Colorado Technical University, American InterContinental University, & Trident University
Recent Actions and Concerns

Colorado Technical University (CTU), American InterContinental University (AIU), and Trident University are owned by the for-profit company Perdoceo Education Corporation, publicly traded on the NASDAQ under PRDO and formerly known as Career Education Corporation (CEC).

Government and Private Actions

- In 2020, the U.S. Department of Veterans Affairs warned that it may suspend new GI Bill enrollments at CEC/Perdoceo schools due to deceptive advertising, sales, and enrollment practices unless corrective action is taken.
- Largest settlement in history: 2019 settlement with 48 states and the District of Columbia for $493.7 million in debt forgiveness to nearly 180,000 former students, plus $5 million to states. The lawsuit stemmed from CEC’s misleading students about the actual value of the programs offered by the schools, specifically by lying about job placement rates and the average incomes of graduates.
- In 2019, the U.S. Federal Trade Commission (FTC) ordered CEC to pay $30 million for sales leads from deceptive websites (“lead generators”) that falsified their affiliation with the military and used other unlawful tactics.
- In 2017, a False Claims Act lawsuit brought against American InterContinental University led to a settlement to pay the United States $10 million.
- In 2016, the U.S. Securities and Exchange Commission (SEC) investigated regarding deceptive or unfair acts or practices in advertising and recruiting.
- In 2015, the FTC investigated regarding deceptive or unfair acts or practices in advertising and recruiting.
- In 2015, Maryland and the District of Columbia investigated the recruitment of students, graduate placement statistics, graduate certification and licensing results, and student lending activities.
- In 2015, the company settled a class action lawsuit for defrauding investors by reporting inflated and false placement rates to its accreditors and misleading investors about the health and condition of the company.
- In 2014, Arkansas, Arizona, Connecticut, Hawaii, Idaho, Iowa, Kentucky, Missouri, Nebraska, New Mexico, North Carolina, Oregon, Pennsylvania, Tennessee, and Washington investigated the company. The inquiries involve subpoenas and civil investigative demands relating to the recruitment of students, graduate placement statistics, graduate certification and licensing results, and student lending activities.
- In 2013, New York settled with CEC for deceiving students about their eligibility for jobs and job placement rates. CEC agreed to pay $9.25 million to students, pay a $1 million penalty, and change how the school calculates and verifies job placement rates.
In 2013, the SEC investigated the company’s previous internal investigation of student placement practices and related matters.

In 2011, Illinois investigated the recruitment of students, graduate placement statistics, graduate certification and licensing results, and student lending activities.

In 2011, the U.S. Department of Education placed CEC schools on Heightened Cash Monitoring status.

In 2011, the U.S. Department of Education investigated misrepresentations made about job placement rates.

In 2010, Florida investigated possible unfair and deceptive trade practices.

In 2010, the U.S. Department of Education performed an audit to determine whether CTU had policies and procedures for administering Title IV and other federal funds.

In 2010, the company settled a class action lawsuit for aggressively marketing using text messaging in violation of federal law.

In 2008, CEC settled a class action lawsuit for $4.9 million. CEC allegedly provided false information to investors regarding the number of qualified students attending its schools.

Student Outcomes

According to the Department of Education’s College Scorecard data (referenced February 5, 2021),

- 41% of full-time, first-time undergraduates return to CTU after their first year at the school.
- However, only 25% of students graduate within eight years of entering CTU (counting full-time, part-time, and transfer students). Another 50% of students withdraw within eight years, and 25% transfer elsewhere.
- After graduation, CTU students have a median total debt of $14,298 to $42,862. 50% of students with federal loans are either not making progress, defaulted, or delinquent in their repayment after two years.

According to the Department of Education’s College Scorecard data (referenced February 5, 2021),

- 40% of full-time, first-time undergraduates return to AIU after their first year at the school.
- However, only 28% of students graduate within eight years of entering AIU (counting full-time, part-time, and transfer students). Another 46% of students withdraw within eight years, and 26% transfer elsewhere.
- After graduation, AIU students have a median total debt of $22,960 to $50,000. 50% of students with federal loans are either not making progress, defaulted, or delinquent in their repayment after two years.

Other Concerns

- In 2019, CEC acquired Trident University International, another for-profit university that raises its own concerns. For example, in 2017, Trident used its access to an event to provide misleading information in order to recruit dependents who had Post-9/11 GI Bill benefits because a parent of theirs had been killed on active duty.

- CTU whistleblowers who have contacted Veterans Education Success report that, as recently as December 2020, CTU has engaged in marketing and enrollment practices that
violate federal law as well as prior settlement agreements, with a deliberate focus on military and veteran students.

- As of February 2020, Veterans Education Success had received 228 complaints from CTU students:
  - Nearly 45% related to financial concerns – often tuition and fees being higher than promised. Many veterans allege CTU promised them a “veteran discount” that never existed.
  - 29% raised their inability to get jobs after graduation despite promises by the school.
  - 28% complained of deceptive recruiting or marketing practices.
  - 22% said they had loans they did not authorize.
  - 18% said the education was very low-quality.
  - 18% said their credits were not transferable, despite being promised they would be.
  - 10% said the school changed the degree requirements after they started.

- As of February 2021, VA has received 28 complaints against the school just in the last 24 months. 60% related to financial issues like tuition and fee charges, and 32% were about the quality of education.

- Only 8.2% of the GI Bill tuition funds received by CTU in 2017, and only 9.4% of the GI Bill tuition funds received by AIU in 2017, were spent on instruction.