



# VETERANS EDUCATION SUCCESS

Oral Testimony of

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Legislative Hearing

House Committee on Veterans Affairs  
Subcommittee on Economic Opportunity

July 17, 2019

**Thank you, Mr. Chairman, Ranking Member Bilirakis, and Members of the Subcommittee for the opportunity to comment on legislation before the Subcommittee today.**

**Veterans Education Success is a non-profit organization that provides free counseling and legal assistance to students using their GI Bill and works to advance higher education success for all military-affiliated students.**

**Simply put, the Subcommittee is undertaking critical, common sense solutions to stop waste, fraud, and abuse in the GI Bill. In our view, the very integrity of the GI Bill is under attack. Defrauded student-veterans have lost their one shot at their hard-earned GI Bill. This unacceptable situation is compounded by the fact that the Dept of Veterans Affairs has lacked statutory authority to act on behalf of the veterans they are sworn to serve.**

**Earlier this year, for example, the Education Department cut off Argosy University for stealing federal student aid**

**funds,<sup>1</sup> but VA officials said they lacked authority to protect GI Bill funds. Members may also recall when the Justice Department won a \$200 million judgment from a college chain for defrauding students,<sup>2</sup> and sent the executives of another college to jail.<sup>3</sup> Earlier this year 49 states joined together to recover \$500 million from a college that had defrauded thousands of veterans.<sup>4</sup>**

**Veterans are understandably angry when they learn that a college that defrauded them remained approved for GI Bill, even though other government agencies had cut it off. Taxpayers are outraged when they read news of GI Bill funds continuing to flow to schools raided by the FBI.**

**The VA Inspector General concluded last December that 86% of State Approving Agencies, “did not adequately oversee the education and training programs” and “VBA could not provide reasonable assurance that Post-9/11 GI Bill benefits were paid to eligible schools or that students received quality education and training.”<sup>5</sup> The IG estimated the VA will waste \$2.3 billion over the next 5 years in GI Bill funds going to schools that should not be approved.**

**Today, the subcommittee is saying, “Enough is enough!” and we strongly agree.**

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<sup>1</sup> *Inside Higher Ed*, “End of the Road for Argosy” (Feb. 28, 2019), available at <https://www.insidehighered.com/news/2019/02/28/education-department-boots-argosy-campuses-federal-student-aid-program>

<sup>2</sup> UPI News, “For-Profit College Must Pay \$200M to Forgive Student Loans, Pay Settlement,” (Nov. 17, 2015), available at [https://www.upi.com/Top\\_News/US/2015/11/17/For-profit-college-must-pay-200M-to-forgive-loans-pay-settlement/7611447773298/](https://www.upi.com/Top_News/US/2015/11/17/For-profit-college-must-pay-200M-to-forgive-loans-pay-settlement/7611447773298/)

<sup>3</sup> Department of Justice Press Release, *American Commercial Colleges, Inc. And Its President Sentenced On Federal Charges*, October 2, 2014, available at <https://www.justice.gov/usao-ndtx/pr/american-commercial-colleges-inc-and-its-president-sentenced-federal-charges>.

<sup>4</sup> Iowa Attorney General Press Release, *For-profit school to forgo collecting loans, change practices in agreement with Miller*, 48 AGs, January 3, 2019, available at <https://www.iowaattorneygeneral.gov/newsroom/for-profit-school-education-cec-career-ags-intercontinental/>.

<sup>5</sup> Department of Veterans Affairs, Office of the Inspector General, *VA’s Oversight of State Approving Agency Program Monitoring for Post-9/11 GI Bill Students*, December 3, 2018, available at <https://www.va.gov/oig/pubs/VAOIG-16-00862-179.pdf>.

**VES applauds the many bills before you today, especially the “Student Veterans Empowerment Act” requiring risk-based oversight of colleges that are sued by the federal government for misleading students. We encourage the Subcommittee to consider additional forms of government action that should necessitate a careful check by SAAs of a school’s worthiness to receive GI Bill, as outlined in our Written Testimony, including, for example, when a state agency halts new enrollments, as the Texas Workforce Commission did after finding American Technical College had filed false job placement numbers.<sup>6</sup>**

**In addition, VES commends Chairman Levin’s draft Principles of Excellence bill<sup>7</sup> and Section 3 of the “Student Veteran Empowerment Act” - both of which would align the VA with the Departments of Defense and Education in giving VA authority to take action against schools that violate the VA Principles of Excellence. We urge the Subcommittee to merge these two bills.**

**VES feels strongly that student veterans should have the same rights as their non-vet peers. For example, student veterans should be able to recover their hard earned GI Bill when their school closes. We thank the Subcommittee for restoring full GI Bill after a school closes, in Section 2 of the “Student Veteran Empowerment Act.” We also thank Chairman Levin for his draft bill to give the VA the same**

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<sup>6</sup> *Forbes*, “For-loss education: How investors, lenders stand to lose everything in ATI Enterprises,” January 17, 2013, available at <https://www.forbes.com/sites/spleverage/2013/01/17/for-loss-education-how-investors-lenders-stand-to-lose-everything-in-ati-enterprises/#5da6453f374d>; US Senate Committee on Health, Education, Labor and Pensions, “For-Profit Higher Education: The Failure to Safeguard the Federal Investment and Ensure Student Success” (2012).

<sup>7</sup> Draft bill by Chairman Levin, “To amend title 38, US Code, to require that educational institutions abide by Principles of Excellence as a condition of approval for purposes of the educational assistance program programs of the Department of Veterans Affairs”

**“letter of credit” authority that the ED Department has long used to protect students using Title IV funds.<sup>8</sup>**

**Our Written Testimony provides more detail on the draft legislation considered today.**

**For over 20 years, I’ve had the honor of testifying before this Subcommittee, and, on behalf of Veterans Education Success and my fellow veterans, I am very grateful for your leadership and enduring commitment to those who have proudly worn the nation’s uniform. I look forward to your questions.**

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<sup>8</sup> Draft bill by Chairman Levin, “To amend title 38, US Code, to require that certain educational institutions have letters of credit as a condition of approval for purposes of the educational assistance program of the Department of Veterans Affairs.”