotte location isn't accredited, students are now being told they'll graduate as entry level dental assistants -- or DA1s -- who earn lower salaries, making the whistleblowers worried about being able to repay the loans they took out to cover a portion of their \$18,000 tuition.

"I bought intentions, and I can't get a job," student Trisha Bone said.

"I feel like my life has been messed with," student Stevanna Singleton said. "Like, I put everything into this."

Students made a recording of a meeting with Kaplan leaders where the executive director of Kaplan's Charlotte location, Connie Jakubcin, admitted the college misled students.

"I think there was a lot of miscommunication and inaccurate information," Jakubcin said in that recording. "Now your job opportunities are limited because of the misinformation, inaccuracy about DA1 from the beginning throughout your program until now."

And yet, in that same meeting, Kaplan continued to tell students the accreditation needed to be a recognized Dental Assistant 2 program was coming.

"I want to know, was it ever intended for you guys to be a DA 2 program?" one student asked.

"It still is. In the process," Jakubcin said.

But Whistleblower 9's investigation uncovered a startling revelation. Not only is Kaplan's dental assisting program not about to complete the year-long accreditation process -- Kaplan has yet to even apply for accreditation for that program.

The students told Eyewitness News they felt betrayed.

"This is not the program that I signed up for," student Jaclin Mack said. "This is not what I'm paying \$18,000 for."

"I want my money back so I can go to a school that will actually provide me with credentials," Bone said.

The complaints are troubling news for North Carolina's Community College System, which licenses and regulates for-profit colleges, including Kaplan.

Chief Operating Officer Kennon Briggs said he's now opened an investigation.

"The state board has the authority to suspend the license or revoke the license," Briggs said.

And there's another state agency that now has interest in Kaplan College.

Last week, North Carolina Attorney General Roy Cooper also launched an investigation.

"It's frustrating when you find out that you're paying a lot of money for something that was not what you thought it would be," Cooper told Channel 9.

Cooper's staff said they met with Kaplan representatives on Friday, who admitted students were given inaccurate information.

On Monday morning, Kaplan's corporate office in Chicago flew Chief Compliance Officer Janice Block to Charlotte to answer Channel 9's questions.

"Do you believe there was misleading information given to students?" Jim Bradley asked.

"What's really evident is we weren't as clear as we could have been with at least a group of students," Block said. "That's just unacceptable."

Block acknowledged that after Eyewitness News began asking Kaplan questions about its dental assistant program, the company emailed this offer to students:

To fully refund the cost of their tuition, books, fees and supplies. Waive all costs for the remainder of their dental assisting classes. Provide a stipend after graduation.

Since Kaplan's dental assistant program is not accredited, current Kaplan students would have to work in a dentist office as a DA 1 for 3,000 hours -- essentially two years -- to become qualified as Dental Assistant 2s.

It's a situation that could cost Kaplan more than \$5 million.

"What this reveals is that Kaplan is doing everything it can to rectify any mistakes that might have occurred," Block said.

But what no one can give back is the months of time and energy the students have already put in at Kaplan College.

The offer from Kaplan includes not only about 120 current students, but recent graduates -- even those who dropped out. It's about 200 students in all.

But Eyewitness News has also learned that Kaplan is suspending enrollment of new students to its dental program until it does apply for accreditation. That's expected in January.

Kaplan called in extra staff Monday to begin the process of meeting with all of those students.

More News

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- Police: Teen girl shot while riding in car (wsocv.com)

From Around the Web

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- Florida Man's Fiancée Contradicts Parts of His Testimony in Killing of Teenager (The New York Times)
- 13 Worst States To Be A Burglar (Apartments.com)
- Woman Dies After Nurse Refuses to Do CPR (AARP)
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1 Comment(s)
Comment(s) 1-1 of 1



- Posted by GerryLee at 11:44 p.m. Feb. 28, 2012
- Report Abuse

As an instructor, I have experienced more deceptive practices than the failure to acquire proper accreditation. Over-inflated claims of jobs, income, and worth of the degree lead off the bad practices at all of the for-profit colleges/universities that I have worked at in the past few years. Grade inflation and low quality course work are the real downfall of most of these institutions. One tracked "seat time" and provided a curriculum where a student could fail all tests, but still get an "A" or "B". Adjuncts who fail to fluff up the results are not invited back to teach, regardless of the quality of their instruction.

The low quality of graduates may contribute to the increasing number of degree holders, but these people represent a "toxic workforce" that will kill the businesses unlucky enough to hire these grads. Investigators need to cut beyond the front provided by for-profit operators and see that there is a world class fraud sold to desperate and unsuspecting enrollees.

Your story only touched the tip of the iceberg. Dig deeper. 90% of the problem is below the surface.

1 Comment(s)
Comment(s) 1-1 of 1

**Veterans' Student
Loan Relief Fund**



FACT SHEET

Recipients of grants from Veterans' Student Loan Relief Fund

Tens of thousands of troops are returning from Iraq and Afghanistan and re-entering civilian life. For many, higher education and technical training pave the road to successful careers and new lives. And, the Post-9/11 GI Bill and other federal funds have been made available to them, as well as access to student loans.

Unfortunately, unscrupulous, for-profit education companies are aggressively marketing to vets promising them high-quality educations and "guaranteed jobs," neither of which is delivered. In fact, these companies' classes are inordinately expensive. As a result the student vets not only exhaust their GI benefits but also build up mountains of student loan debt while often receiving non-transferable credits, worthless degrees or no degrees at all.

Created by Jerome Kohlberg, a World War II veteran and early champion of the Post-9/11 GI Bill, the Veterans' Student Loan Relief Fund provides grants of up to \$5,000 to qualified vets to help them dig out from under the debt burden accumulated by attending predatory colleges. Otherwise financially responsible veterans and qualified family members who believe they have been misled by educational companies may apply. For complete guidelines and application, please visit <http://iava.org/loan-relief>.

Each veteran's story is unique. Here are the experiences of recent recipients of the Fund's grants.

Marc Alliotto, 26, Los Angeles, CA, Army, served in Iraq

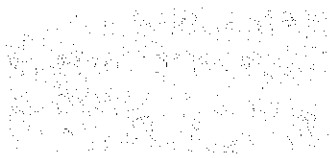
Marc's dream was to make documentaries. The Los Angeles Film School, a for-profit company, appeared to be the place to go. It catered to soldiers and offered a technical filmmaking program that the school's recruiter said would lead to a job. The school's aggressive sales tactics included offering him a \$4,000 "scholarship." Marc worked toward his associate's degree until he found out that it was worthless and that he couldn't transfer his credits to other schools. Although Marc now shoulders \$100,000 in student debt, his is a success story. With a 3.85 GPA, he is finishing his bachelor's degree at Loyola Marymount University (a degree he started at New Jersey's Rutgers University) and is planning to go to law school next fall.

Bryan Babcock, 34, Bellevue, WA, Marine Infantry and National Guard, serviced in Iraq

In 2004, Bryan was a Marine on the front lines in the Second Battle of Fallujah. When he returned to the U.S., his goal was to earn a degree in law enforcement. He enrolled in a for-profit college, ITT Tech, which offered a bachelor's degree in that field. But his dreams were dashed when he learned that, despite the school's promises, virtually no police force would accept the criminal justice degree he was working toward. He had finished his third year, had drained his hard-earned GI Bill benefits and was tens of thousands of dollars in debt. His only recourse was to return to Iraq, this time in the National Guard. Today, he and his family are getting by paycheck to paycheck, still paying off his student loans.

Paul Belk, 39, Charlotte, NC, Sergeant in the National Guard, served in Iraq

After active duty in Iraq, Paul set his sights on a career in marketing. The for-profit DeVry University's on-line program, which aggressively recruited students on his base, offered a degree in business marketing that would lead to a job in that field. DeVry's recruiter promised that his GI



[The text in this section is extremely faint and illegible. It appears to be a multi-paragraph document, possibly a letter or a report, but the content cannot be discerned.]

Bill and other federal benefits would “more than cover” the costs. But, tuition was far more than Paul’s benefits. In the end, he did not receive a degree from DeVry, was unable to work in his chosen field and was in more than \$25,000 in debt. Since then he has suffered combat-related health problems, including PTSD, but he is still planning to enter a cardiac technician training program at Central Piedmont Community College in Charlotte.

Anselm Caddell, 29, Fairfield, OH, Marine Corps, served in Iraq and Afghanistan

Anselm saw a degree in criminal justice as a great foundation for a career in the private and public sector security, an area where he could apply his military experience as an infantryman, team leader, and company casualty evacuation driver. A recruiter for the for-profit Brown Mackie College in Caddell’s native Ohio, sold him on the college. Instead of working toward a brighter future, he found himself in high school level courses and facing a financial services department that seemed determined to drive him into debt. Worst of all, when he’d had enough and tried to transfer to a California community college to finish his degree, he found Brown Mackie had misrepresented its accreditation: he was unable to transfer any of the credits he had earned and needed to start from scratch. Caddell’s expensive—and useless—Brown Mackie education exhausted his eligibility for student loans. As a result, he is now struggling to make ends meet as he repays those loans and continues his education at a California community college, working toward a degree that he feels will offer him a much better chance at the future he envisions.

Steven Dickie, 40, Tuscon/Phoenix, AZ, Army, served in Iraq

Steve’s goal was to become a teacher. When he left the service, he enrolled full-time in a community college to get first an associates degree and then a bachelors. He was using his savings to pay his living expenses and realized that he would run out of money before he received his degree. So, he transferred to the for-profit University of Phoenix, which offered an accelerated online program. After talking to the Phoenix’s advisors, he estimated that he would need \$20,000 to complete his bachelors degree, most of which would be covered by federal benefits. But his tuition began rising and the school began processing loans on his behalf. It was able to do this because, when he enrolled, Phoenix advisors pressured him into signing a promissory note, which they said was required for him to enroll. The loans seem to be small, but ultimately, added up to \$30,000.

Theodore Gatti, 27 Evanston, IL, Army, served in Iraq

Ted saw numerous ads for South University, a for-profit school with a campus in Savannah, Georgia, not far from Fort Stewart where he was stationed. South accepted him into its bachelor’s of science program, which its advisors said would lead to job as a healthcare administrator. South’s financial aid department arranged for his GI Bill education benefits to pay for part of his tuition and for loans to cover the balance. After two years, he found out that he was receiving a sub-standard education. His benefits were exhausted; and he was deep in debt, approximately \$40,000. After suffering combat-related health problems, including PTSD and seizures, he was able to return to school. This time, he carefully researched legitimate college programs. Although his South credits were not transferable, he is now a junior studying psychology at Northwestern University, which charges roughly the same tuition that South University did.

Patricia Giddens, 29, San Antonio, TX, Army, served in Iraq

After returning from a tour of duty in Iraq, Patricia set her sights on a career in medicine. While still on active duty, she enrolled in College America, a for-profit school based in Colorado near where she was stationed. Her goal was to attain an associate’s degree in healthcare administration. She planned to transfer her credits into a bachelors and, ultimately, a masters degree program. However, after graduating, she learned that not only were the credits non-transferable, but her hard work and degrees did not lead to the career she envisioned. Her military

education benefits were eaten up; and she was left with more than \$35,000 in debt. Patricia has found one of the few universities that will accept her College America credits, Liberty University, and is now working on a new master's degree.

Murray Hastie, 28, Poughkeepsie, NY, Marine Corporal, served in Iraq

After two tours of duty in Iraq, Marine Corporal Murray Hastie returned to his native New York state and planned to use his GI Bill education benefits to pursue a college degree at a university with a campus. Searching online, he found the for-profit DeVry University, which had a campus on Long Island. A representative, who came to his home, assured Murray that all costs would be covered by his GI benefits. During the enrollment process, DeVry counselors told him that he was a good fit for a degree in biomedical informatics, which was not offered on Long Island but at a campus in New Jersey. Leaving New York state led to a cascade of problems that were counter to the assurances DeVry made in his home. These included much higher tuition costs, which he paid himself through loans DeVry advisors helped him get – loans that amounted to approximately \$93,000.

Randy Heiserman, 30, Dossenheim, Germany, Army, served in Iraq.

Stationed in Germany for seven years, Randy chose to stay there, attend Schiller International University, and pursue bachelors and masters degrees in international relations and diplomacy. After he enrolled, Schiller was purchased by a private equity firm, and everything changed, including the nature of his course work, costs and the school's relationship with students. In addition, Schiller misrepresented the program Randy was pursuing to the veterans administration, causing delays in payment and forcing Randy to take out loans to pay for the courses he was already taking while he waited for the VA to pay the school. The school was essentially paid twice: once by the VA and once by Randy. Because the VA only pays schools directly, Randy had to fight with the school to get his money returned. When he tried to get out of Schiller, he found that his credits did not transfer because Schiller is not appropriately accredited. So, was stuck at Schiller and forced to complete his degree there. In the end, he is \$50,000 in debt.

Wesley Martin, 35, Houston, TX, Army Sergeant, served in Iraq

Wes returned from Iraq with a very clear mission: to establish a career in information technology. He knew he would be able to build on the database management skills he'd acquired while serving in the military, and he was eligible for GI Bill education benefits that would help pay for his college degree. He enrolled at the University of Phoenix because its advertising led him to believe that he could earn a degree in a reasonable period of time, a degree that would be well-respected by employers. The recruiters promised that courses in Business Information Systems would be hands-on, skills driven. Instead they were textbook driven and focused on business theory. In addition to taking classes, Wes spent much of his time dealing with loans the school had taken out on his behalf and other administrative complications. Today, while paying down approximately \$15,500 in student loan debt from attending Phoenix, he is working on his second bachelor's degree at the University of Houston. He says that now he is gaining the skills and knowledge he needs to actually work in IT, skills he did not get at Phoenix.

Mae McGarry, 34, Erie, PA, Army, served in Iraq

Returning to civilian life after a stint in Iraq, Mae wanted to pursue a degree in criminal justice and psychology. She looked for a program that would give her flexibility to take care of her family while going to school. The for-profit Columbia Southern University's on-line program seemed to fit the bill. But after three years, she found herself \$50,000 in debt, her GI Bill benefits gone, without a degree and with credits that did not transfer. Today, she is slowly paying off her debt and studying part-time at St. Leo University, a private, nonprofit college.

Jonathan Ngowaki, 27, Beaumont, CA, Marine Corps, served in Afghanistan

Jonathan hoped to pursue a career in IT following his military experience in Afghanistan. As a radio operator, he played a crucial role keeping his company connected to central command. The for-profit DeVry University offered a degree that looked like a great stepping stone, so Ngowaki enrolled. Despite telling the recruiter and financial services department that he did not want to take out loans, he soon began receiving bills from a loan servicer he had never heard of and realized that the school had misrepresented the forms he'd filled out upon enrolling. He faced issue after issue whenever he tried to talk with a DeVry financial services representative or the administration staff—and felt they were just taking advantage of him and his Post-9/11 GI Bill benefits.

Chad Putnam, 31, Springfield, IL, Air National Guard, served in Iraq

In 2008, Chad enrolled in the for-profit Illinois Institute of Art to pursue his dream of designing video games. Admissions representatives touted a 93% job placement rate. But he quickly discovered that he was studying outdated material and that job placement rate for his particular program was 38%. However, the Institute's financial aid department did an excellent job taking care of his financial aid for him, including taking out a private loan on his behalf with an interest rate of over 10 percent. Lacking the skills he needed to get a job, he used his remaining GI Bill benefits to attend the Gnomon School of Visual Effects in Hollywood. But with \$45,000 in debt and his benefits exhausted, he had to leave after one semester. Chad says he learned more in that semester than in three years at the Illinois Institute of Art. Today, he is working full-time in another field.

Amy Padilla, 32, Albuquerque, NM, Army National Guard, served in Iraq

Amy was approached by a recruiter for a for-profit school then called Apollo College (now Carrington College) and was convinced that she could become a medical assistant after a nine-month program there. She was assured that Apollo would help her find a high-paying job. None of this turned out to be true. She had to start all over again at Central New Mexico Community College, from which she received an associate's degree in Health Information Technology and found a job in her field before she graduated. But she is still paying off the debt she acquired at Apollo.

Renee Pemberton, 49, Elizabeth City, NC, Navy Petty Officer Second Class, served in Iraq and Afghanistan

After serving in Iraq and Afghanistan, Renee retired from the military and began using her GI Bill education benefits to pursue a degree in accounting. She completed the course work for an associate's degree at Everest University, but the for-profit withheld her diploma and transcript saying that she owed them approximately \$5,000. Her own records showed that her GI benefits and student loan (approximately \$7,000) had covered all of her costs. With collection agencies aggressively pursuing her, Renee fought back. Over a three-year period she repeatedly called Everest but was bounced from one department to the next. Finally, she requested a formal investigation, which showed that the school had not included her GI Bill benefits in their records. Finally her account was zeroed out and her diploma and records made available to her.

Daniel Quijano, 27, Barlett, IL, Navy, served in Iraq and Afghanistan

Today, Daniel is an academic advisor and military liaison, working to help veterans avoid the bureaucratic and financial nightmare he went through while attending the for-profit DeVry University. Managing federal education benefits, earned while serving the country, is complicated and involves several different programs (including the GI Bill and other federal tuition assistance programs), public and private loans, grants, and scholarships, as well as processing claims through the veterans administration. Often for-profit education institutions

offer to "help" veteran's sort through the paper work for them, ostensibly to allow students to focus on their studies. And, the schools routinely pressure (often requiring) incoming students to sign promissory notes that allow the schools to take out loans on behalf of the students. Daniel became tangled up in this bureaucracy to the tune of \$24,000 in student loan debt.

Robert Smith, Philadelphia, PA, Army Sergeant, served in Afghanistan

When Robert returned from active duty in Afghanistan, he enrolled at the for-profit DeVry University. He was anxious to begin but waited until he received his official Certificate of Eligibility from the Veterans' Administration, which authorized the school to use his benefits to pay his tuition. He knew that his post-9/11 GI Bill and other federal and state benefits would cover his tuition. Once he'd started taking classes, however, DeVry's financial aid office asked him to sign what they called routine paperwork, but which included a master promissory note allowing the school to take out loans on his behalf. And they did. When he received a check from the first loan, he thought it was part of one of his grants. But when he received a second check, he realized something was wrong and called DeVry and was told that the money was a loan. Knowing the truth, he paid it off immediately. But he was still on the hook for the first loan (\$4,750), which he had never intended to take.

Matthew D. Spikings, 38, Valpariso, IN, Navy's Construction Battalion, served in Iraq and Afghanistan

Matt saw two tours of duty one Iraq in 2004 and another Afghanistan in 2009, where he was a heavy equipment operator in the Navy's Construction Battalion. He was a "Seabee," a youthful goal based on the 1944 John Wayne movie, *The Fighting Seabees*. Upon leaving the military, he wanted to pursue a career as a construction inspector. But, he was misled by the Ocean Corporation's advisors into believing that he would make \$50,000 to \$60,000 with an Ocean certificate alone. After investing his GI Bill and other federal benefits and taking out loans to pay for the certification program, he found out that he would also need on-the-job experience for several years at a much lower salary, a salary that would not only make it difficult to pay back his loans but also to support his family. Matt has bounced back. Although still in serious debt, he has a job that may lead to projects where he could use the skills he gained as a SeaBee.

John To, 27, El Monte, CA, Army Corporal, served in Iraq

After serving in Operation Iraq Freedom in 2007 and 2008, California-native John To wanted to be a film editor. He looked for a hands-on educational experience so he could become proficient in the computerized editing systems that are the tools of the trade. He was eligible for GI Bill education benefits to help him pay the costs. An LA Film School recruiter gave him a tour of the school's high-tech labs and editing suits, which were impressive. He promised John that he would be taking nothing but editing courses. But John found himself in large psychology classes and nowhere near those high-tech editing machines. John left the LA Film School without a degree and with \$53,000 student loan debt.

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Senator Harkin and honored members of the Senate committee, on Health, Education, Labor, and Pension.

My name is Eric Schmitt. I am an alumnus of Kaplan University. Around the time this committee and the Department of Education began looking at the excesses of the for-profit education sector, I received an email from my alma mater asking me to "Get Involved by Telling the U.S. Education Department and Congress Why the "Gainful Employment" Regulation is Unfair and Needs to Be Stopped." This got me interested in what was happening in Washington and I knew I should make my voice heard. Since I am sure my alma mater wouldn't find what I have to say useful to their cause, I decided to make my voice heard in another forum. After taking on \$45,000 in student loans and spending years job-hunting without success, I feel it is important to tell my story.

I graduated with an Associate degree and Bachelor's of Science in Paralegal Studies with an emphasis in Personal Injury. In the course of pursuing my degrees, I have been an on-campus student as well as part of a new generation of students, the distance learners attending online.

My involvement with a for-profit college began in 2002; I was working at an inbound customer service firm and felt I needed a change for the better. I didn't think a traditional college would work for me, being, at the time, a 27-year-old father of two. I met with an admissions counselor who told me all about the campus. It had day and night classes for non-traditional students like me. I took their entrance exam (which seemed very simplistic, but who was I to judge?), and I chose a major. My suggested choices were between paralegal and accounting. I chose the paralegal path because, after a stint on jury duty, I discovered an intuitive understanding of the intricacy of the legal process and a fascination with the interpretation of fact and statute. The admissions representative assured me this was a good choice, saying student services placed 100 percent of students out of that program.

In the orientation after I enrolled, all prospective students were asked their intended major. An administrator would pull up a slide on a power point presentation, which would show us our average salary for that profession in our zip code, according to salary.com. I remember the paralegal average being \$30,000 to \$36,000 a year. As part of the presentation, one of the school administrators asked for a volunteer to come forward. I was the volunteer. He gave me \$10. The moral of this tale was that for taking a risk, you would be rewarded. He says we all took the initiative when we enrolled at Kaplan. The reward, he said, was that since the school had such a great reputation with local businesses, that finding work in our fields would be easier. Kaplan had this great education by focusing their programs on marketable skills rather than on general education requirements. I knew that I would take out loans to pay for my education, but since the school advertised their career-focused programs that gave you the skills you needed to work in the field I figured it would be worth it.

I worked overnights and went to school in the evening. My experience in class at Kaplan was relatively smooth with the exception of the difficulty I had finding the classes I needed to graduate. The same introductory classes were always being offered, but upper level classes required for my degree were pushed off. After putting up a petition to appeal to the administration to offer the advanced classes, such as law office management, in a classroom format, as opposed to self-study, I spoke to the Dean about this issue. I was chided for the tone of my petition. I explained to him that I wanted to learn in a classroom environment because I wanted these skills, not just a letter grade. The Dean responded that they needed to keep these introductory classes on the schedule to handle the influx of new enrollees. I pointed out that some of us needed this class and other advanced classes in order to graduate. Since my protests had no effect on the schedule, I adapted and took the class through an independent study, meeting once a week with an instructor for an hour.

During this conversation, the Dean learned of my interest in law school, He told me about that I could get my law degree online with an affiliated school, Concord University. It seemed, with a few

hiccups, that Kaplan could provide everything I needed to fulfill my dream of practicing law. I was sure with my grades and references that I would have no difficulties finding a job after graduation.

My associate degree track required an externship. Ideally I wanted to get a paying job that would satisfy the externship and began applying to local businesses early in my second year. I used job specific and non-targeted resumes to apply to every law office in the Waterloo and Cedar Falls area. I only had one response when a law office staff secretary who was leaving her job recognized me from Kaplan, forwarded my resume to her boss as a possible replacement. I was not hired. I finally went to my Program Chair who did help me find an attorney I could take my externship through, although it was unpaid. My externship was a less than rewarding experience. I quickly learned that my supervising attorney was gaining a reputation as an unreliable and unethical member of the bar and I felt it necessary to distance myself from him.

In 2004 I graduated with an associate degree in paralegal studies. I had a 3.76 GPA, I was the President of the Law Club and had the recommendation of most of my instructors. Upon graduating, I continued my job search. I hoped that since I now had my Associate of Applied Science degree, my job search would be more productive.

This did not turn out to be the case. I wanted to get a jump on finding a job so a few months before graduation I began applying to every posting related to my field I saw, in both the public sector and the private sector. I also contacted other employers even if they did not advertise open jobs including law offices, banks, credit unions, and even bail bond offices. After applying to a position or a business, I would contact them once or twice a week until the position had been filled or that I was notified there were no open positions. I never received a call back for an interview.

The school's Career Services didn't seem prepared or able to help me. I stopped into the office on campus a few times, but always seemed to get contradictory or confusing resume tips from them.

Career Services would frequently send out emails notifying graduates of jobs being offered that I had seen on Iowa Workforce Development or in the Waterloo Courier. These were jobs postings I could apply to on my own instead of driving to the school.

I struggled to find any work with my degree so I took a four month unpaid internship. I knew there was no chance of being hired, but I wanted to improve my likelihood of being picked up elsewhere. I hoped a credible reference would help. In early June 2005 with my unemployment running out I finally settled for a job doing inbound customer service. This was the very field I went to get an education in order to escape.

In late 2005 I received a letter from Kaplan that they were now offering their Bachelor of Science in the Paralegal Studies program on campus via the "School within a School" program. School within a School meant that the online class format was still used, but there was a seminar for one hour per week on campus or via conference call. In early 2006 I enrolled, eager to continue my education since I assumed it had to have been my fault that I never received an interview. I also wanted desperately to leave the customer service industry and I thought that a four-year degree would better help me do that. The School within a School program, I don't believe, even lasted a full year into my Bachelor's program. The campus seminars were abruptly ended without explanation or acknowledgment. I continued at Kaplan in a fully online education environment. I could have tried to transfer, but I had heard from many sources that Kaplan credits rarely transferred. The most important bit of knowledge I gained during this time was from a one-term adjunct instructor, who, when I told her of my plan to continue my education through Concord Law School, informed me that the school was not recognized in Iowa for taking the BAR exam. That information was eye opening. The Dean apparently didn't know or forgot to mention this little problem with Concord.

I continued on and graduated in 2008 with a 3.16 GPA. Since getting my Baccalaureate degree, I have had one temporary job using it, which lasted two weeks. I have applied to every opening I have

found through my continued an ongoing search. I have sent my resume far and wide. I volunteered and I took on another internship to make more connections and build references. I took on temporary work with the 2010 Decennial Census, which was rewarding but didn't much to do with my field of study. Since then my choices for work have been an assembly line laborer in a pesticide plant, a flagger on road construction for the season, or other temporary work.

So what is the end of my Kaplan "success story"? I cannot say that even once my degree has opened any doors of employment for me. I slowly learned what most employers really thought of Kaplan degrees and graduates. I had heard rumors and horror stories all through my education that once Kaplan was done with you they really didn't care what kind of job you found. There were stories of graduates who never found work, and that if you tried to transfer that most other colleges refused to accept the credit hours. The judge who reviewed my child support said that despite having recently lost my \$10.50 an hour janitorial job I "would be able to get a job making as much or more with (my) education." But now I owe \$45,000 in student loans without a permanent job to pay those bills. Only very rarely in the past seven years since completing my Associate degree have I been able to make any payments at all and the debt continues to pile up. The loans from my Associate Degree went into default late last year. The loans from my Bachelor's Degree are in deferment but I have no idea how I will manage after my deferment allotment runs out. Because of the deferment and forbearances, the interest has added thousands of dollars on top of my original balance. In this battle it seems as if even time is against me.

I realize it is probably too late for me, but I am sure there are other parents out there looking to make a better life for their families. The crushing debt and lack of opportunity of this mistake has cost me more than any amount of money. I had to sell my house after my divorce because I couldn't pay for it. I have had to give up opportunities to visit with my children since I could not afford to travel to see them. The financial hardship strains the most important relationships in my life. I refused for years to

marry my current wife Mira for fear of dragging her down into this crushing burden. The lifetime promise of a college degree has become a lifetime burden that I only can hope I bear alone. The debt and the magnitude of my mistake is with me like a constant weight. I have lied awake at night dreading what I might have to do to save my family from this burden. To even once have to consider cutting ties with everyone you love and who loves you to save them from a mistake is a horrible burden to bear. I hope that this committee and the Department of Education can make sure those families like mine have a real chance at building their future with a real education.

Sincerely,

Eric Schmitt



PRESS RELEASE

Colorado Department of Law
Attorney General John W. Suthers

FOR IMMEDIATE RELEASE

December 5, 2013

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ATTORNEY GENERAL SUTHERS ANNOUNCES CONSUMER PROTECTION SETTLEMENT WITH ARGOSY UNIVERSITY

DENVER— The Colorado Attorney General's Office has filed a civil lawsuit and stipulated consent judgment against Argosy University, Denver and parent company Education Management Corporation (NASDAQ: EDMC). Argosy is accused of deceiving, misleading and financially injuring students seeking doctorate of education in counseling psychology degrees (Edd-CP) in violation of the Colorado Consumer Protection Act. Under the settlement terms, Argosy will pay approximately \$3.3 million in restitution and fines.

“Our investigation revealed a pattern of Argosy recklessly launching doctoral degree programs without substantiating or supporting that they led to the advertised outcomes,” explained Deputy Attorney General Jan Zavislan. “That is illegal under Colorado law and why we are holding Argosy accountable,” said Zavislan.

The Attorney General's investigation based on student complaints found that beginning in 2007, Argosy deceptively marketed its Edd-CP program. Students were led to believe that Argosy was seeking to have the program accredited by the American Psychological Association (APA), which in fact was not the case. Upon graduating, students were moreover told they would be eligible to become licensed psychologists. In reality, the Edd-CP program's curriculum and requirements were deficient and students were unlikely to obtain Colorado licensure. Among the deficiencies in Argosy's Edd-CP program was a lack of adequate internships in Colorado where students were promised they could remain during their studies.

Even after Argosy modified the Edd-CP curriculum in 2010, students found it impossible to obtain local internships that met Colorado's licensing standards because the Edd-CP program remained unaccredited by the APA. Many internship sites simply do not accept students enrolled in unaccredited degree programs. Students faced the prospect of having

to leave the state to find adequate internships or cobble together local internships not likely to meet the state's requirements for licensure.

"Many students withdrew from the EdD-CP program saddled with debt and to date, no Argosy-Denver EdD-CP student has become licensed as a psychologist in Colorado or any other state," continued Zavislan. "Under the settlement, Argosy must reimburse 66 students for their tuition costs, stop advertising its Denver EdD-CP program as a psychology licensure-track program, and cease enrolling students in it," concluded Zavislan.

The investigation by the Office's Consumer Protection Section revealed a long and elaborate pattern of deceptive behavior by the school. Even when Argosy realized that it could not deliver on its promise of licensure eligibility because of the internship requirement, the school deflected blame by attributing the situation to a recent state board of licensing rule change regarding the type of internships required for licensure. However, the particular rule had been in existence one year prior to the first students enrolling in the EdD-CP program.

On a going forward basis, any degree program Argosy offers – either at its Denver campus or online – must satisfy state requirements and programmatic accrediting standards so that students are eligible for certification or licensure and employment in Colorado. Argosy is enjoined from misrepresenting licensing and employment prospects and misleading students about any aspect of its degree programs.

The case was filed with the Denver District Court and the settlement awaits court approval.

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