

## Perdoceo Education Corp. Exclusive: VA Letter Gives Company Additional 30 Days to Provide Information Before Making a Determination Whether to Disapprove Enrollment of GI Bill Beneficiaries

On May 26, the Department of Veterans Affairs (VA) sent a [letter](#) to Perdoceo Education Corporation (PRDO) President and CEO Todd Nelson obtained by *The Capitol Forum* giving the company an extra 30 days to provide any additional information or evidence it wishes to submit before the VA makes a decision about whether to suspend the enrollment of new GI Bill students.

Similar letters were sent to [The University of Phoenix](#), [Bellevue University](#) and [Temple University](#). The letters cite the need for further clarification of the corrective action requirements.

Under federal [law](#), the “VA is required to disapprove the enrollment of GI Bill beneficiaries in any school which ‘utilizes advertising, sales, or enrollment practices of any type which are erroneous, deceptive, or misleading either by actual statement, omission, or intimation,’” according to the letter.

Perdoceo recently finalized its acquisition of Trident University International in what appears to be an attempt to [manage](#) American International University’s (AIU) compliance with the 90/10 Rule.

[Trident University International](#) had 2,634 GI Bill Beneficiaries in fiscal year 2018 and over \$10,700,000 in tuition and fees were paid as part of the post-9/11 GI Bill, according to the Department of Defense Voluntary Education Partnership Memorandum of Understanding website. By comparison, [AIU](#) had 390 GI Bill Beneficiaries in fiscal year 2018 and approximately \$3 million in fees were paid as part of the post-9/11 GI Bill.

The schools were initially given 60 days to respond to allegations that their advertising, sales, or recruiting practices were erroneous, deceptive, or misleading, provide evidence that they ceased the prohibited practices and show that they took sufficient corrective action to avoid harm to Veteran students and prospective students going forward, according to the letter. The 60-day period was extended due to the coronavirus.

No corrective action is needed if the school did not engage in the alleged practices.

If the school did engage in any of these practices, the letter details two factors that are conditions for finding that a school has taken corrective action: whether the school has ceased the prohibited actions; and whether the school has taken appropriate steps to ensure future compliance with statutes and VA regulations.

“We have provided the VA with detailed information about our current processes, which we believe should demonstrate to the VA that we are in compliance with their requirements, and that any necessary corrective action for any deficiency they have identified in their letter was previously taken,” Nelson said on the company’s May 7 earnings call.

The company did not respond to request for comment. But, in an [8-K](#) filed May 27, the company said that it “continues to believe that its detailed responses to the VA should demonstrate that any corrective actions deemed necessary to address the matters identified in the VA’s letter were previously taken.”

Walter Ochinko, Research Director at Veterans Education Success was skeptical of the company’s claims. “In court documents, Perdoceo promised that it would cease deceptive recruiting or false certifications, yet it was caught again and again, including in 2013, 2017, and 2019,” Ochinko said, referencing the 2019 settlements with [49 AGs](#) and the [FTC](#), the 2017 \$32 million [false claims lawsuit](#) and the 2013 [NY AG settlement](#).

The VA did not respond to request for comment.