

May 10, 2016

Robert M. Worley
Director, Education Service
Department of Veterans Affairs
Washington, D.C., 20420

Dear Mr. Worley:

The goal of the GI Bill College Comparison Tool is to provide veterans with relevant, fact-based, and unbiased data to help make informed choices about using their hard-earned GI Bill education benefits. Currently, the Comparison Tool provides veterans with important information, including:

- Tuition costs and how it relates to a veteran's eligibility level.¹
- Outcome measures—graduation, retention, repayment, and average salaries.
- The number and type of complaints received.
- Caution flags for school that VA or another federal agency have applied increased regulatory or legal scrutiny.

To date, the Department of Veterans Affairs (VA) has posted caution flags for some settlements with U.S. government agencies, schools under Heightened Cash Monitoring, a Federal Trade Commission lawsuit against DeVry, and several other federal agency actions. We applaud the addition of caution flags to warn veterans about the schools that President Obama referred to as the "bad actors." Individual veterans have reported feeling misled because these bad actors are approved to receive GI Bill funds and appear on the Comparison Tool. Caution flags provide veterans with critical information that they need to make an informed choice.

The question arises as to what criteria should be used to identify other caution flags that should be added. We believe that the establishment of a standard operating procedure for adding caution flags will ensure consistency and also permit caution flags to be added expeditiously.

The overarching goal of caution flags should be to provide information that has the potential to affect veterans' success in achieving their career goals. This criterion is consistent with helping veterans make an informed choice as they consider how to use their GI Bill benefits, benefits that were intended to facilitate post-service integration into the civilian workforce. Veterans have only one shot at using their GI Bill benefits and, therefore, any caution flags that could inform veterans' choice should be included on the Comparison Tool.

¹The tool does not, but should, indicate whether a school participates in federal student aid and many do not.

Some information does not need to be included as caution flags. For example, data on Title IX, FERPA, and Cleary Act violations would not meet the criteria of enabling an informed choice as it relates to a successful transition to the civilian workforce.² Such data could over-burden the Comparison Tool with information not explicitly related to student success.

Currently, VA is not consistently posting caution flags when federal agencies settle with schools that have exhibited predatory behavior. For example, the Federal Trade Commission settled with Ashworth in May 2015 over misleading advertising and recruiting practices; in June 2015 the Justice Department settled with Education Affiliates over misrepresentation of job placement rates; and, in 2013 the Justice Department settled with ATI over misleading recruiting practices.^{3, 4, 5} Yet, VA has not posted caution flags about these federal settlements on the Comparison Tool website.

In addition to caution flags for *federal* lawsuits or settlements, we urge VA to warn veterans about *state Attorneys General* lawsuits and settlements because, like federal actions, they alert veterans to potential and actual fraud committed by some schools. The attachment to this letter identifies six for-profit school systems that have settled with state Attorneys General, including three settlements with EDMC. We fail to understand VA's willingness to warn veterans about the Justice Department settlement with EDMC while ignoring three state Attorneys General settlements.

We also believe that the Tool should include a disclaimer at the top of the page to let veterans know that the inclusion of a school in the Comparison Tool does not mean that VA recommends the school. Rather, the purpose of the Comparison Tool is to provide a picture of the outcomes of other veterans who attended the school. To

²These violations relate to schools reporting on sexual assault, protection of privacy, and crime.

³The FTC found that many programs offered by this for-profit institution did not meet state requirements for those careers, including school teachers and massage therapists, and the claims made about credit transfers were often not true. <https://www.ftc.gov/news-events/press-releases/2015/05/ashworth-college-settles-ftc-charges-it-misled-students-about>

⁴In June 2015, the Justice Department reached a \$13 million settlement with Education Affiliates over allegations, including misrepresentation of job placement rates. EA operates 50 campuses in the United States under various trade names, including All State Career, Fortis Institute, Fortis College, Tri-State Business Institute Inc., Technical Career Institute Inc., Capps College Inc., Driveco CDL Learning Center, Denver School of Nursing and Saint Paul's School of Nursing. <http://www.justice.gov/opa/pr/profit-education-company-pay-13-million-resolve-several-cases-alleging-submission-false>

⁵In August 2013, ATI reached a \$3.7 million settlement with the Justice Department over misleading recruiting practices at its career education schools in Texas and several other states. <http://www.justice.gov/opa/pr/2013/August/13-civ-953.html#sthash.fla0snpi.dpuf>

that end, we believe that the following language be prominently displayed on the Comparison Tool.

“Inclusion of a school on the Comparison Tool is not an endorsement of any school. It is a veteran’s responsibility to carefully review the information generated by a ‘search’ because it contains important information about how likely veterans are to succeed at a particular school and about the outcomes of other students who attended that school.”

We appreciate the progress VA has made in adding caution flags to the GI Bill College Comparison Tool and strongly believe that adopting criteria for posting caution flags will ensure consistency as well provide critical information that veterans should have before choosing a school.

Derek Fronabarger
Director of Policy
Student Veterans of America

Walter Ochinko
Policy Director
Veterans Education Success

Attachment

Numerous state Attorneys General have reached settlements with for-profit schools over misleading recruiting practices, including Career Education Corporation,⁶ EDMC,⁷ Alta,⁸ Kaplan,⁹ Bridgepoint,¹⁰ Premier Education Group,¹¹ and others.

⁶In August 2013, New York's Attorney General announced a \$10.25 million settlement with CareerED over significantly inflated graduates' job placement rates and misleading credit transfer claims at its Sanford-Brown and Briarcliff campuses as well as enrollments through two of its online brands, American Intercontinental University and Colorado Technical University. <http://www.ag.ny.gov/press-release/ag-schneiderman-announces-groundbreaking-1025-million-dollar-settlement-profit>

⁷In 2013, The Colorado Attorney General reached a settlement with EDMC that its Argosy College brand had falsely claimed that PhD graduates could become licensed clinical psychologists even though its program was not accredited by the American Psychological Association. In June 2014, EDMC's California-based Art Institutes reached a \$4.4 million settlement with the City Attorney of San Francisco over allegations it had used illegal marketing practices that involved the provision of misleading data on placement rates, actual or average salaries, graduation and completion rates, etc. https://www.coloradoattorneygeneral.gov/press/news/2013/12/05/attorney_general_suthers_announces_consumer_protection_settlement_argosy_unive <http://www.sfgate.com/bayarea/article/SF-wins-4-4M-settlement-with-for-profit-art-5559635.php> In November 2015, the Justice Department announced a \$95.5 million settlement with EDMC over violations of the Department of Education's incentive compensation regulations. <http://www.justice.gov/opa/pr/profit-college-company-pay-955-million-settle-claims-illegal-recruiting-consumer-fraud-and> At the same press conference 40 state Attorneys General also announced a settlement with EDMC over misleading and deceptive recruiting practices. In the settlement, EDMC agreed to forgive about \$103 million in private student loans to about 80,000 former students. <http://kentucky.gov/Pages/Activity-Stream.aspx?viewMode=ViewDetailInNewPage&eventID=%7B15E27858-880A-4479-A5F6-B1966D22274F%7D&activityType=PressRelease>

⁸The Colorado Attorney General \$4.5 million settlement with Alta's Westwood College brand announced in March 2012 covered misleading information provided to students on job placement rates, tuition, and transferability of credits. Veterans were falsely told that their GI Bill benefits would cover the cost of tuition. http://www.denverpost.com/smart/ci_20172161/colorado-attorney-general-reaches-settlement-westwood-2-5 In November 2015, the Illinois AG announced a \$15 million settlement with Alta's Westwood College over misrepresentations of cost and employment opportunities in its criminal justice program. <https://www.cfbmonitor.com/wp-content/uploads/sites/5/2014/11/IL-AG-second-amended-complaint.pdf>

⁹In June 2014, the Florida Attorney General entered into an Assurance of Voluntary Compliance with Kaplan over misleading recruiting practices. [http://myfloridalegal.com/webfiles.nsf/WF/JMEE-9L6QDA/\\$file/KaplanAVC.pdf#sthash.YDI8hEsG.dpuf](http://myfloridalegal.com/webfiles.nsf/WF/JMEE-9L6QDA/$file/KaplanAVC.pdf#sthash.YDI8hEsG.dpuf)

¹⁰In May 2014, the Iowa Attorney General announced a \$7.5 million settlement with Bridgepoint's Ashford College brand over misleading recruiting practices. <http://www.ashfordsettlement.com/faqs.html>

¹¹In December 2014, the Massachusetts Attorney General announced a \$3.75 million settlement with Premier Education Group to resolve allegations that its Salter College brand had misrepresented job placement numbers and used deceptive enrollment tactics. <http://www.mass.gov/ago/news-and-updates/press-releases/2014/2014-12-12-salter-college.html#sthash.fl0snpj.dpuf>