Dear Messrs Black, Najafi, and Miller:

On behalf of organizations representing veterans, servicemembers, military families, and survivors, we write to request your leadership as part of your acquisition of the parent company of the University of Phoenix. This transition provides you with the opportunity to become a role model for other proprietary institutions by voluntarily closing the 90/10 loophole and committing to treating America’s military heroes and their families and survivors with dignity and respect. Doing so would not only benefit America’s heroes and their families and survivors, but also demonstrate the broad appeal and quality of your programs.

Your leadership would bring many benefits to the University of Phoenix. First, it would send a clear message that the University of Phoenix has the financial stability to exist without being wholly dependent on federal taxpayer support, and that the University of Phoenix offers sufficient quality to attract private-paying students. Second, it would insulate the University of Phoenix from the negative publicity created by the numerous federal and state Attorneys General settlements with proprietary institutions over misleading recruiting. Finally, it would send a clear message that the University of Phoenix, under new leadership, will not target servicemembers, veterans, and their families with aggressive and misleading recruiting. Your leadership would make clear the University of Phoenix will serve as a role model for how other proprietary institutions should treat those who have served our country. Organizations in the military and veteran communities would publicly praise your leadership.

By way of background, as you may know, the U.S. Departments of Veterans Affairs (VA) and Defense (DoD) administer programs to support the pursuit of postsecondary education by servicemembers, veterans, and their families. These taxpayer-funded programs are important to the military mission and to America’s debt to its veterans. The University of Phoenix has been the largest beneficiary of military service-related benefits, taking in $1.2 billion in GI Bill funds, alone, from 2009-2015.

As you also may know, the 90/10 loophole in the Higher Education Act\(^1\) has created a perverse incentive for some institutions to view veterans and servicemembers “as nothing more than dollar signs in uniform and to use aggressive [and misleading] marketing to draw them in,” as Holly Petraeus, Head of Servicemember Affairs at the U.S. Consumer Financial Protection Bureau, wrote.\(^2\) From the perspective of servicemembers, veterans, military families, and survivors, this targeting can be extremely aggressive,

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\(^1\) See generally What is the 90/10 Loophole?, available at http://veteranseducationsuccess.org/90-10-loophole/
wearing down a veteran’s resolve, and too many college recruiters misrepresent their college’s accreditation, transferability of credits, graduates’ eligibility for certain jobs, graduates’ job and salary success, the actual tuition and the amount the GI Bill will cover, and the quality of the education, teachers, and coursework materials. This amounts to a grave disservice to our nation’s heroes.

Given that your transition to private ownership will remove the pressure of shareholder-demands, whose narrow focus is the “bottom line,” the University of Phoenix now stands free to grow into the college you want it to be. DeVry University, in September of 2016, voluntarily committed to limit its entire reliance on federal funding – including all VA and DoD post-secondary programs – to no more than 85% of its revenue. This action ensures that 15% of DeVry’s revenue will be truly private-paying students, in compliance with the clear intent of federal law. 3

We urge you to similarly limit your dependence on federal taxpayer revenues, including all veterans and military service-related education benefits, to no more than 85%. We also ask you to commit to validation of the sources of your revenue by an independent auditor.

We ask that you publicly commit to this voluntary cap. We the undersigned organizations look forward to working with you to ensure the best interests of our nation’s servicemembers, their families and student veterans who have earned educational benefits through extraordinary sacrifice in defense of America.

Respectfully submitted,

Carl Blake  
Associate Executive Director  
Paralyzed Veterans of America

Bonnie Carroll  
President and Founder  
Tragedy Assistance Program for Survivors

Joseph Chenelly  
Executive Director  
AMVETS National Headquarters

Anthony Hardie  
Director  
Veterans for Common Sense

Anna Ivey  
Co-Founder  
School 2 Service

Mary M. Keller, Ed.D.  
President and Chief Executive Officer  
Military Child Education Coalition

Peter James Kiernan  
President  
Ivy League Veterans Council

Jared Lyon  
President & CEO  
Student Veterans of America

Joyce Raezer  
Executive Director  
National Military Family Association

Randy Reid, USCG (ret)  
Executive Director  
U.S. Coast Guard Chief Petty Officers Association & Enlisted Association

Kathy Roth-Douquet  
CEO  
Blue Star Families

John Rowan  
National President  
Vietnam Veterans of America

Mark C. Stevenson  
Chief Operating Officer  
Air Force Sergeants Association

Carrie Wofford  
President  
Veterans Education Success

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