DeVry University Recent Actions and Concerns

DeVry University is currently owned by Cogswell Education LLC, after changing ownership several times in the past from DeVry Educational Group to Adtalem Global Education. Cogswell Education is controlled by private equity firms.

Government and Other Actions

- In 2020, a class action lawsuit brought by alumni against DeVry and its parent company settled for \$44.95 million for manipulating graduate employment statistics and salary outcomes in order to induce students to enroll in Keller Graduate School of Management.
- A 2018 U.S. Department of Veterans Affairs Office of Inspector General <u>report</u> found unsupported claims by the school that 90% of students who actively sought employment achieved it within six months of graduation.
- In 2016, the U.S. Department of Veterans Affairs <u>suspended</u> DeVry's "Principles of Excellence" status for misrepresentations of post-graduation employment outcomes and a failure to provide students with sufficient information on total program costs.
- In 2016, DeVry settled with the U.S. Department of Education over deceptive advertising of job placement rates and graduate earnings. The <u>settlement</u> required DeVry to correct its misrepresentations and post a letter of credit amounting to at least \$68.4 million.
- In 2016, DeVry paid \$100 million to <u>settle</u> a U.S. Federal Trade Commission complaint alleging that DeVry deceptively advertised job placement rates and graduate earnings.
- In 2015, the U.S. Department of Justice <u>investigated</u> DeVry for a failure to provide certain applicants with necessary information on degree and employment requirements. The DOJ ultimately <u>declined</u> to intervene in the related False Claims Act lawsuit.
- In 2013-2014, three state attorneys general (IL, MA, and NY) investigated DeVry for deceptively advertising graduate earnings and having illegal compensation incentive schemes. DeVry was required to pay \$2.25 million in restitution and \$500,000 in penalties and fees as part of a settlement with the NY attorney general.

Student Outcomes

- According to U.S. Department of Education <u>data</u>, (referenced February 5, 2021), of students at DeVry-Illinois (the highest-attended DeVry branch),
 - o 49% of full-time, first-time undergraduates return after their first year at the school.
 - O However, only 19% of students graduate within eight years of entering (counting full-time, part-time, and transfer students). Another 47% of students withdraw within eight years, and 34% transfer elsewhere.
 - After graduation, DeVry students have a median total debt of \$13,159 to \$51,188.
 45% of students with federal loans are either not making progress, defaulted, or delinquent in their repayment after two years.

Other concerns

- By 2016, Veterans Education Success had <u>received</u> approximately 300 complaints from DeVry students, most commonly about DeVry's misrepresentations of total costs, poor quality of education, and misleading recruiting/marketing. Since 2016, Veterans Education Success has received approximately 150 complaints, including that DeVry misrepresented job placement rates, misrepresented total tuition costs, lied about the transferability of credits, and produced poor student outcomes that saddled students with debt and no job prospects.
- As of February 2021, <u>VA</u> has received 30 complaints against the school just in the last 24 months. 40% related to financial issues like tuition and fee charges, and 17% were about the quality of education.
- Only 12.4% of the GI Bill tuition funds received by DeVry in 2017 were <u>spent</u> on instruction.
- In 2013, a former DeVry military recruiter <u>testified</u> before the U.S. Senate Committee on Defense Appropriations about deliberate, high-pressure targeting of military students, including those who failed basic admissions tests, just to gain access to Department of Defense Tuition Assistance funds.
- A 2012 Senate <u>report</u> found that DeVry engaged in very aggressive recruiting of students into high-cost programs with poor student outcomes. The CEO of DeVry was also making over \$6 million a year in compensation, compared to the president of the University of Illinois at Urbana-Champaign who received approximately \$138,000 a year.