

# TESTIMONY

*of*



*Presented by*

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For Policy and Government Affairs**

*for the*

**Department of Education**

*Regarding*

**Gainful Employability and Borrower's Defense**

July 10, 2017

On behalf of Vietnam Veterans of America (VVA) and its more than 75,000 members, I appreciate the opportunity to present this testimony for your consideration during your deliberations of rules pertaining to Gainful Employability and Borrower's Defense.

The *Oxford American College Dictionary* defines the noun "scam" as "a dishonest scheme; a fraud." As a verb, to scam means to "deceive, swindle." Since the advent of the Post-9/11 GI Bill, tens of thousands of veterans have been scammed — victimized by predatory, for-profit institutions of higher learning for whom profit is the bottom line and educating men and women who have put their lives on the line hardly registers.

Stories of benefits wasted on bogus degree programs at such institutions as ITT Tech and Corinthian are countless. Veterans are left holding the proverbial bag: a worthless "degree" and a wasted opportunity to achieve their version of the American Dream, often accompanied by a mountain of debt they had been deceived into taking on. Where there is an opportunity for fraud, the sharks and profiteers wade in, to the detriment of the students Congress had hoped to help.

We at VVA are all too familiar with veterans who have not, and will not, benefit from the Post-9/11 GI Bill because they were taken advantage of by educational predators. Let me relate a few instances for you to consider:

Corporal Jerrod Thoma was honorably discharged from the United States Army in 2005, and utilized his GI Bill benefits to attend DeVry University, starting first in Columbus, Ohio, and then finishing his degree in Westminster, Colorado. While a student at DeVry, Jarrod encountered numerous issues, including key courses being removed from the advertised curriculum. Jarrod shared his concerns with several administrators, but was reprimanded for doing so. Despite recruiting promises, few professors had

real-world experience, and he learned his DeVry credits would not be accepted by other accredited universities. Jarrod's only option was to stick it out and finish his degree with DeVry, since transferring elsewhere put him at risk of losing all of his credits and used education benefits. Jarrod graduated from DeVry in 2015 with a Bachelors of Science in Electronics Engineering Technology, and while he is employed, he does not work in the profession he trained for, and his hourly wages net significantly less income than salaried peers in his industry. As a result, he struggles to pay his monthly bills, and has been unable to obtain a loan to buy a home for his wife, nine year old daughter, and three month old son. Jarrod's Borrower's Defense application was submitted in 2015, and he is now in his second year of forbearance on student loans.

Petty Officer Second Class Ryan Peterson (whose name I have changed per his request for privacy) served for ten years in the United States Navy. After being Honorably discharged in 2004, he utilized his Montgomery GI Bill educational benefits to attend ITT Technical Institute. Although Ryan graduated near the top of his class, he has since been unable to transfer his ITT Tech degree to another institution. Ryan is currently employed with the Department of Veterans Affairs and recently enrolled in Public Service Loan Forgiveness for federal loans he received while attending ITT Tech. Having used the entirety of his GI Bill benefits, Ryan cannot continue his education, but instead faces years of loan repayments with a degree that holds no value.

Sadly, it is obvious to us that this Department is reversing field in the effort to protect veterans who have been scammed — often while turning a blind eye to what has been documented for years by both the government and the media as a burgeoning problem.

By undermining the gainful employment regulation that enforces the Higher Education Act's requirement that all career education programs receiving

federal student aid “prepare students for gainful employment in a recognized occupation,” and by loosening limits on the ability of schools receiving federal student aid to use pre-dispute arbitration clauses and class action waivers to evade accountability, this Department is doing a disservice to student veterans.

I stand before this body today to remind you that this is not what helping veterans through higher education is about, and that it is time to clamp down and increase protections for both students and taxpayers.

Thank you for the opportunity to speak today, and I urge you to consider how these regulations directly affect the livelihood of our veterans and their families.