



**Statement for the Record from Sean Marvin, VES Legal Director, to
Department of Education, July 12, 2017**

I'm Sean Marvin--the Legal Director at Veterans Education Success, or VES. I'm also a veteran.

VES is a non-profit organization that provides free legal services to veterans who've been defrauded by their school. Thousands of veterans have contacted VES since its creation in 2012. Here's what just a few have said:

"They made promises of reduced tuition costs for veterans, no application fee, guaranteed job placement program and more. I have no more knowledge than I already had, and no job with a mountain of new debt. I struggle every day to pay my basic bills with no career as they promised, and now I am supposed to pay student loans for an education I never received."

Another: *"I was told that my GI Bill benefits would cover the cost of my tuition in full and that I would have no out of pocket expenses. Now, 2 years after graduating, I still have \$50,000 left on my student loans."*

And yet another: *"They 'offer' a veteran rate but when you look at what they actually charge, it is the same as they charge everyone. When you try to get it adjusted, they make a big deal about it and ask why I care when my GI Bill pays what they bill."*

At Monday's hearing in Washington, DC, a representative from the proprietary school sector noted how the organizations that support the Borrower Defense and Gainful Employment rules regularly cite ITT Tech and Corinthian, even though those schools are no longer in business.

The veterans I've just quoted, however, all go to schools that are still in business. Moreover, VES continues to be contacted by plenty of other veterans who face similar issues at schools that still operate. While ITT Tech and Corinthian are, thankfully, no longer around, their business model lives on.

Veterans regularly describe to VES aggressive and misleading marketing techniques that various schools use. They describe misrepresentations that schools make about the cost of their education and whether their credits will transfer to other schools. Some describe bait and switch tactics that schools use, where schools say one thing about degree requirements when they enroll students but tell students something different later, adding to the debt that students must incur. Many also describe how schools make promises about their job prospects upon graduating—promises that do not bear out, leaving student veterans with no remaining GI Bill and, in many cases, student loan debt that they have no ability to pay. On top of everything else, typically,

because of mandatory arbitration clauses, these students are also denied access to justice in the courtroom.

Meanwhile, veterans who are currently contemplating going to career colleges have limited ability to adequately compare such schools. As a prospective law student, I was able to compare how graduates from different law schools fared at finding jobs, and their average starting salaries. It shouldn't be too much to ask the same of other career-focused schools, particularly ones who derive so much of their revenue from American taxpayers. Strong career schools should welcome this requirement given that it will provide them with a tool to better compete against weaker schools. In turn, this should lead to more students and more revenue for good schools, outweighing any associated administrative expense.

Programs, however, that produce graduates who cannot secure gainful employment should not receive a stamp of approval by the Department. Veterans reasonably assume that government approval of federal funds is a stamp of approval for a program. Veterans express anger when they discover that the federal government knew that a program produced lousy student outcomes or was under law enforcement action for defrauding students, but nevertheless allowed them to waste their time and GI Bill benefits in the program. Often, the lowest quality education programs are those that engage in the most consumer fraud toward veterans. Additionally, the Departments of Defense and Veterans Affairs rely on leadership by Education Department in determining which education programs are worthy of federal student aid.

Veteran organizations have already expressed many of these concerns. Earlier this year, VES and 30 other military and veteran organizations expressed support for the Borrower Defense rule and urged that the Department act on the thousands of borrower defense applications pending before it, including many from veterans. VES has also asked to meet with this Department concerning patterns of fraud toward student veterans that it has identified at certain schools. These requests have not been met, nor has this Department continued the regular meetings that the previous Department held with veteran organizations. This lack of support for veterans is beyond disappointing. Nevertheless, we hope and ask that the Department establish meaningful dialogue with veteran organizations by including them and defrauded student veterans on both of its negotiating committees.

Veterans need a government that will stand up for them, just as they've stood up for their country. When they leave the service and are told that their military experience doesn't translate to the civilian world, or simply want to add to their knowledge and skillset, they need schools that see them as more than dollar signs. They need schools that respect their service, recognize their talent and drive, and that truly prepare them for the next phase of their life so that they can continue to lead at home, just as they did in uniform.

Encl

Letter from veteran organizations, June 9, 2017