Betsy DeVos vs. Student Veterans

The Department of Education secretary has been uniquely brazen, and unpatriotic, in her deregulation campaign. It's time that she answered for her actions.

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As the political makeup of the 116th Congress begins to congeal, the question of what, if anything, this divided government can do together looms. Although there is faint hope of cooperation on most issues, if there is something that could unite President Trump, Speaker Nancy Pelosi and Senator Mitch McConnell, it should be their promises to protect America's veterans.

The post-9/11 G.I. Bill, which rewarded returning service members with college funding, first passed under George W. Bush and was unanimously expanded by Congress in 2017 with Mr. Trump's signature. But the value of veterans' hard-earned G.I. Bill benefits is being undermined from within the Trump administration. The culprit, unfortunately, is Education Secretary Betsy DeVos.

Despite robust objections from roughly three dozen national veterans and military service organizations, Secretary DeVos elected to eviscerate student protections and quality controls for colleges — particularly those governing the often low-quality, predatory for-profit colleges that target veterans in their marketing schemes.

You've probably seen their sort of ads: a young soldier parachuting from a plane in one moment, smiling as he raises his hand in the warm, glossy confines of a for-profit school in the next, then the final shot of the veteran hoisting his degree, hugging his family.

Why are veterans the targets? Because for-profit colleges milk a federal loophole that allows them to count G.I. Bill benefits as private funds, offsetting the 90 percent cap they otherwise face on their access to taxpayer-supported federal student aid. Nearly two dozen state attorneys general have said this accounting gimmick — known as the “90/10 loophole” — “violates the intent of the law.”

Hundreds of for-profit schools are almost entirely dependent on federal revenue, and if the 90/10 loophole were closed, they would be in violation of this federal regulation. Taxpayers, in other words, are largely propping up otherwise failing schools.

In December, a damning Department of Veterans Affairs internal audit estimated the risk of G.I. Bill waste was exceptionally high at for-profit schools, which received over 75 percent of improper G.I. Bill payments. The report highlighted the schools' deceptive advertising campaigns used to recruit veterans and warned that the government will waste $2.3 billion in improper payments over the next five years if changes are not made to reel in the abuse.

As Holly Petraeus — a former head of service member affairs at the Consumer Financial Protection Bureau — has written, for-profit colleges have “an incentive to see service members as nothing more than dollar signs in uniform, and to use aggressive marketing to draw them in.”

Overall, by 2017, for-profit colleges had vacuumed up nearly 40 percent of all G.I. Bill tuition and fee payments since the post-9/11 G.I. Bill was introduced. Eight of the 10 schools receiving the most G.I. Bill subsidies since 2009 are for-profit colleges. Six of those 10 have faced government legal action for defrauding students.

The Education Department has the jurisdiction to undercut such fraud — and ample evidence to take action — but it has not. Instead, through several scandalous appointments, Ms. DeVos has largely delegated policymaking and enforcement to members of the for-profit-college industry, who are now her aides.

One senior aide recently worked at the very for-profit chain that just settled with 49 state attorneys general to cough up half a billion dollars for defrauding students. A top deputy worked at the same chain and at a second chain facing multiple government investigations. A third, whom Ms. DeVos hired to run the department's enforcement unit, disappeared a crop of investigations into his former employer and several other large for-
profit colleges. When news reporting brought scrutiny to this corruption, Ms. DeVos simply shifted him to the federal student aid office. The fox is running the henhouse.

Ms. DeVos fought and is now stalling defrauded students' right to recourse under the Borrower Defense rule, and she eliminated a rule requiring career colleges to prove their graduates can get a job, even after being officially warned by the department's Office of Inspector General that the rule was necessary to protect taxpayer funds.

This week, Ms. DeVos's aides will meet in Washington with a panel (many representing for-profit colleges) to push forward proposals that would weaken over half a dozen regulations that govern college quality. Some changes, for instance, could leave students largely learning on their own from self-help YouTube-style videos and allow the companies responsible unfettered access to a spigot of taxpayer funds.

The Education Department's Office of Inspector General, following the V.A.'s lead, conducted an investigation of Ms. DeVos after she reinstated the Accrediting Council for Independent Colleges and Schools, or Acics, which had been discredited. Career civil servants on her own staff had determined that Acics had failed to meet 57 of 93 basic federal quality standards — including its inadequate oversight of the now-defunct, veteran-hungry schools ITT Technical Institutes and Corinthian Colleges. Both were for-profits whose bankruptcies left countless veteran students with deep debt and rubbish degrees.

In a stunning ethical breach, a senior aide to Ms. DeVos fabricated letters of support for Acics from other accreditors, which quickly exposed the lie.

Standing up for veterans, and student veterans, should always be a bipartisan issue. So too should protecting taxpayer dollars from waste, fraud and abuse. Indeed, Republican presidents like Dwight Eisenhower, Ronald Reagan and George H.W. Bush once led fights against the parasitic tendencies of for-profit colleges.

The 49 state attorneys general who banded together last month in a lawsuit to recover $500 million from one for-profit college company were obviously working under both Republican and Democratic governors. In the face of unquestionable evidence, sometimes bipartisanship isn't so hard. Now it's Congress's turn.

Politicians of both stripes speak out for veterans on the campaign trail. It's time to back up that talk with bipartisan oversight of colleges that seek G.I. Bill funding, bipartisan legislation to close the 90/10 loophole and a bipartisan hearing that puts serious questions to the Education Department's leadership. The public supports standing up for our military. Congress can start by standing up to Secretary DeVos.

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