



VETERANS LEGAL SERVICES CLINIC

YALE LAW SCHOOL

MEMORANDUM

RE: VETERAN COMPLAINTS ALLEGING ILLEGAL
PRACTICES AT UNIVERSITY #1

MAY 11, 2017

Prepared For Veterans Education Success
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Introduction and Overview

University #1 is a very large for-profit university with large online enrollment and high GI Bill enrollment. The Department of Veterans Affairs (VA) has received a significant number of student complaints (from veterans, servicemembers, and veterans' dependents using the GI Bill) about University #1. Several hundred veterans, servicemembers, and veterans' dependents using the GI Bill at University #1 also shared their experience with, and sought free legal assistance from, Veterans Education Success (VES). These students allege, in short, that University #1 misled veterans and servicemembers about the school's accreditation, the quality of education it provides, and post-graduation job opportunities; pressured students into taking loans and takes out loans for veterans without their consent; changed its program requirements for students already enrolled; and imposed hidden fees on students.

This memorandum, divided into two sections, analyzes the trends in student veteran complaints. It provides federal and state agencies both a roadmap to understanding the veterans' rights at issue as well as contact information for the students who hope federal and state agencies may be able to help them.

First, this memorandum presents the federal and state jurisdictional bases for taking action against University #1. The second section summarizes the hundreds of complaints veterans and servicemembers have submitted to VES regarding University #1. The unredacted versions of this memo that have been given to federal and state agencies also contain each student's contact information and narrative explanation of the harm suffered. A recurring theme of these complaints is that University #1 is not equipped to fulfill the essential function of an institute of higher learning. These complaints are organized according to the categories used by the Departments of Defense and Veterans Affairs, and are ordered as follows from categories with the most complaints to those with the fewest:

- Financial issues and student loans;
- Marketing/recruitment;
- Post-graduation job opportunities;
- Accreditation and transfer of credits;
- Quality of education;
- Refund issues;
- Release of transcripts;
- Change in degree plan/requirements; and
- Grading policy.

Each of these categories is discussed, with a brief overview of the complaints, followed by the complaints themselves, with complainants' contact information.

I. Responsible Agencies and Ongoing Investigations

There are many state and federal agencies that bear some responsibility for protecting veterans from predatory universities.

A. Department of Education

The Department of Education's enforcement power arises under 34 C.F.R. 668.14(a): "An institution may participate in any Title IV, HEA program, other than the SSIG and NEISP programs, only if the institution enters into a written program participation agreement with the Secretary." All universities that depend on Title IV funds, including University #1, have signed such a written agreement and are thereby bound by Department of Education regulations. The Department of Education bears responsibility for enforcing these regulations, which exist for the joint purposes of protecting students and ensuring that the Department's funds are well spent.

These regulations impose several requirements on schools relating to deception, fraud and education quality. First, and most importantly, a university is prohibited from making "substantial misrepresentations" about the "nature of its educational program, its financial charges, or the employability of its graduates."¹ The definition of "substantial misrepresentation" is relatively broad: "Any false, erroneous, or misleading statement . . . includ[ing] any statement that has the likelihood or tendency to deceive . . . on which the person to whom it was made could reasonably be expected to rely, or has reasonably relied, to that person's detriment."² Many of the student veterans' allegations against University #1 would fall within the scope of that definition.

Some more specific regulations concern the publication of employment information. Schools receiving Title IV funds are under a positive obligation to keep updated and accurate employment information about their graduates.³ Some separate provisions provide more specific rules for misrepresentation of graduate employability. Although the "false, erroneous, or misleading"⁴ standard is the same as the broader provisions, it does enumerate some specific areas of misrepresentation that may be particularly relevant to the student veteran complaints contained herein, including "[t]he institution's plans to maintain a placement service for graduates"⁵ and "[o]ther requirements that are generally needed to be employed in the fields for which the training is provided."⁶

Additionally, schools are required to keep students up-to-date on their receipt of federal funds.⁷ Complaints by University #1 students that they were not informed of their loan obligations prior to graduation may allege violations of this provision.

The Department of Education, in addition to imposing these requirements, has several tools to enforce them. Federal regulations specify processes by which the Department of Education can "limit or terminate an institution's participation in a Title IV, HEA program."⁸ The Department of Education can also impose, through similar processes, a fine of \$27,500 per offense.⁹ The Department of Education can also take less drastic steps against universities in order to ensure their compliance.

¹ 34 C.F.R. § 668.71(b).

² 34 C.F.R. § 668.71(c).

³ 34 C.F.R. § 668.14(b)(10).

⁴ 34 C.F.R. § 668.74.

⁵ 34 C.F.R. § 668.74(b).

⁶ 34 C.F.R. § 668.74(f).

⁷ 34 C.F.R. § 668.165.

⁸ 34 C.F.R. § 668.86.

⁹ 34 C.F.R. § 668.84.

B. Department of Veterans Affairs

The Post-9/11 GI Bill covers up to 100% of tuition for public colleges and universities, and offers approximately \$20,000 per year toward tuition at private colleges, as well as additional payments for living and books.¹⁰ VA administers and oversees all decisions regarding individual veterans' and military dependents' eligibility to receive education funds.¹¹

Under 38 U.S.C. § 3696, VA is obligated to disapprove VA tuition funds for institutions using deceptive recruiting or marketing toward veterans. Specifically, 38 U.S.C. § 3696(a) states: "The Secretary shall not approve the enrollment of an eligible veteran or eligible person in any course offered by an institution which utilizes advertising, sales, or enrollment practices of any type which are erroneous, deceptive, or misleading either by actual statement, omission, or intimation." The statute's plain language dictates that the Secretary *must* deny the enrollment of veterans in education programs engaging in deceptive practices.¹² In addition, as of 2012, the Secretary must not approve programs engaging in "incentive costs," which reward recruiting and admissions officers based on the number of students they recruit, a practice which has been documented to incentivize recruiters to deceive students.¹³

Most of the complaints from student veterans contained herein allege deceptive and misleading practices by University #1, making the institution ripe for VA investigation and enforcement action.

Once VA determines that an educational institution has engaged in deceptive practices, VA may take three actions affecting different groupings of G.I. Bill beneficiaries: suspend payments for veterans already enrolled in a course,¹⁴ disapprove new enrollments in a course,¹⁵ or disapprove new enrollments for the institution as a whole.¹⁶ VA must follow certain procedures regardless of which action it decides to take.¹⁷ First, the Secretary must provide both the SAA and the educational institution with written notice of any failure to meet the approval requirements.¹⁸ Second, VA must provide the institution 60 days to take corrective action.¹⁹ Finally, within 30 days of notice to the

¹⁰ 38 U.S.C. § 3313.

¹¹ See 38 U.S.C. § 3323.

¹² See generally, Erin Baldwin, Corey Meyer, and Rachel Tuchman, *Memorandum: Re: VA's Failure to Protect Veterans from Deceptive Recruiting Practices*, Yale Law School, Veterans Legal Services Clinic, Feb. 26, 2016, https://law.yale.edu/system/files/area/clinic/document/vlsc_ves-memo.pdf; see also *Lexecon, Inc. v. Milberg Weiss Bershad Hynes & Lerach*, 523 U.S. 26, 35 (1998) ("The mandatory 'shall' . . . normally creates an obligation impervious to judicial discretion.").

¹³ "The Secretary shall not approve under this chapter any course offered by an educational institution if the educational institution provides 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." 38 U.S.C.A. § 3696(d)(1).

¹⁴ 38 C.F.R. § 21.4210(d)(1)(i).

¹⁵ *Id.* § 21.4210(d)(1)(ii).

¹⁶ *Id.* § 21.4210(d)(4).

¹⁷ 38 U.S.C. § 3690(b)(3)(B); see also 38 C.F.R. § 21.4210(e) (detailing the process that must accompany a mass suspension of funds, and of enrollments or reenrollments at educational institutions).

¹⁸ 38 U.S.C. § 3690(b)(3)(B)(i).

¹⁹ *Id.* § 3690(b)(3)(B)(ii).

institution, the Secretary must provide each eligible veteran and person already enrolled written notice of VA's intent to take action against the educational institution.²⁰

For more details on VA's obligation to disapprove educational programs that engage in deceptive recruiting or marketing, please see Yale Law School, Veterans Legal Services Clinic, *Memorandum: Re: VA's Failure to Protect Veterans From Deceptive Recruiting Practices*, (Feb. 26, 2016), goo.gl/iFgD5c.

C. Federal Trade Commission

The U.S. Federal Trade Commission (FTC) not only has the authority of Congress to prevent persons and corporations from engaging in "unfair or deceptive acts or practices in or affecting commerce"—but it also has a directive to do so when in the interest of the public.²¹

Under Title 15 of the United States Code, an unfair act or practice is one that "causes or is likely to cause substantial injury to consumers which is not reasonably avoidable by consumers themselves and not outweighed by countervailing benefits to consumers or to competition."²² A representation, omission, act or practice is deceptive when it is likely to mislead the consumer; when the consumer's interpretation of the representation, omission, or practice is considered reasonable under the circumstances; and when the misleading representation, omission, or practice is material.²³

Almost all of the complaints from student veterans contained herein allege representations, deceptions, omissions, and practices by University #1 that misled the students in reasonable ways regarding material facts about University #1, including its accreditation, cost, and other key factors that influence a student's decision to attend. Therefore, FTC has clear jurisdiction over University #1.

D. Department of Defense

University #1 is a major recipient of Defense Department tuition assistance (TA) funds. To be eligible for TA funds, an educational institution must sign a memorandum of understanding (MoU) with the Department of Defense (DoD).²⁴ This MoU imposes several important requirements on educational institutions, which the DoD is responsible for enforcing.²⁵

The MoU both references existing rules, giving DoD enforcement power over those regulations, and creates new obligations. Notably, the MoU incorporates Department of Education regulations concerning marketing and misleading practices (34 C.F.R 668.71-668.75 and 668.14).²⁶ These prohibit universities from making a "substantial misrepresentation about the nature of its educational program, its financial charges, or the employability of its graduates."²⁷ A misrepresentation includes

²⁰ *Id.* § 3690(b)(3)(B)(iii).

²¹ 15 U.S.C. § 45(a)-(b).

²² 15 U.S.C. § 45(n).

²³ See FTC Policy Statement on Deception, available at

https://www.ftc.gov/system/files/documents/public_statements/410531/831014deceptionstmt.pdf.

²⁴ Department of Defense Instruction [hereinafter "DoDI"] 1322.25.

²⁵ *Id.*

²⁶ *Id.* at Appendix to Enclosure 3, Template of DoD MoU (3)(j).

²⁷ 34 C.F.R. § 668.71(b).

“[a]ny false, erroneous or misleading statement” by an educational institution to a student, directly or indirectly.²⁸ A “substantial misrepresentation” is “[a]ny misrepresentation on which the person to whom it was made could reasonably be expected to rely, or has reasonably relied, to that person's detriment.”²⁹ Many of the student veterans’ allegations against University #1 would fall within the scope of that definition.

The MoU also requires universities that are members of Servicemembers Opportunity Colleges (SOC) to comply with SOC’s Principles and Criteria.³⁰ In some respects, these requirements are less detailed than those applicable to schools that are not members of SOC.³¹ Nevertheless, included in SOC’s specifications is a requirement that the university “clearly and truthfully presents prospective students with the prospects for academic degree or credit acceptance”³² and “provides prospective students with a clear understanding of the total financial obligation they have undertaken by engaging in specific academic pursuits.”³³

The MoU also addresses some subjects in greater specificity than the rules it incorporates. The MoU requires that schools provide clear information to servicemembers, prior to enrollment, about how to finance their education. Servicemembers must be pointed to specific tools at the U.S. Consumer Financial Protection Bureau and Department of Education for comparing educational opportunities.³⁴ Additionally, the MoU sets out that schools must “[r]efrain from high-pressure recruitment tactics.”³⁵

Another area that the MoU treats with greater specificity is changes in degree requirements. Servicemembers must be given accurate degree requirement information upfront,³⁶ and all “[d]egree requirements in effect at the time of each Service member's enrollment will remain in effect for a period of at least 1 year beyond the program's standard length.”³⁷

Many servicemember and veteran complaints contained herein make allegations that fall squarely within the MoU’s requirements. Many servicemembers and veterans complain that University #1 misled and deceived students about the cost of their program, engaged in aggressive marketing, and changed program requirements after the respective student was already enrolled in a program. The specific requirements that may have been violated are discussed in more depth in the complaint sections below.

The DoD may take disciplinary action by putting a school on probation or by revoking the school’s MoU and, therefore, its eligibility to participate in TA, “following written notice and an

²⁸ 34 C.F.R. § 668.71(c).

²⁹ *Id.*

³⁰ DoDI 1322.25 Appendix to Enclosure 3, Template of DoD MoU, para 3m; www.soc.aascu.org/docs/default-source/default-document-library/soc-principles-and-criteria.pdf.

³¹ DoDI 1322.25 Appendix to Enclosure 3, Template of DoD MoU, para. 3n.

³² Standards of Good Practice for Servicemembers Opportunity Colleges, (1)(c), www.soc.aascu.org/docs/default-source/default-document-library/soc-principles-and-criteria.pdf.

³³ *Id.* (3)(a).

³⁴ DoDI 1322.25 Appendix to Enclosure 3, Template of DoD MoU, para. 3f.

³⁵ *Id.* (3)(j)(3).

³⁶ *Id.* (4)(c)(1).

³⁷ *Id.* (4)(c)(4).

opportunity to respond for the failure to comply with any element.”³⁸ The DoD may also require a school to “[p]articipate in the Third Party Education Assessment process,”³⁹ which would involve scrutiny of the targeted program. This could result in the DoD terminating the MoU or passing the results of the investigation on to other enforcement agencies.

E. Consumer Financial Protection Bureau

The responsibility of the U.S. Consumer Financial Protection Bureau (CFPB) is to “regulate the offering and provision of consumer financial products or services under the Federal consumer financial laws.”⁴⁰ Specifically, the CFPB has congressional authorization to “prevent a covered person or service provider from committing or engaging in an unfair, deceptive, or abusive act or practice under Federal law in connection with any transaction with a consumer for a consumer financial product or service, or the offering of a consumer financial product or service.”⁴¹ A “covered person” includes “any person that engages in offering or providing a consumer financial product or service,” as well as any “affiliate” thereof who “acts as a service provider to such person.”⁴² However, the CFPB is limited to determining whether a covered person or service provider has violated any federal consumer financial laws.⁴³ In the case of institutions of higher education, the CFPB has authority to investigate both their lending and financial-advisory services.

VES has not received information indicating that University #1 offers its own private student loans. While many students allege that University #1 took out federal loans without their knowledge, for example, or that University #1 pressured them into taking out federal loans unnecessarily, none allege in their original complaint or in electronic responses to VES’s follow-up questions, that University #1 did so in connection with private loans. This distinguishes University #1 from ITT Educational Services, Inc., and Corinthian College, both of which the CFPB successfully brought actions against for private loan schemes, and both of which either provided financial products to students directly or were affiliates to such a provider.⁴⁴

Although a private loan system does not appear to exist at University #1, the CFPB may nevertheless assert investigative authority over University #1 for two causes of action. First, University #1 brokers loans to students by serving and representing itself as an intermediary between students and lenders, by arranging those loans (allegedly without students’ consent in some cases), and by assisting students in completing loan applications. Second, University #1 provides advisory financial services to students and prospective students regarding the payment of tuition and fees, which includes advice in connection with financial aid and loan programs. Such activity may well constitute offering and providing consumer financial products and services, which would in turn render University #1 a “covered person” under the meaning of the Consumer Financial Protection Act of 2010, 12 U.S.C. § 5481(6).

³⁸ DoDI 1322.25 Appendix to Enclosure 3, Template of DoD MoU, para. 1r(1).

³⁹ DoDI 1322.25 Appendix to Enclosure 3, Template of DoD MoU, para. 3e.

⁴⁰ 12 U.S.C. § 5491(a).

⁴¹ *Id.* at § 5531(a).

⁴² *Id.* at § 5481(6).

⁴³ See *id.* at §§ 5561(1), (5).

⁴⁴ See Complaint for Injunctive Relief and Damages, *Consumer Financial Protection Bureau v. ITT Educational Services, Inc.*, No. 1:14-cv-292 (S.D. Ind. Feb. 26, 2014); Complaint for Permanent Injunction and Other Relief, *Consumer Financial Protection Bureau v. Corinthian Colleges, Inc.*, No. 14-7194 (N.D. Ill. Sept. 16, 2014).

If University #1 is considered a “covered person,” the CFPB has authority to issue a Civil Investigative Demand to University #1 in its capacity as a “person [believed to] be in possession, custody, or control of any documentary material or tangible things, or may have any information, relevant to a violation” of federal consumer financial law.⁴⁵ Consumer financial laws that University #1 may have violated, and which CFPB may bring an enforcement action under include 12 U.S.C. §§ 5531(a), 5536(a), 5564, and 5565, for engaging in unfair, deceptive, and abusive acts and practices. Complaints VES has received suggest that University #1 might have engaged in deceptive practices by materially misrepresenting students’ post-graduation job opportunities. The complaints further suggest that University #1 might have engaged in substantially injurious unfair practices by, for example, pressuring students to take out unnecessary loans in order to increase Title IX funds available to the school.

F. State Attorneys General

Every state has consumer protection laws and all state attorneys general bear responsibility for enforcing these laws. University #1 is bound by these laws and, although these laws vary, the complaints contained herein allege violations of their core principles.

All states prohibit deception, although not always in the same way.⁴⁶ Forty-three states prohibit deception broadly, while seven only prohibit particular types of deceptive acts.⁴⁷ Some states, in line with the Uniform Consumer Sales Practices Act, use both approaches to prohibit deception. The heart of a deception claim in states with broad deception statutes is an act or practice that tends to deceive, or is capable of deceiving, a reasonable consumer.⁴⁸ States differ, though, on whether proof of intent is required and whether actual consumer deception needs to have occurred for there to be a violation of state law.⁴⁹

Although consumer protection law varies, lawsuits against institutions of higher education tend to focus on deception claims, often concerning job opportunities. One such complaint filed by the Colorado Attorney General focused on colleges that allegedly exaggerated job opportunities and claimed to offer programs that they did not actually offer.⁵⁰ Some lawsuits, such as those in Iowa and Massachusetts, alleged misrepresentation of “urgency of enrollment” or high pressure sales tactics although both paired that with more straightforward claims about employment opportunities, quality of

⁴⁵ 12 U.S.C. § 5562(c)(1).

⁴⁶ See Carolyn L. Carter, *Consumer Protection in the States, A 50-State Report on Unfair and Deceptive Acts and Practices Statutes* (2009), available at http://www.nclc.org/images/pdf/udap/report_50_states.pdf.

⁴⁷ *Id.* at 11.

⁴⁸ See National Policy & Legal Analysis Center to Prevent Obesity, *Consumer Protection: An Overview of State Laws and Enforcement* (2010), available at <http://www.publichealthlawcenter.org/sites/default/files/resources/phlc-fs-agconsumer-2010.pdf>.

⁴⁹ See Carter, *supra* note 1, at 7, 17.

⁵⁰ *Colorado v. Center for Excellence in Higher Education* (2015), *complaint available at* <http://republicreport.wpengine.com/wp-content/uploads/2015/02/Complaint-2014-12-01-17-42-24-.pdf>.

education, and transferability of credits.⁵¹ Many of these are similar to the complaints by students against University #1, contained herein.

II. Complaints Submitted to VES

A. Financial Issues and Student Loans

Although this public version of the memo does not list student complaints, which were given to law enforcement agencies, the nature of the complaints and some representative examples are discussed below.

More than 100 veterans and service members complained to VES about misrepresentations by University #1 regarding financial issues and student loans. The most common complaint about University #1 that veterans brought to VES is that students were misled about the cost of their education. Many students reported that University #1 lied about the cost of tuition, especially to veterans. One student, T.N., had this to say: *“They [University #1] ‘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.”*

Numerous veterans told VES they wound up with thousands—often tens of thousands—of dollars in student loan debt from University #1 for an education that they were explicitly promised would be free, often because University #1 pressured them to apply for student loans despite the fact that the GI Bill would cover their education. For schools like University #1, pressuring or forcing students to take out student loans can help prevent short-term cash flow shortages, as VA funds can take time to disburse.

There are many examples of such complaints in the privileged version of this memo, given to law enforcement. K.R., one student who believes that her GI Bill eligibility should have fully covered her education, told VES that she *“kept receiving these nastygrams insisting that I could not attend until I applied for loans. I did call and they did attempt to sell me on the idea of student loans.”*

Although K.R. refused, many other students allege they were misled into accepting unnecessary loan debt. A.C.’s experience is representative, and involves substantial injury: *“I was told by the financial aid department at [University #1] that all my costs were covered and all of a sudden I have a bill for what wasn’t covered by the almost \$70k in student loans and VA money they received.”*

Similarly, another student, J.L., reported to VES, *“I wanted to use my VA bill [sic] money to pay for courses, yet they insisted they needed to use student loan money as a means for payment.”* He reports being left with \$25,000 in student loan debt.

⁵¹ Massachusetts v. Corinthian, Inc. (2014), *complaint available at* <http://www.mass.gov/ago/docs/press/2014/everest-complaint.pdf>; Assurance of Voluntary Compliance in the matter of Bridgepoint Education, Inc., and Ashford University, LLC, *available at* https://www.iowaattorneygeneral.gov/media/cms/Bridgepoint_Ashford_Iowa_Attorney_G_F0271005A595B.pdf.

In other, more extreme cases, students report that University #1 took out loans on their behalf without their consent. R.C. reported: *“They [University #1]...took out a student loan even though I specifically told the school that I only wanted to use the VA and my TA.”*

Some students further allege that University #1 gave false information to VA about the students’ enrollment, causing what VA considers a “GI Bill overpayment,” and forcing the students to pay back to VA some or all of the cost of their education.

B. Marketing/Recruitment

Although this public version of the memo does not list student complaints, which were given to law enforcement agencies, the nature of the complaints and some representative examples are discussed below.

Many dozens of veterans and servicemembers allege that University #1 recruited them through highly aggressive, and often misleading, marketing techniques. For example, student E.W. reported that *“They kept calling and calling when I first decided to look for a college, pushing there [sic] college on me, I felt rushed to make a decision.”*

Many complainants noted that recruiters responded to their important concerns about job prospects, accreditation, and costs with false information and assurances. Student R.R. remembers that *“when I was recruited they told me if I ever transferred that my credits would be good and I have nothing to worry about but when I transferred I found out that my credits weren’t good and had to take them all over again.”*

Similarly, student H.W. reported that *“As a veteran of the armed forces, I was guaranteed by my school recruiter or counselor from the school I would land a great job when I get my degree.”* However, upon graduating, he was unable to find any job.

Students allege that University #1 makes a particular effort to portray itself as veteran-friendly during recruiting, even when its actual policies are not. One student, B.Q., reported *“I was told that they would work with me while I was deployed. I ended up getting 0 on several assignments and failing several classes because they wouldn’t work with me. They kicked me out.”*

C. Job Opportunities

Although this public version of the memo does not list student complaints, which were given to law enforcement agencies, the nature of the complaints and some representative examples are discussed below.

More than 50 student veterans, servicemembers, and other GI Bill users complained to VES about University #1’s misrepresentations about the job opportunities they would have. Many veterans and servicemembers report that University #1 exaggerated the employability of its graduates. These students said their degree opens no doors, contrary to what they were promised. For example, student K.P. recalled: *“I was recruited and signed up for the Associates of Science in Criminal Justice*

degree with promises of once finishing to work in law enforcement. Most people wouldn't even recognize the school."

Similarly, L.P. found that she *"was never able to find a job after receiving my BS BA and my MBA in Hospital Administration. They promise and let people believe they have a success rate of 85%."*

Many of the complaining students attribute their lack of employment to the fact that University #1 did not give them appropriate training. Some graduates allege that they enrolled in University #1 on the assumption that they would be prepared for certification in medical coding, only to learn that certification required work experience that University #1 had not offered them. Similarly, student L.D. reported that she received a degree in IT but felt that she *"never really learned anything an IT person knows."* After five years out of school, she still cannot find a job in that field.

The reported lack of employer recognition for University #1's degrees is compounded by students' allegation of a lack of career placement assistance by the university, despite promises that it would assist students in seeking employment. One student, J.M., who has spent three years after graduation looking for a job, reports getting no support: *"I try to get help from [University #1] but I never get an answer. I try to get them to look at resume but they never do."*

Another student, B.P., claims that *"Instead of assistance with job placement they just hound you to get another degree."*

D. Accreditation and Transfer of Credits

Although this public version of the memo does not list student complaints, which were given to law enforcement agencies, the nature of the complaints and some representative examples are discussed below.

Several dozen students complained to VES about University #1's misrepresentations about its accreditation and the transferability of its credits. Many students reported experiencing difficulty getting other educational institutions and employers to accept the university's credits and degrees, contrary to its promises. For example, student A.B. was told by University #1 that his degree would be accepted by all employers, but later discovered that the Georgia Department of Corrections, where he intended to work, would not accept his degree. Many other students report similar experiences with state certification agencies.

In addition to deceptions about the job market's acceptance of University #1's credits, the university also apparently deceived students about their ability to transfer University #1 credits to more respectable public and private colleges. For example, student M.N. reports: *"I enrolled in [University #1] and when I wanted to transfer it became virtually impossible. I found out later my credits won't transfer like they said it would."*

University #1's alleged misrepresentations about the transferability of its credits harms students by diminishing the value of their work and leaving them holding worthless credits. It also prevents them from moving to another institution if they are dissatisfied with University #1, leaving

students feeling imprisoned there because of a lack of credit transferability. Complainant A.C. speaks precisely to this feeling of imprisonment: *“The cost of my tuition was outrageous every year but in order for me to continue my education and graduate I had to finish at [University #1].”*

The students waste substantial amounts of both time and money on degrees that turn out to be dead ends. One complainant, J.R., explains: *“This is a school that’s just worried about the money and not the students.”*

Of the complainants listed in the privileged version of this memo, which was submitted to law enforcement, about one-third claim that University #1 explicitly misrepresented the transferability of their credits. Complainant C.F. summarizes the experience of many: *“[W]hen I was recruited they told me if I ever transferred that my credits would be good and I have nothing to worry about but when I transferred I found out that my credits weren’t good and had to take them all over again.”*

Similar reports from other complainants’ suggest, if nothing else, that University #1 raises transferability expectations by misrepresenting the effect of its accreditation status, and that it does nothing to bring those expectations into accord with the truth.

E. Quality of Education

Although this public version of the memo does not list student complaints, which were given to law enforcement agencies, the nature of the complaints and some representative examples are discussed below.

Several dozen students complained to VES about University #1’s misrepresentations about the quality of its education. Complaints about the quality of its education paint a disturbing picture of ongoing recruiting misrepresentations that do not stop once a student initially enrolls. As student T.P. explained, *“This school prepares you for nothing, all they do is call you millions of times and automatically keep enrolling you in classes without even asking if that’s what you want to do.”* Indeed, students have filed complaints relating to nearly every conceivable aspect of the educational quality at University #1, from course offerings to curricula to instructors themselves to a lack of academic support.

Of the complaints VES received in this category:

- Seven claim that University #1’s course offerings were insufficiently thin or that it forced students to take unnecessary courses;
- Ten claim that University #1’s courses imparted no useful knowledge or skills necessary for a given relevant career path or certification; and
- Fifteen claim that University #1’s instruction was of a poor quality. Student complaints allege University #1 is not equipped to fulfill the essential function of an institute of higher learning.

Perhaps the most troubling complaints come from students who excelled on paper at University #1, and who nonetheless feel that their education was a *“joke”* (a word that surfaces several times in these complaints) from which they learned nothing.

One psychology major who maintained a GPA of 3.8 claimed, *“I felt as if I did not learn anything.”* His professors, when approached with this concern, merely blew him off. This student also introduces what becomes a common theme in these complaints: How much he paid compared to how little he received: *“The money spent at this college does not represent the education I received.”*

Students M.G., an admittedly *“average high school student,”* and D.T. both graduated from University #1 *summa cum laude*, but both feel as though they learned relatively little during their time at University #1. M.G. dismisses the curriculum he progressed through as *“extremely simple,”* while D.T. claims that the university did not at all prepare her to take the certification test that follows from her degree program in medical billing and coding—a test that costs \$3,000.00 to take each time.

Student L.B. put this aspect of the case against University #1 bluntly but effectively: *“The IT education I received was enough to get me an entry level job at McDonald’s.”*

The complaints in this category show what University #1’s education looks like on the ground: Teachers unavailable for questions; classes that taught little more *“than how to cite a reference”*; schoolwork *“like an open book test all the time”*; and instructors who passed virtually everyone in *“a degree mill”* spirit. An IT student says that one of her courses consisted of nothing more than playing a video game called Second Life and learning about programs the instructor himself recognized as *“outdated.”*

F. Refund Issues

Although this public version of the memo does not list student complaints, which were given to law enforcement agencies, the nature of the complaints and some representative examples are discussed below.

Nearly 20 students complained about University #1’s refusal to provide refunds of various kinds. In four of these complaints, University #1 refused to refund money that VA paid the school before a given student withdrew his or her enrollment. In one of these cases, it ended up refunding the VA, but in another University #1 wrongfully retained the money paid by VA and displaced the burden of refunding VA onto the student.

In other complaints, University #1’s refund practices range from forcing students to bear the costs of institutional errors to charging students for classes the students did not take. For example, student R.S. claims that, *“[b]ased on the information I received from [University #1], my program was paid before I completed it, but I was still being charged. I believe I was charged twice for classes I dropped and took at later dates.”* University #1 failed to acknowledge its error in R.S.’s case. In another case, the student, J.G., thought he had cancelled a course, did not even know that on paper he was still enrolled as the semester progressed, and yet he was forced to pay despite the cancellation.

G. Release of Transcripts

Although this public version of the memo does not list student complaints, which were given to law enforcement agencies, the nature of the complaints and some representative examples are discussed below.

Nearly 20 students from various campuses and over a wide range of years claim that University #1 refused to send them their transcripts upon request, which obstructs both future educational and career-related opportunities. Indeed, one student reports waiting for her transcript for about two years now and counting. Student H.M.'s complaint is representative of this category: *"[University #1] told me they would not release my transcripts until I paid an amount of money that I had never received a bill for or a phone call or email about."*

Other complaints similarly suggest that University #1 holds the transcripts, demanding payment for new, unexplained charges. Student B.G. withdrew from University #1 because she was deploying. University #1 in turn withheld a grant that went toward paying B.G.'s tuition. When she returned from her deployment, B.G. requested a transcript to transfer to another school. According to B.G., University #1 insisted she either finish her degree there and take out a loan or else pay in full the amount of the withheld grant before they would release her transcript.

H. Change in Degree Plan/Requirements

Although this public version of the memo does not list student complaints, which were given to law enforcement agencies, the nature of the complaints and some representative examples are discussed below.

More than a dozen students complained to VES about University #1's alleged deceptions in changing degree plan and requirements. Some students report sudden changes in their degree plan, course requirements, and course availability that seriously affected their educational opportunities and outcomes. In many cases, students allege that important offerings that drew students to University #1 ceased to be available without warning. These may be examples of *"bait and switch,"* wherein a school promises the student that it offers the program of study the student wants, but in fact the school does not and only wants the GI Bill.

For example, student D.B. reported that he enrolled in order to take an environmental course and was told he needed to take a business administration course first. After completing that course, he learned that University #1 did not offer the environmental course he had been promised.

Another student, K.R., alleged, *"There were several certificates associated with my degree plan when I enrolled (part of the reason I chose [University #1]). During my enrollment the certificates were removed and the grade policy changed."* Perhaps most egregiously, student M.B. reports enrolling in a graduate program that ceased to exist before graduation.

Other students describe sudden changes that required them to spend more time (and money) at University #1. For example, student C.W. was told that his degree plan required 120 credits over four years, but he later learned that it would actually take 180 credits to graduate. Another student, K.W., reports he took classes at University #1 off and on for over ten years, with changing degree and course requirements leaving him still seven credits short of a degree.

I. Grading Policy

Although this public version of the memo does not list student complaints, which were given to law enforcement agencies, the nature of the complaints and some representative examples are discussed below.

VES received about a dozen complaints relating to University #1's grading policy, most of them claiming that University #1's instructors were not flexible in accommodating students' crises or situational difficulties. One student, A.W., was dealing with a serious family emergency when University #1 withdrew her from her degree program because of failing grades, without any leniency. Another student, T.C., had to travel often for work and therefore could submit assignments only as his travel schedule permitted; despite knowing this in advance and claiming willingness to accommodate T.C., University #1's instructors penalized him for late assignments. While these complaints are perhaps not as urgent as those in other categories, they nonetheless further demonstrate University #1's pattern of putting students' needs last. Of particular import, VA and DoD may want to pay attention to active duty deployments, as one student previously assisted by VES (with a settlement) complained University #1 did not honor his request to withdraw during a deployment, and charged him tuition during his deployment.

One complaint in this category stands out as particularly urgent. When student K.R. enrolled in her degree program, University #1's policy was to award certain certificates after certain courses were completed, and also award a 4.0 GPA for any course in which the student earned an A or A-. Both of these policies changed during K.R.'s enrollment, however, such that the certificates she earned were revoked, and the grades she earned amounted to a 3.95 GPA even though she would have earned a 4.0 under the original grading policy.

III. Conclusion

These several hundred complaints by veterans and service members raise concern about potentially illegal recruiting practices by University #1 that fall squarely within the jurisdiction of the federal agencies listed herein. The complaints deserve serious attention and should be carefully considered by those agencies.