

October 13, 2017

Honorable David Shulkin, M.D.
Secretary of Veterans Affairs
U.S. Department of Veterans Affairs
810 Vermont Ave, NW
Washington, DC 20420

RE: Docket VA-2017-VACO-0001-0227 (82 FR 43288)

Dear Secretary Shulkin:

As advocates for students, consumers, civil rights, and college access, the undersigned organizations write regarding the Department of Veterans Affairs' (VA) recent [proposal](#) to specifically allow "all VA employees" to "receive any wages, salary, dividends, profits, gratuities, or services from, or own any interest in, a for-profit educational institution" that participate in the GI Bill.

Thank you for rescinding this proposal, as urged by veterans' organizations including Student Veterans of America, The American Legion, Veterans for Foreign Wars, and Vietnam Veterans of America, among others. To have pushed forward with this proposed rule would have been to prioritize the interests of predatory for-profit colleges at the expense of veterans.

Should VA undertake any revision of its proposal, it must ensure VA employees are not manipulated by unscrupulous schools seeking to curry favor with VA employees who then unwittingly become recruiters for the schools. What is to stop a college from manipulating VA employee students with preferential treatment or financial discounts to curry favor? What is to stop a college from inviting a VA employee to teach a course as way to curry favor with the employee? In no circumstances should employees who work on GI Bill issues be allowed to receive payments from colleges, and, to avoid real or perceived bias or endorsement, in no circumstances should any high-level VA employees be allowed to receive payments.

Importantly, blanket exemptions are not necessary to allow VA employees to take or teach courses at for-profit colleges. Waivers should be handled on a case-by-case basis, as the statute provides.

Strong VA ethics rules are particularly critical because of a loophole in the 90/10 rule in the Higher Education Act, for-profit colleges count GI Bill funds as private revenue to off-set the cap on Title IV funds the colleges otherwise face. As Holly Petraeus [wrote](#) in the New York Times: "*This gives for-profit colleges an incentive to see service members as nothing more than dollar signs in uniform, and to use aggressive marketing to draw them in.*"

Indeed, a 2012 [US Senate Committee investigation](#) uncovered rampant fraud by for-profit colleges targeting veterans, including internal corporate documents in which many for-profit colleges literally taught their salesmen to emotionally manipulate potential students and ["dig for](#)

[the pain](#)" because "[pain is the greatest motivator](#)" in making the sale. A [2014 Senate Committee report](#) found 7 of the 10 schools receiving the most GI Bill funds were under law enforcement investigation for deceiving students (all of them for-profit).

VA ethics rules need to be *strengthened*, not weakened. As recently as July of this year, the US Senate Appropriations Committee [Report](#) directed VA to look for ways to strengthen 38 USC 3683 (the exact statute VA today seeks to weaken) because the Committee feared the statute was potentially “inadequate to identify conflicts of interest that can develop through the provision of meals or de minimus gifts.” (S.Rep. 115-130; 115th Congress).

For these reasons, VA must reject any new proposals that weaken ethics rules to allow increased financial entanglements with for-profit colleges that seek the GI Bill, and we urge you to consult veterans, education, consumer protection, and ethics experts as you move forward.

Thank you for your consideration.

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