



**VETERANS
EDUCATION SUCCESS**

MEMORANDUM

**VETERAN AND SERVICEMEMBER COMPLAINTS ABOUT MISCONDUCT
AND ILLEGAL PRACTICES AT CAREER EDUCATION CORPORATION
SCHOOLS**

SEPTEMBER 2021

I. Introduction

This memo analyzes and provides representative examples of over 500 complaints from military-connected students who attended schools owned by the Perdoceo Education Corporation, formerly known as the Career Education Corporation and referred to herein as CEC.¹ These complaints by GI Bill beneficiaries—both veterans and eligible family members—and active-duty servicemembers using Defense Department (DOD) Tuition Assistance (TA) benefits were received by Veterans Education Success over approximately the past 7 years. We also summarize information provided by three whistleblowers whose comments echo issues raised by these complainants. This memo begins with a catalogue of the numerous settlements and investigations of this publicly traded chain by both federal and state entities.

II. Enforcement Actions and Investigations by Federal and State Authorities

The enforcement actions and investigations against CEC schools largely involved allegations of misleading advertising and recruiting, the leading complaint topic cited by military-connected students.

- In 2020, the U.S. Department of Veterans Affairs (VA) [warned](#) CEC that unless corrective action was taken, it might suspend new GI Bill enrollments at the company's schools due to allegations of deceptive advertising, sales, and enrollment practices outlined in its 2019 settlement with 48 states and the District of Columbia. Under Title 38 U.S.C. § 3696, VA is [prohibited](#) from approving the enrollment of GI Bill beneficiaries in any institution that utilizes advertising, sales, or enrollment practices of any type that are erroneous, deceptive, or misleading either by actual statement, omission, or intimation. On July 2, 2020, VA [announced](#) that evidence provided by CEC indicated that sufficient corrective actions had been taken to avoid suspension.
- In 2019, CEC reached a [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. Their investigation [revealed](#) that CEC:
 - Used emotionally-charged language emphasizing the pain in prospective students' lives to pressure them into enrolling in CEC's schools;
 - Deceived students about the total costs of enrollment by instructing its admissions representatives to only inform prospective students about the cost per credit hour without disclosing the total number of required credit hours;
 - Misled students about the transferability of credits into CEC from other institutions and out of CEC to other institutions by promising on some occasions that credits would transfer;
 - Misrepresented the potential for students to obtain employment in the field by failing to adequately disclose the fact that certain programs lacked the necessary programmatic accreditation, which it knew would negatively affect a student's ability to obtain a license or employment in the student's field of study; and

¹In January 2020, CEC rebranded itself as Perdoceo.

- Deceived prospective students about the rate that graduates of CEC programs obtained a job in their field of study, thereby giving prospective students a distorted and inaccurate impression of CEC graduates' employment outcomes.
- In 2019, the U.S. Federal Trade Commission (FTC) [ordered](#) CEC to pay \$30 million to settle charges that the company had used sales leads from deceptive websites (“lead generators”) that falsified their affiliation with the military and used other unlawful tactics.
- In 2019, the U.S. Department of Education (ED) renewed American InterContinental University’s (AIU) Title IV Program Participation Agreement, but the school remained on [provisional certification](#) due to an ongoing regulatory review. AIU had delayed disbursement of about \$40 million in Title IV funds to students in order to manage its compliance with the requirement that a for-profit school can receive no more than 90 percent of its revenue from federal student aid.
- In 2017, a False Claims Act lawsuit brought against AIU led to a [settlement](#) that required CEC to pay the United States \$10 million. According to an [article](#) on the lawsuit, the whistleblowers alleged that the school “enrolled students who were illiterate and students who did not have a high school diploma. AIU also reportedly rewarded their recruiters with bonuses, which directly correlated with the number of students they enrolled. The Southern Association of Colleges and Schools, which accredited AIU, put the university on probation in 2006 and 2007, for awarding recruiters and enrolling students without a high school diploma or an equivalent.”
- In 2016, the U.S. Securities and Exchange Commission (SEC) launched an [investigation](#) of the company’s classification of Le Cordon Bleu Culinary Arts campuses as “held for sale within discontinued operations, subsequent sales process and CEC’s related public disclosures.”² Le Cordon Bleu students settled several lawsuits, and CEC [closed](#) all of its campuses.
- By 2016, numerous states had launched [investigations](#) of CEC.³ The Attorney General of Connecticut served as the point of contact for inquiries received from the attorneys general of the following states: Arizona, Arkansas, Connecticut, Idaho, Iowa, Kentucky, Missouri, Nebraska, North Carolina, Oregon, Pennsylvania, and Washington (January 24, 2014); Illinois (December 9, 2011); Tennessee (February 7, 2014); Hawaii (May 28, 2014); New Mexico (May 2014); and Maryland (March 16, 2015). In addition, CEC had received inquiries from the attorneys general of Florida (November 5, 2010), Massachusetts (September 27, 2012), Colorado (August 27, 2013), and Minnesota (September 18, 2014). The inquiries are civil investigative demands or subpoenas that “relate to the investigation by the attorneys general of whether the Company and its schools have complied with certain state consumer protection laws, and generally focus on the Company’s practices relating to the recruitment of students, graduate placement statistics, graduate certification and licensing results and student lending activities, among other matters.”
- In 2015, the FTC [investigated](#) allegations of deceptive or unfair acts or practices in advertising and recruiting by CEC.
- In 2013, the company settled a [class action](#) lawsuit for \$27.5 million for allegedly defrauding investors by reporting inflated and false placement rates to its accreditors and misleading investors about the health and condition of the company.

²See p. 15 of hyperlink.

³See p. 18 of hyperlink.

- In 2013, New York [settled](#) with CEC for allegedly 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 2012, the SEC began an [investigation](#) of CEC’s own previously announced internal investigation of student placement practices and related matters.⁴
- In 2011, ED [placed](#) CEC schools on Heightened Cash Monitoring.⁵
- In 2011, ED began an [investigation](#) of alleged CEC misrepresentations about job placement rates.⁶
- In 2011, CEC settled a [class action lawsuit](#) for \$40 million following allegations that the California Culinary Academy had misled students by including graduates whose jobs did not require a degree in its job placement rates.
- In 2010, the ED Office of Inspector General opened an [audit](#) to determine whether Colorado Technical University had policies and procedures for administering Title IV and other federal funds in accordance with applicable federal law and regulation.⁷
- In 2010, the company reached a \$20 million [settlement](#) in a class action lawsuit alleging aggressive marketing using text messaging in violation of federal law.⁸
- 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.

III. Complaints by Military-Connected Students

A. Number of Complaints Received by Veterans Education Success

As of September 17, 2021, Veterans Education Success had received 520 complaints from military-connected students who attended nine schools owned or operated by CEC. Six of the nine school brands closed between 2008 and 2017. As shown in Table 1, 83 percent of the complaints were against CEC schools that are still enrolling students: Colorado Technical University (CTU), American InterContinental University (AIU), and Trident University International (TUI). CEC purchased TUI in 2020 and merged it with AIU, which impacted [AIU's 90/10 compliance issues](#). Purchasing Trident lowered AIU’s 90/10 compliance score, which was close to the 90 percent cap on Title IV revenue. TUI enrolls a large number of military-connected students, whose revenue is currently counted with the 10 percent of revenue schools must obtain from students who do not rely on federal student aid to pay tuition.

Table 1: Complaints Received by Veterans Education Success from GI Bill Beneficiaries and Servicemembers about Schools Owned by CEC/Perdoceo, as of September 17, 2021

Campus Brand Name (closure dates)	Number of Complaints
Colorado Technical University	239
American InterContinental University	149
Sanford Brown (2011-2015)	73
Trident University International	46

⁴See p. 48 of hyperlink.

⁵See p. 15 of hyperlink.

⁶See p. 15 of hyperlink.

⁷See p. 16 of hyperlink.

⁸This hyperlink documenting this settlement is to a website that requires a subscription. This [link](#) outlines the nature of the allegations against and settlement with CEC.

International Academy of Design and Technology (2015)	6
Brooks Institute (2016)	3
Le Cordon Bleu (2017)	2
Brown College (2017)	1
Gibbs College (2008)	1
Total	520

Source: Veterans Education Success Complaints Database, extracted September 17, 2021.

B. Categories of Complaints Received by Veterans Education Success

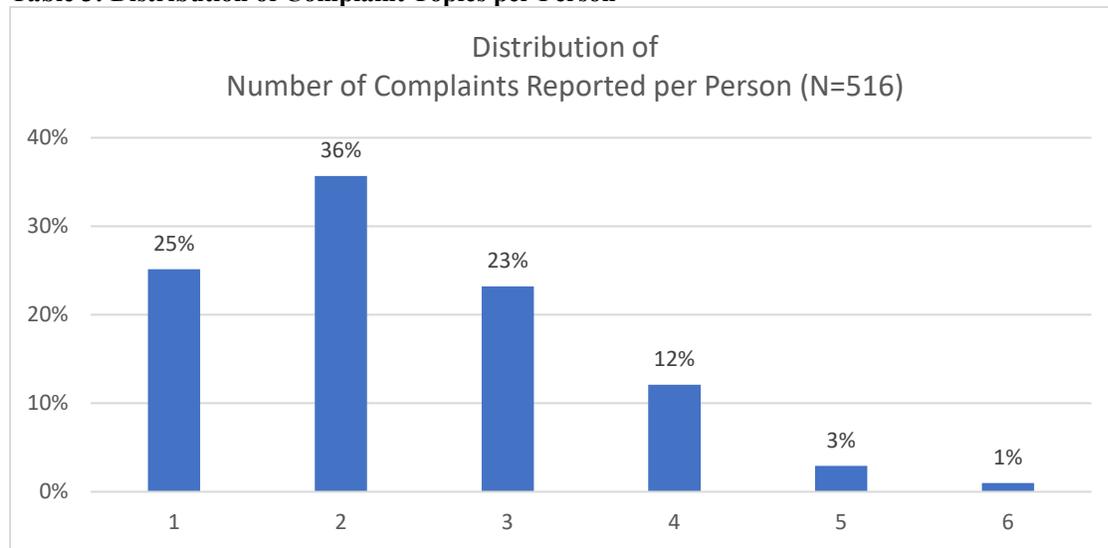
We identified nine categories of complaint topics about CEC schools from the 520 military-connected students who contacted us (see Table 2). The average number of issues raised per complaint was 2.3. However, about 39 percent of military-connected students raised from three to six issues about the CEC school they attended (see Table 3).

Table 2: Categories of CEC Complaints by Military-Connected Students

Topic	Complaints Citing This Topic	Percentage
Recruiting and Marketing	240	20
Student Loans and Financial Aid	198	16
Post-Graduation Job Opportunities	184	15
Accreditation and Transferability of Credits	147	12
Other	117	10
Quality of Education	112	9
Program Costs	107	9
Changes in Degree Plans or Requirements	56	5
Transcripts and Diploma Release	52	4
Total	1,213	100

Source: Our analysis of 520 complaints by military-connected students who attended nine CEC-owned schools.

Table 3: Distribution of Complaint Topics per Person



Source: Analysis of complaints against CEC schools received by Veterans Education Success.

The 520 complaints about CEC schools often alleged similar misconduct that demonstrates a worrisome pattern of behavior by this for-profit company. The consequences for military-

connected students were devastating because they wasted valuable educational benefits pursuing credentials that left many worse, not better, off.

C. Whistleblowers

Veterans Education Success was also contacted by whistleblowers who were current and former employees of the schools discussed in this memo, and their comments are summarized prior to complainant narratives related to each complaint topic. “Employee 1,” a Career Education Corporation/Perdoceo employee of over 4 years, contacted Veterans Education Success in December 2020. Employee 1 was an online admissions advisor who had worked with military students and reported a vast amount of misconduct, some of which continued and even worsened after CEC’s settlement with the FTC in August 2019. Another employee (“Employee 2”) had worked for eight years as a Retention Advisor at Colorado Technical University (CTU) upon contacting Veterans Education Success in 2018. Employee 2 alleged a lot of concerning information about recruiting, enrollment, and financial aid. A third employee (“Employee 3”) has been a professor at CTU since 2003. Employee 3 contacted Veterans Education Success in August 2020 to share concerns about the quality of education being provided by the school. The allegations made by these employees echo the information reported in student complaints and add additional context to complaints by military-connected students.

D. Complaint Narratives Organized by the Problems Military-Connected Students Identified

The following complaint narratives are direct quotes from the military-connected students who contacted Veterans Education Success. In a few instances, our staff reported the complaints following conversation, and, in those instances, the narrative is in the third person without quotation marks.

Recruiting and Marketing

The top complaint category involved problems with recruiting and marketing, which were identified in 240 of the 520 complaints, constituting 20 percent of the complaint topics.

Military-connected students said that CEC recruiters used aggressive, high-pressure recruiting tactics, including repeated calls that were labeled by some complainants as relentless or harassing. In addition, CEC staff provided misleading information about the degree program in which students were enrolled, their ability to transfer credits, and their post-graduation employment prospects. In particular, military-connected students were appalled about the way they were treated after being assured by recruiters that CEC schools were military-friendly and treated military-connected students with the utmost respect. As these complaint narratives demonstrate, nothing could be further from the truth. In one example, CEC student R.P. told us, “I was heavily recruited with AIU 4 years ago. Constant and persistent phone calls. Once enrolled, I requested entry level courses to learn the online class structure. As soon as my transcripts arrived from community college of the Air Force, I was automatically removed from my entry level course and put in a higher class already weeks into the semester. I was expected

to know certain aspects of college work that I have been away from for almost 20 years and easily became overwhelmed, ultimately having to dropout.”

Students alleged that they were falsely told that program costs, quality, accreditation, ability to transfer credits, and employment prospects were comparable to other schools. In fact, many students said that CEC’s tuition was “ridiculous” and “overpriced.” These students said they ended up with significant student loan debt even though they were promised that their GI Bill or DOD education benefits would cover tuition.

Background. Forty-five years ago, Congress [banned](#) the GI Bill participation of schools that rely on misleading advertising and recruiting to enroll veterans and eligible family members. The ban was a response to contemporaneous findings of investigations of predatory schools. Despite numerous law enforcement settlements with schools, many of them chain-owned, over deceptive advertising and recruiting since enactment of the Post-9/11 GI Bill, the Department of Veterans Affairs (VA) is not enforcing the 1974 ban.

In August 2009, the new, more generous Post-9/11 GI Bill started paying educational benefits for eligible veterans and family members. The availability of this significant new revenue stream led to yet another [cycle of scandal](#) where low-quality, high-cost predatory schools engaged in misleading advertising and recruiting to enroll GI Bill beneficiaries.

Predatory schools are [incentivized](#) to aggressively recruit veterans because of a statutory loophole in the Higher Education Act—the educational benefits of military-connected students are excluded from the requirement that schools receive no more than 90 percent of their revenue from Title IV. For every dollar a predatory school receives from the GI Bill or DOD educational benefits, it can receive an additional \$9 from individuals who depend on Title IV to pay for their tuition and living expenses. As Holly Petraeus [wrote](#) in the *New York Times*, this loophole “gives for-profit colleges an incentive to see service members as nothing more than dollar signs in uniform, and to use aggressive marketing to draw them in.”

CEC student T.N. shared with us, “They offer a veteran rate but when you look at what they actually charge, it is the same as the charge everyone. When you try to get it adjusted they make a big deal about it and ask why I care when my GI Bill pays what they bill.” Another CEC student, J.B., said, “I graduated from CTU in July of 2017, every one of those questions regarding false promises applies to my situation. After spending 50k in GI benefits I figured I would be able to find a job that didn’t require as much manual labor and the admission person told I’d have no problem finding a job, lifetime employment placement. None of that was true.”

The 2012 Senate Health, Education, Labor, and Pensions (HELP) Committee [report](#) documented aggressive and misleading recruiting by predatory schools, and U.S. Government Accountability Office [undercover agents](#) found deceptive recruiting by all of the 15 schools it investigated.

Since the release of the Senate HELP report, [numerous schools](#) have settled with a law enforcement entity or had a final judgment rendered that documented misleading claims about quality, transferability of credits, job placement rates, post-graduation salaries, accreditation, and costs. Indeed, some schools have settled lawsuits [multiple times](#) and [6 of the 10 schools](#)

receiving the most Post-9/11 GI Bill tuition and fees from fiscal years 2009 through 2017 faced law enforcement action for deceptive recruiting.

A December 2018 [report](#) by VA's Office of Inspector General (OIG) found that oversight of programs that enroll GI Bill beneficiaries was inadequate and that VA and the State Approving Agencies (SAA) with which it contracts to oversee schools are not holding schools accountable. The most common oversight weakness entailed potentially deceptive advertising. 90 percent of these misrepresentations occurred at programs offered by for-profit schools. The misrepresentations included false claims about job placement rates, accreditation, and post-graduation earnings. Veterans Education Success has received complaints of this nature about CEC schools. For example, student D.L. stated, "I attended for close to 3 years and at the time I applied and was accepted they had really shady practices going on. They'd lied about job opportunities and hire rates post graduation. They'd lied about credits transferring. Many veterans and even regular students like myself have been wronged by this university." Similarly, student M.G. said, "I filled out an online request to learn more about going back to school in my late 30's (2006-2007). I received replies from several schools, but Colorado Technical University was relentless in their recruiting calling 2-3 times a day every day. They made promises of reduced tuition costs for veterans, no application fee, guaranteed job placement program, and more... Well, 3 years of online schooling, and repeated attempts to go through their job placement service, never received a single return e-mail or phone call. With that being said, I never got that guaranteed placement that I was expecting."

The OIG projected that improper payments, overwhelmingly made to for-profit schools, would total \$2.3 billion over the next 5 years if VA did not strengthen oversight.

Whistleblowers. Employee 1 told us about concerning behavior in the recruiting of students. Employee 1 shared that "one of the most prominent parts" of recruiters' training was how to "overcome objections" from students, and that getting students to enroll immediately was discussed daily in team meetings. On the other hand, there was little to no training on what was illegal or improper behavior for recruiters. Furthermore, admissions advisors were encouraged to use personal information about students to "emotionally manipulate" them into enrolling, using tactics such as "shaming and embarrassment." Employee 1 stated that using misrepresentations to enroll students was "commonplace and pushed from the Vice Presidents." Supervisors encouraged advisors to act, saying, "Act as if you are in a position of authority while speaking so a student will do what you say." Employee 1 also recounted how an executive told advisors to "remove your thoughts and feelings about [the ethics of the job] and completely focus on getting the job done."

Employee 1 shared, "Pressure from management came from the top down, and with each layer of management came an additional layer of pressure. This pressure eventually landed on the recruiter, who then in turn put it onto the student. A toxic culture of fear was fostered. Recruiters are pitted against one another and pushed to break the rules and cross the lines into unacceptable behavior."

Employee 1 also shared many concerns about CEC's phone call policies. Employee 1 said that management told advisors in person and on Skype and Zoom to disregard the call policies as

written on paper. Students were routinely called much more than three times a day, often by multiple recruiters. Advisors were taught to spoof numbers. Students were contacted early in the morning or late at night, with “no restrictions” on the times that students could be called, and in addition to calls, they received texts, emails, and messages through CTU Messenger. Students who asked to be put on the Do Not Call list were not put on any such list and were still called, sometimes as often as 15 times a day. Management would complain about how much money was being wasted or lost when leads were added to the Do Not Call List. Employee 1 also shared that, upon giving notice about leaving the company, management told Employee 1 to contact students more than three times a day, in violation of written policies, because Employee 1 was leaving the position anyway. He stated that advisors signed a disclosure form regarding misleading practices following the FTC settlement, stating that they would not violate ‘do not call’ rules, but management told these advisors to keep violating the rules anyway. Employee 1 shared that the decision to violate Do Not Call policies and the pressure to make misrepresentations in order to enroll students came from a high level (Vice Presidents).

These claims are corroborated by student complaints. For example, student D.S. stated, “I was relentlessly called before enrolling and relentlessly called to refer others once I graduated. I changed my number to get away from it.” Student H.N. said, “The recruiter called me 3 times within 30 minutes and never left any messages so I never knew who it was. When I finally got a chance to call the number back no one was available to take my call. Which led into the weekend and then onto the following week. That Monday I again received numerous calls, with no messages, and when I called back I would have to wait 30-45 minutes before I could talk to someone. When I finally did get to talk to someone it was as if they really needed me to go to school there and that it seemed as if I would not have benefited from going to school there.”

Employee 1 also spoke of a monthly requirement for the number of students that each advisor must “book” for the schools. Employee 1 stated that an Admissions Advisor is “actually a high-pressure sales position in disguise”, and Employee 2 stated that Admissions Advisors are “strictly sales.” Employee 2 elaborated that monthly enrollment goals are accomplished by the number of students who submit a discussion board post after the first week of the first session, because that is when tuition can be charged. Admissions Advisors are placed on performance improvement plans and eventually terminated if they do not meet a certain number of enrollments. Some students also become aware that the admissions department is more interested in sales. Student S.M. said, “I was kinda stuck into a two year program at AIU online from a ultra high pressure sales... I guess what the school calls admission Rep these day's.”

Employee 1 also said that management consciously targeted military and veteran students as a result of the 90/10 rule. He said, “Military students were being defrauded by Perdoceo while Perdoceo simultaneously used them for better press and to cultivate a better image.” Various departments and admissions teams were converted into military recruitment teams, and resources were funneled toward reaching out to military-connected students. Despite the push to recruit military-connected students, advisors were given almost no training on veterans’ benefits or other aspects of the military or veteran experience. Employee 1 worked with military and veteran students for years without ever knowing what “Yellow Ribbon” meant. He was told that military students were the same as any other students in the sense that “it is just another sale.”

Students reported that they did not feel like the schools honored their promises. For example, student J.B. shared, “They pushed themselves as a military friendly school. None of my military credits were ever taken into consideration. There are at least 3 college courses I took with CTU that were in my ATRRS [[Army Training Requirements and Resource System](#)].” Student D.L. said, “I was enrolled with CTU for 4 years. I was told in the beginning it qualified as a veterans plan, because my husband that passed away in July of 2006 was a Veteran. NOT so after I had attended for a few years they said that it did not qualify.”

Although a professor, Employee 3 has concerns about CTU’s recruiting department because of what students share. Students have told Employee 3 that they plan to go to Stanford Law after CTU, or that they will have all of their student loan debt wiped away. Employee 3 thinks that these ideas must be coming from the recruiters.

Employee 1 also raised some concerns about lead generators that were in use by the company. Some leads did not know they would be talking to a university, but instead thought that they were in a job interview, often with Coca-Cola. The leads told the recruiters that they had been in the middle of a job interview, and the prospective employer recommended that they start classes with CTU to advance their career. Other leads were drawn in with the promise of a free computer or a \$6,000 stipend, neither of which was truly being offered by the school.

Employee 1 said that recruiters were forbidden from correcting the misunderstandings of students who found CTU through lead generators. They were instead encouraged to “work with” the misunderstandings, neither confirming nor correcting them. Employee 1 said, “I enrolled many students who held a fundamental misunderstanding of what they would receive and could expect because of the false statements of lead generators who transferred these student leads to me.”

Additional Complainant Narratives.

- “They seemed very positive towards the military. As much as they were publicizing their school, I thought for sure that the Federal Government kept an eye on them; seemed very credible.” (J.A.)
- “Upon completing my degree plan, I was assisted with job searches. None of these searches were relevant to the level of my degree. I was told with an MBA I would be able to easily secure a high paying position. This was not and is still not the case. I have never been able to obtain a position starting more than \$15.00 per hour. Not nearly enough to be able to fulfill my loan repayment obligation.” (K.P.)
- “With my credits from the military and from the previous college I attended, I was told I would receive a bachelors degree in business administration. I took the classes, passed them all, graduated and got an associates degree in business administration. I think my tuition is inflated to show that as well.” (M.E.)
- “There was tuition cost that i ended having to pay for and my student loans were trying to be charged while I was still in school when I was told that I wouldn't have to worry about them until after I graduated.” (M.K.)
- “I was swindled into signing back up when I told them I was unable to complete the amount of classes I initially started with... The girl told me I wouldn't have to take that

many... Needless to say I was assigned a full course and before the classes started I called and said I can't do all these... They said It was ok and I could I pull my name... Next thing I know I owe the entire class price out-of-pocket.” (Z.F.)

- “This school continued to sign me up for more than one class at a time even though I told them I was part time. I had family issues to deal with while my husband was deployed. This school now continues to harass me even though I have told them I am not interest in coming back.” (B.R.)
- “I was recruited by just inquiring. I had questions and specifically told them I had questions only first thing I knew I was enrolled.” (E.S.)
- “Finished an associates but didn't help with mt employment. Was called several times about taking it to a Bachelors. They kept calling and calling when I first decided to look for a college, pushing there college on me, I felt rushed to make a decision. I have yet to discover if any of my credits are transferable to other schools.” (E.W.)
- “I was recruited by a phone call from CTU. Everything I was told about the pricing and the classes at the school were incorrect. I was misled from the beginning.” (J.H.)
- “Recruiter called everyday ... felt like I was being harassed and was told that I would that the degree would change my life. Now I have a lot of debt.. was not told that ctu was a for profit school.” (J.M.)
- “Throughout the process of enrolling and attending they hid the actual cost of school along with over selling me on the potential of a job after getting my degree.” (J.C.)
- “I was told that my GI Bill benefits would cover the cost of my tuition in full and that I would have no out of pocket expenses. Now, 2 years after graduating, I still have \$5000 left on my student loan.” (K.S.)
- “I was never able to find a job after receiving my BS BA and my MBA in Hospital Administration. They promise and let people believe they have a success rate of 85%. Loans of \$90,000+.” (K.P.)
- “I transferred to Colorado Technical University to better my education in criminal justice. I was told while in my interview that my GIBILL and my military tuition assistance would cover the cost and be the same as it was while going to University of South Dakota. After completing my in process to CTU I had a lot of problems with tuition reimbursement and my GIBILL. Now I am \$30,000+ in debt and cannot afford to pay my tuition payments.” (M.K.)
- “They fed me a lot of misleading information about the curriculum, and the majority of the Criminal Justice program that I decided to pursue had the same information presented in different classes. I decided to withdraw from the school after I completed a full semester....” (N.W.)
- “I was told there were plenty of job opportunities in the Medical Billing and Coding field. But they won't hire you unless you have least two years experience. But how am gong to get the experience if they won't hire me. The also told us before we graduated get hired and then worry about getting certified. Well that's not right either. They are looking for you to be certified first.” (R.D.)
- “Looked on line then would have people call to say they were prior service also to sway you to sign up. Once I signed up the loans started to pile up.” (R.S.)
- “I had no problems with the recruiting techniques for my bachelors degree. However, they seemed overly coercive to sign me up for my MBA. Even saying that I would need the MBA to be taken seriously with an online degree for my Bachelors degree.” (R.R.)

Student Loans and Financial Aid

The second most frequent complaint category was student loans and financial aid, which was identified in 198 of the 520 complaints, constituting 16 percent of the complaint topics.

Military-connected students could not understand why they graduated with so much student loan debt given the educational benefits available to military-connected students. Some students incurred loan debt in the tens of thousands of dollars. They complained about being told that they had to take out loans “just in case” and that the loans would be repaid (they were not) once the school received the tuition and fees payments for their enrollment. For example, student M.W. told us, “I never knew that I was applying for financial aid in addition to using my tuition assistance, Colorado Technical University just told me that in order to enroll I must also fill out financial aid just in case the military don’t pay. So I did, Once I graduated, I got a bill in the mail from student loans.” Student M.R. shared, “Made me apply for student loans even though I was enrolled in VA voc rehab.” Similarly, student K.R. stated, “When I first enrolled I received quite a bit of email insisting that I had to apply for student loans; as a VA Voc Rehab student everything was covered... yet I kept receiving these nastygrams insisting that I could not attend until I applied for loans. I did call and they did attempt to sell me on the idea of student loans, I pushed back. The student loan harassment finally ended.”⁹

Some students indicated that the loans were taken out without their permission or that they did not know that they had loans until they graduated. This happened to CEC student S.M.: “I had to take \$30,000 in student loans that I didn't know about till I owe it.” A few students complained that CEC officials used loans rather than their military-education benefits. Student D.M. shared, “I used AD [active duty] TA and ended up getting loans over \$40,000 and as of today I still don't know why. I used my TA and that should have paid for more than it did. My degree isn't great. Plus I was pushed in to an MBA program that has no credit to any company.” Some students alleged that they were tricked into high-interest-rate loans, which may have been private rather than federal student loans. Student G.L. reported, “When i signed up for colorado technical univeristy i told them that i did not need any grants or loans. I recently found out that the school had me enrolled in a high interest loan and claim i owe approximately 6k.”

Background. Many GI Bill students report that loans were taken out in their names without their authorization or understanding. This can happen because colleges are trying to hide the fact that their tuition is higher than the GI Bill will cover (an important difference given that, by statute, GI Bill students receive the in-state rate at all public colleges). Although they are rarely told, it can also happen because for-profit schools want students to take out loans that may arrive more quickly than the GI Bill tuition payments. For example, student J.P. stated, “When I enrolled in the school I was instructed by their financial planner that I would need student loans to cover the up front tuition since the GI Bill paid for previous months and my tuition would need to be paid

⁹Vocational Rehabilitation and Employment (now known as Veteran Readiness and Employment) is available to qualified veterans with a service-related disability. It offers a path to employment, including one [option](#) that focuses on obtaining additional education or training in order to pursue a new career. Unlike the GI Bill, it can pay the full cost of tuition and fees, substantially reducing if not eliminating the need for student loans. See Part V, Section B Chapters 1 & 7 of the VA [VR&E program manual](#) for additional details.

ahead of time in order to begin classes. I have since defaulted....” Similarly, student Z.G. shared, “I somehow owe 4k to a loan that was not supposed there. When gi bill came in to use, the loan was suppose to be wiped out. Now I’m defaulted in the student loans and currently paying on it.”

In the end, the veterans are left holding the bag with some not realizing they have loans. While some loans are authorized by veterans, too many are not. Many students reported that they did not know that the CEC school they were attending was taking out loans on their behalf. For example, student R.M. said, “I have also filed for student loan discharge showing the violations that they committed as well as the information showing that I was not aware or informed of the student loans that I was taking out, it was presented to me as a financial hardship grant because I was a single mother at the time and could not afford to attend school. This school continuously committed unfair and predatory practices.” Student K.S. shared, “well I used my gi bill to cover cost on my last 2 degrees and then get student aid relief thinking that I only had \$10,000 in student loans to find out that on top of gi bill AIU had put in for other student loans so now I am up to around \$25,000 without even knowing about the additional loans.”

Similarly, many predatory schools use a process of quickly enrolling students to both maximize their recruiting numbers and mislead students so that they do not fully understand the cost and financing of their enrollment decision. Tactics used include not fully explaining the true cost of tuition or the financing process, having students sign their names on electronic devices not knowing they were registering for loans, or forging students’ signatures. One veteran we worked with, Eric Luongo, [testified](#) to Congress last year he still has over \$100,000 in student debt from a for-profit college, even though he was assured he could attend for free through funding from his GI Bill and Pell Grants.

A 2012 Senate Committee [investigation](#) found numerous examples of for-profit schools’ using techniques like “creating urgency” and misleading students as to start dates to persuade the students to enroll immediately. One veteran, [Travis Craig](#), whom our organization assisted, told House Veterans Affairs Committee Chairman Takano: “*The admissions process was very rushed. We signed everything on electronic notepads so we didn’t know what we were signing. . . Me and other veterans out there, they took out loans in other people’s names as well.*” Travis is one of many veterans who told his school he did not want any loans but wound up with lots of debt. CEC student A.C. said, “They also took out a student loan even though I specifically told the school that I ONLY wanted to use the VA and my TA.”

Several students shared that they incurred student loans despite believing that their government benefits were going to cover the entire cost of tuition. Student M.S. reported, “I have been asking for a longtime why I needed to have student loans, when I have the Tuition Assistance and GI Bill. I am still paying on two loans since graduation back in 2009-2010. In combination I owe over \$12,000 between the two student loans.” Similarly, student S.T. shared, “I was told by AIU that everything would be covered by my GI Bill but before you know it I had to take out student loan of about \$12,000 which I still owe \$9,000 of.”

Whistleblowers. Employee 1 corroborated student reports that CEC schools encouraged students to take out loans before their veterans’ benefits arrived. Admissions advisors were instructed to

push up start dates for veterans, even before their benefits had been secured, which forced many students to take out unnecessary student loans or pay tuition out of pocket. They were instructed to ensure students that the money would work itself out.

Employee 1 also shared that the school will “re-use” students’ signatures from other documents on financial aid documents. Then the school will tell the students that they are set to start school, often without explaining the full financial implications of what was done without their knowledge.

Employee 1 stated that the school would “overload” the financial aid in the beginning, so that there would be no funding left for students while they are trying to finish their degrees. Then students would be led to sign a student payment contract (e.g., to cover debt owed to CEC schools).

Employee 1 noted that students often do not know that they are signing a student payment contract. Some individuals did not understand what they were signing or were confused as to why it was necessary, since they were supposed to have their tuition covered by other means. Other students indicated acceptance of the student payment contract without their knowledge. There is only a button to click in the online application process (nothing to sign), so some students clicked through the whole application without knowing there were any financial implications. In addition, advisors sometimes clicked the button without student knowledge.

Employee 1 also shared that CTU fudges financial aid documents for students in default. Students in default cannot get federal funding without a default clearance letter. Perdoceo will enroll students who have defaulted student loans before there is a default clearance letter on file and allow students to start classes in the meantime. If the student gets the default clearance letter, Perdoceo will share the information with the financial aid team for processing. However, if the student cannot get the default clearance letter, the student will have both defaulted loans and charges owed to CTU. This means that students are being enrolled in classes at CTU before CTU is sure that the student has the ability to pay on current debts or take on additional debts, and before the student is aware of what the true costs will be. Employee 1 also shared that students who default are shuttled among CTU, AIU, and Trident.

Employee 2 shared that students complained about unauthorized loans “all the time.” Students are often confused by what they are told by financial aid representatives, and information is “often withheld” in financial aid conversations. Some examples of confusion or misconduct created by the financial aid department follow. Student C.M. said, “I thought they were charging TA and instead I still have \$20,000 of student loans. I would have never gone to the college if I knew it would have caused me so much debt.” Student J.L. shared, “I wanted to use my VA bill money to pay for courses, yet they insisted they needed to use student loan money as a means for payment. Their excuse was that it was easier for their billing department.” Student B.E. spoke to a Veterans Education Success employee, who recorded the student’s experience: “Colorado Tech’s VA representative misled him into thinking he had benefits that would cover most of his tuition. Rushed him into signing FAFSA [Free Application for Federal Student Aid] forms, “just in case” it was needed. Ended up with \$70,000 of debt.” Many more examples can be found below.

Additional Complainant Narratives.

- “I was awarded a pell grant for \$5,000 and had to pay it back.” (C.S.)
- “I went to American Intercontinental University online and my gi bill footed the bill, but surprisingly had to get a student loan of over 12,000 bucks without my knowledge. Wtf. How deceiving is that? Now I have to pay it back when I was told the gi bill would take care of it. Hmmm.” (J.G.)
- “AIU said that i signed a promissory letter stating i would pay back any loans then they said i signed and cashed 2 checks totalling over 7,000 dollars and they have been taking my income for yrs now bc of it. I have asked for copies of the checks and letter and have recieved nothing.” (K.S.)
- “I began looking into different schools but the one that continued to pop up everywhere I looked online was American Intercontinental University Online which would accept my GI Bill. The problem was that I also had to sign up for student loans and I had believed that the GI Bill would cover all my costs. I started in January of 2007 and graduated with my Associates in Business Administration in August of 2007.” (O.R.)
- “I attended AIU Online under the Post 9/11 Montgomery GI Bill. Upon enrolling, AIU need me to sign a Master Promissory note with Salley Mae which I did not need to do because I'm a Purple Heart Veteran.” (Q.S.)
- “AIU lied to me saying I wouldn't have to pay back my student loan I only finished one unit and now I owe \$4,000 for one unit introductory I've been trying to get ahold of Financial education and they won't even listen to me saying I have to pay it back I was told I wouldn't have to pay back the money but I didn't even finish the introductory-level only one unit that's two weeks of school the they waited for me to get the loan and then they drop me please help me because it seems like I'm just getting the runaround.” (R.A.)
- “I had student loan repayment on my contract and it seems nothing was ever paid out. I was given several loans. More than I originally agreed to. Now I'm in default.” (S.A.)
- “Upon enrolling into CTU...I stated that I can't afford to re pay the loans. She then stated I didn't have to..they also took the loan out without my knowledge...I still owe them...I can't receive my Degree until it's paid off...CTU..lied about courses they had...I went so many rounds with them about all the crap they said...I got like 70,000 to repay but also I got a degree I've never seen and can't use...but I gotta repay loans...im struggling to make ends meet...that was the whole purpose of getting a degree...No struggle. ..I was wad doing better before I enrolled...they also lied about financial aid...There was many ways to save money..but they told me until after it was too late...” (A.C.)
- “I was told that my student loan should not go over 10,000 but it is 26,000 thousand.” (G.P.)
- “I believe CTU mishandled my Post 911 GI bill and other fundings and in doing so created a large amount of student loan debt for myself. I was told I needed Subsidized and Unsubsidize Federal Student loans with my post 911 GI Bill to insure no issues financially fell on me. Now I'm sitting on \$100,000 worth of student loans, and a tapped out GI Bill.” (G.G.)
- “The cost was not covered during any of the conversations as far as I remember. The loans I received went directly to the school and I never actually had access to any of the money or disbursements that were listed on my financial information page. I didn't even

know that the disbursements were intended to help cover my personal cost while gaining a higher education. I ended up with over \$13000 in student loan debt and a worthless degree that no one takes legitimately.” (H.P.)

- “I was actually told that I couldn't continue school after I had started there unless I paid off my current student loans so they signed me up got me in for a whole bunch of other student loans and then told me I couldn't go to school. To this day they are still calling me to try and get me to reenroll and I've told them over and over and over again what had happened and for some reason they still want to enroll me to get me into even more debt that I don't trust this school at all.” (H.J.)
- “I was informed that my credits would transfer and that my student loans would be repayed by the school once they had the money from my GI Bill and Army College Fund. I am now stuck with student loans, no degree (because course requirements changed), and none of my credits transfer anywhere because they don't have proctored tests.” (L.D.)
- “I took one class at a time & thought it was ridiculously expensive!! That & I caught them setting me up to take out a loan when I didn't need to because my G.I. Bill & employee tuition assistance should have covered everything. Thankfully, I paid attention to my paperwork.” (N.T.)
- “I was completely unaware of the loans that were being taken out in my name. I had no idea the interest rate or even where the loans were taken out until 4-5 months after my masters degree. I still have a bit more than \$55,000 to pay after working on them for 6.5 years. Complete lack of transparency.” (R.R.)
- “Colorado technical university signed me up for two students [loans?] an without my knowledge! I was told over and over in our two and half hour conversation with CTU that these were grants. After graduating I received my first bill. After talking to administration at CTU I was told it was no longer their issue I had to take it up with my loaner. I was told on another phone conversation with CTU the military advisor I had dealt with had other issues similar to mine and he was no longer with CTU.” (S.S.)
- “...additionally when I signed up I thought they were using my GI bill first come to find out they were using loans first which should never have happened...” (S.S.)
- “I received a bill for a student loan though CTU and never took out a loan with them.” (S.Q.)

Post-Graduation Job Opportunities

The third most frequent complaint category involved problems with the lack of post-graduation job opportunities, which were identified in 184 of the 520 complaints, constituting 15 percent of the complaint topics.

Most military-connected students reported that they were never able to get a job with their degree and, as a result, had difficulty repaying their student loans. Some complainants were still working in the same low-wage job that led to their enrolling in a CEC school. Student D.S. shared, “Enrolled in Colorado Technical University from 2011-2015 in the process received 4 degrees (Associates, Bachelors, and 2 Masters). Was told that the programs would help find employment and they would also help with resume and other skills. Although I attended with the hope getting better jobs and of course receiving an education, in that time I still [haven't] found any employment based off the degrees I received.”

Students also shared that the promised help in finding a job was hollow and sometimes insulting. Complaints alleged that CEC staff offered no or only token help in finding a job—such as proofreading a resume, alerting graduates to fast-food job opportunities, or telling them to get a LinkedIn account. Student M.W. reported, “Help with job placement was a joke. The only help I was given was for me to network in my community, for me to go to the city hall and see what events they may be having and for me to go and network with them and to get a LinkedIn account. I have a master’s degree, a member of the sigma data delta honor society, the lowest GPA I received after completing a degree is a 3.78, and after 3 years, I am unemployed and still on welfare. I feel sick.”

Recruiters claimed that employers valued and quickly hired CEC graduates, who would then be able to easily pay off any student loans. However, complaints stated that few graduates were able to find employment in their field of study and many students complained that employers scoffed at their credentials, sometimes belittling the quality of the education provided by CEC schools as well as labeling their accreditation as “questionable” or “nonexistent.” For example, student D.F. said, “I also was unable to obtain a job above what I had already been working (as a secretary) with a BSN from CTU because the employers that I interviewed with did not want people with degrees from for profit universities because they believed that the standard of education was lower than a traditional university and that the lack of regional accreditation.”

Background. For-profit schools present themselves as career-oriented, skill-focused places. Indeed, most advertising for for-profit higher education focuses on “getting the job” after graduating from school. As an example, one school ran a bus-shelter billboard advertising campaign stating: “John doesn’t need to take the bus anymore because he was given the company car because he got a job with a big-time contractor because he studied game and simulation programming at [name of school].” But data and testimony collected during the 2012 Senate investigation indicate that for-profit schools’ investment in career services is meager. Among colleges that offered career services, the ratio of students to career advisers ranged from 91 to 1,545 students per career services advisor. One school, with a student population of nearly half a million, has no career placement staff at all.

Even where career services are available, many students report that those services are not helpful. A robust investment in career services would ensure that career placement employees are able to foster employer and alumni networks, provide resume and interviewing advice, and give students and graduates access to non-public job information about potential hiring. One career services employee described a very different process during her testimony at the committee’s September 2010 hearing:

I see a systemic problem here when there are only nine employees servicing the students that are being recruited by an admissions workforce of almost 1,600. Career Services employees are being paid nearly a third of what the top performers in the admissions department receive. I believe these facts speak volumes as to where the real priorities lie within these companies.¹⁰

¹⁰ Senate HELP Report at 98. https://www.help.senate.gov/imo/media/for_profit_report/PartI.pdf

Students reported that CEC schools offered little job placement help and did not keep promises about post-graduation job opportunities. Student J.C. said, “I was told that doing my degree program would for sure land me a job in that field, and that they would help me get there... They never once offered to help me get a job. Even when I asked. I'm still paying off those loans and I'm going to have to go back to school to get a completely different degree.” Student D.D. shared, “Post graduate job opportunities were never an option and I've struggled finding a well paying job with so much competition. Was told that placement of career was 90%.” And Student J.H. said, “After earning my Bachelor Degree in Health Care Management I contacted the employment placement line and was told about McDonalds down the street. Instead of hospitals and clinics I was informed of fastfood job opportunities. I have struggled to find employment in my field and it only gets harder as the years tick by.”

Students also told Veterans Education Success that their school was more interested in enrolling them in further degree programs than finding them employment. Student B.P. said, “Instead of assistance with job placement they just hound you to get another degree.” Similarly, student D.S. said, “I do feel like after looking back that once you are done with the school they are pretty much done with you unless they find a way to get you return like they lured me.”

Rollbacks of Department of Education rules such as the Gainful Employment Rule have left students more susceptible to attending low-quality programs that do not fulfill their promise of placing students in jobs in their field. According to the *New York Times* Upshot [column](#), “data released . . . shows that the existing rules have proved more effective at shutting down bad college programs than even the most optimistic backers could have hoped.” Student J.M. shared, “I graduated from CTU 3 years ago and I am still looking for a job. During these three years I am trying to pay back my student loans but it is almost impossible with the money I make. I try to get help from CTU but I never get an answer. I try to get them to look at resume but they never no. I feel misled and I only think they were in it for the money.”

Whistleblowers. Employee 1 told Veterans Education Success that advisors promise career services even though the school no longer offers such services. Upon asking a manager, Employee 1 was told, “We don't have career services anymore.” Instead, students are assigned an advisor that they are led to believe will help with career services. This advisor really only contacts students if they are not attending classes. Nevertheless, CTU uses the promise of career services to keep students enrolled.

Employee 3 expressed concerns about the utility of CTU degrees. Employee 3 said that the only value of a CTU degree is when a degree is needed for promotion purposes in a government job or when police officers test for rank; outside of the government, employers do not value CTU degrees at all. Student F.M. said, “Employers do not take my degree serious. I feel like I wasted time, money, and energy.” Similarly, student I.I. shared, “None of the companies I had interviews with are recognizing this university as a reputable institution. I am in \$30,000 plus student loan debt even after using my GI bill. I still get calls from CTU recruiters to return back to school.”

Employee 1 also stated that students are promised during recruitment that certain degrees will get them specific jobs, even though the degree alone will not actually qualify them for that specific job in their field. This is discussed in more detail under “Quality of Education.”

Additional Complainant Narratives.

- “Upon completing my degree plan, I was assisted with job searches. None of these searches were relevant to the level of my degree. I was told with an MBA I would be able to easily secure a high paying position. This was not and is still not the case. I have never been able to obtain a position starting more than \$15.00 per hour. Not nearly enough to be able to fulfill my loan repayment obligation. Having this degree has not made me any more desirable to any other applicant out there. I am unable to repay my loan and I am unable to get a job paying well to satisfied the monthly obligation.” (K.P.)
- “I was told that they would help me find a job in my degree field and never received any help to advance my career.” (M.K.)
- “Graduated with Honors yet degree has done nothing for my career. Employers have all dismissed my degree for unknown reasons. Still owe \$17K in student loans above my GI bill. If it is an accreditation issue, then I was lied to because I asked specifically about this when I was enrolling and assured that they were fully accredited.” (B.O.)
- “...they stated in the beginning that they had a very strong alumni network and that as a result of going to Colorado Technical University that I would be able to get a job easier than before I have found that my As in general studies; BSBA with a concentration in management & Executive MBA have not made my job search easier. As a matter of fact I have just as many problems finding work as I did before.” (C.H.)
- “Also no post graduation job opportunities happened. I have a BA in Criminal Justice and an Associates Degree in Accounting. Have not been able to utilize either one very much.” (D.L.)
- “I graduated with a bachelor's degree in business administration, 4.0 gpa. I tried for a year to get a job with that degree, after a year I took a job as a conductor for the railroad, the schools employment counselors told me I was lucky after offering zero assistance to help find a job.” (J.B.)
- “I wanted to take the audio engineering program , but had to take the media classes as well , even tho I had no interest at all in media engineering. After starting the media instructor informed us that it was impossible to gain employment in the field which left me wondering why was I even spending money on courses that I was never interested in anyway.” (W.J.)
- “Colorado Technical University Online was good about signing us up for loans, but their job placement assistance programs were non existent, their accreditation and certificate promises unkept.” (R.P.)
I attended AIU who at one point lost accreditation. I have been told by employers my degree is useless due to the school has no accreditation. (M.H.)

Accreditation and Transferability of Credits

The fourth largest category of complaints involved problems with accreditation and the transferability of credits, which were identified in 147 of the 520 complaints, constituting 12 percent of the complaint topics.

Accreditation and transferring credits were often closely associated in complaints by military-connected students. This association may stem from that fact that (1) few credits earned by students transfer to public sector institutions because of concerns about accreditation issues or quality, or (2) prospective employers also question the accreditation of CEC schools. Student complaints that CEC schools are not accredited may refer to programmatic rather than institutional accreditation or to the lack of recognition by a certification organization. For example, numerous students complained that a CEC Medical Billing and Coding program lacked accreditation/had the wrong kind of accreditation, when the issue may have been the lack of recognition by a certification organization, which many employers require. Student C.M stated, “The school promised I could use my associates degree in medical billing and coding to become a certified coder. CT is not accredited by AHIMA [American Health Information Management Association] so I can't take any of the tests to become certified.”

Some complaints about accreditation involved CEC schools that were at increased risk of losing their accreditation. When military-connected students learned that their credits did not transfer, many commented that they felt stuck at CEC schools because of their student loan debt and did not want to start their education over again. For example, student N.W. shared, “In my undergrad I went to American Intercontinental University and tried to transfer twice to a state university and both times I was told I would receive half the credits (80-100) that I currently had because the school was not accredited. I felt my hands were tied and I had to complete the program because I didn't want to start all over again trying to obtain my bachelors degree.” Those who did transfer were forced to repeat many classes that they had already taken. Ironically, a few military-connected students complained that CEC failed to award credits for military training or for credits earned at another CEC school.

Background. In our 2015 [report](#), “The GI Bill Pays for Degrees That Do Not Lead to a Job,” we found that 20 percent of 300 GI Bill-approved degree programs we examined lacked the appropriate accreditation and, as a result, graduates were unable to obtain the state licensure or professional certifications needed to land a job. These low-quality programs covered a wide range of fields: clinical psychology programs that were not APA-accredited, law programs that were not ABA-accredited, and much more. This report led to passage of the 2016 “[Career Ready Student Veterans Act](#)” (section 409 of P.L. 114-315). VA adherence to this law has been inadequate. In our 2018 follow-up [report](#), “Despite a 2016 Statute, the GI Bill Still Pays for Degrees That Do Not Lead to a Job,” we found that about half of the problematic programs identified in the 2015 report were still enrolling GI Bill students even though they did not qualify graduates for state licensure or certification. Student S.M. told us, “I was told that all I needed to do after I finished my degree was take the certification exam. After graduating, I found that the school didnt have the accreditation to [offer] the degree.” Student K.P. shared, “I was told that my degree would allow me to become certified in medical coding, RHT. I found out after I received my degree that CTU degree was not accredited and would essentially need to attend an approved school.”

Students expect accreditation to mean quality, but the accreditation system is too lax. The current oversight conducted by the Department of Education fails to effectively monitor accreditors to make sure they are meeting the required standards. There have been recent examples of accreditors' continuing to operate and approve manifestly underperforming and predatory schools. Moreover, the Education Department [rolled back](#) protections on accreditation and state authorization of colleges in 2020. The new rules removed key language regarding states' ability to enforce laws meant to protect students enrolled in online colleges and also removed complaint procedures. Accreditors' ability to conduct oversight was weakened by allowing colleges to operate out of compliance with accreditation standards for an extended period of time. The rules also made it easier for accreditors to be approved by the Education Department, thereby allowing potentially unqualified accreditors to oversee colleges.

In a 2017 [report](#), the U.S. Government Accountability Office (GAO) estimated that students who transferred from 2004 to 2009 lost, on average, an estimated 43 percent of their credits. Students who transferred between public schools—the majority of transfer students—lost an estimated 37 percent of their credits. In comparison, students who transferred from private for-profit schools to public schools accounted for 4 percent of all transfer students but lost an estimated 94 percent of their credits. Transfer students may incur additional costs to repeat credits that do not transfer or count toward their degree. Moreover, students who lose credits may use more financial aid to pay for repeated courses at additional cost to the federal government, or they may exhaust their financial aid eligibility or their VA and DOD educational benefits, which can result in additional out-of-pocket costs.

Students said that few, if any, credits transferred to public sector institutions, forcing them to stay at CEC schools or start over again at another school, even though some may have exhausted their benefits. For example, student C.J. said, "I went to AIU for 3 years before I transferred. I only had 3 classes transfer because of accreditation. Now I'm starting my bachelors all over again." Student C.F. told us, "I got my associates degree from Colorado Technical University, when I was recruited they told me if I ever transferred that my credits would be good and I have nothing to worry about but when I transferred I found out that my credits weren't good and had to take them all over again. I went from having 60+ credits to less than 30 when I transferred. It was such a bad feeling to think that all I did before was worthless and I waste time, money, and my efforts to get great grades and m associates." Additionally, student J.H. stated, "After receiving my associates degree in general studies from CTU only 3 credits transferred to my 4 year institution towards my bachelor's degree. I had to stay in school an extra year to retake the classes I had already taken."

Whistleblowers. Employee 1 said that advisors know the students' credits will not transfer to another school, but they do not tell the students and do not correct their misconceptions. Recruiters convince students to enroll at CTU and start earning some general education credits. When students try to transfer, they find out that their credits will generally not be accepted at other schools, and they often feel trapped into having to complete their degree at CTU.

Employee 1 also shared that veteran students are promised a "comprehensive and personalized evaluation of prior credits," but Employee 1 rarely saw any prior credits accepted by CTU and saw veteran students taking classes that they should not have needed. Similarly, other students

were lured to enroll with the promise of transfer credits and credit for experiential learning portfolios. However, transfer credit was “barely applied,” and Employee 1 never saw anyone get credit for an experiential learning portfolio.

Employee 2 shared that CTU employees were coached for weeks on what to say when the accreditor was visiting. Employee 2 reached out to the accreditor to detail the problems at CTU but did not hear anything in response.

Additional Complainant Narratives.

- “When I first began the program of study, I was told that the school was accredited and they had a great job placement rate. Towards the end of my attendance there, the school lost their accreditation and did not know whether or not my graduating class would be able to be grandfathered in since they were accredited when I started the program but had lost during my last year. I also discovered that it was and is difficult to find employment once they see that I have a degree from AIU.” (H.H.)
- “I was given the veteran grant a few times. American intercontinental university said they were accredited world wide so if I enlisted again, the military would accept my bachelor's and I could do what I wanted. I went to transfer schools. Nothing is transferable. I was stuck staying at AIU because I felt I had no option unless I wanted to start back at zero and be \$22,000 in debt starting back at zero in school. Also, they don't give you your tuition money so you can go full-time, like normal colleges. This made my life hell. Here I am now, half a bachelors, nothing transferable after 100 credits achieved and \$22,000 in college loan debt.” (K.N.)
- “Now that I have my degree it is extremely difficult to find a job because no one claims to have ever heard of this school and everyone is challenging the accreditation of the school.” (M.O.)
- “I did a year back in 2006 with CTU and none of the classes transferred over to my new enrollment. I paid over \$10,000 for those classes in 2006 -2007 and none of the classes were accepted because they said they changed their class structure. I think it was a lie and it set me back a whole year with CTU.” (A.M.)
- “During my LAST class for my associates degree, I found out that they were regionally accredited, not nationally. My degree with in medical billing and coding. Medical places require different types of certification to work there. Due to this school only being regionally accredited, we can't get certified in a few different levels including the highest level which is actually required by most major medical facilities. It's a useless degree.” (C.M.)
- “I was told that my degree would allow me to become certified in medical coding, RHT. I found out after I received my degree that CTU degree was not accredited and would essentially need to attend an approved school.” (K.P.)
- “I was told my BSN obtained at CTU would allow me to attend and MSN program at any university. When I applied for an MSN at a major university I was told that my degree from CTU was not Equivalent to a BSN from a traditional 4 year college/university and I was not accepted into the program.” (D.F.)
- “When I spoke to the University of West Florida about beginning an MBA and told them my undergrad was done at CTU, the two ladies I was talking to looked at each other and

laughed. They then gave me a list of several pre-requisite classes I'd have to take before being considered.” (J.N.)

- “I was planning to go to the University of Iowa to get my masters degree. Turns out I have to take about 2 years of undergrad classes before they'll let me into their masters program.” (J.M.)
- “The accreditation is questioned constantly holding me back from quality jobs.” (M.S.)

Other

The fifth most frequently cited complaint topic involved problems that we categorized as “other,” which constituted 117 of the 520 complaints, or 10 percent of the complaint topics.

Most of these complaints were about how CEC officials treated military-connected students. Many students commented that the problems they encountered demonstrated that CEC cared more about the money than its students. For example, student E.W. stated, “I deployed and wasn't able to pass classes due to me not having Internet. I used my TA and had to pay the classes back.”

There were five topics that were frequently cited by students. (1) Schools dropped students who, through no fault of their own, needed to take a break from classes because of deployments, lack of a computer, or health/family issues. Student B.Q. reported, “I enrolled in ctu online while active duty. I was told that they would work with me while I was deployed. I ended up getting 0 on several assignments and failing several classes because they wouldn't work with me. They kicked me out.”

(2) About a dozen students complained that CEC promised to work with servicemembers who might be or who were deployed while enrolled. In fact, the complaints demonstrate that CEC took advantage of these servicemembers, either giving them failing grades when they had no internet connection, placing them on probation, or abruptly terminating their enrollment. Other complaints alleged that CEC employed this same tactic against students who sought to disenroll because of illness, loss of a computer, or family issues. According to the complaints, CEC staff told students that they could not drop classes without owing the school money, or the company reneged on its promise that the student could drop the class without any financial obligation. For example, student R.T. had to pay for classes even though the student took a leave of absence that began at the start of a semester: “I took a LOA [leave of absence] were they told me i owed the school money, and i could not see how because i applied for a LOA in the middle of a semester for the next.” Student R.W. shared, “In February of 2008, I divorced and moved back to Arkansas. This was greatly affecting my schoolwork. I contacted AIU to see if I could put my classes on hold until I was ready to resume classes. I was told no and that I would have to pay for the remainder of the whole program whether I took the classes or not. I trusted what my recruiter was telling me and ended up paying dearly for it.”

(3) Schools required students to buy their books from CEC at an exaggerated cost. Student K.W. shared, “My issue that AIU forced me to buy all my books and software from them. I could have saved thousands buying my books from other sources.” Student C.K. said, “Use of E-books. A person could not refer to the books except during the course. Not before, nor after, for reference.

The cost of these were astonishing and unacceptable.” Similarly, student D.F. reported, “...was also not told when I enrolled that I had to purchase books through CTU – obtaining textbooks from an outside source was not an option – they charged me and sent me the textbooks without my consent prior too or the opportunity to opt out and purchase my textbooks from a different source.”

(4) Schools made certification errors that forced students into repaying either VA or DOD for some classes. Student B.S. said, “They requisitioned money from the VA for classes I did not enroll in, which I had to pay back the VA for.” Student K.P. explained, “Also we were forced to repay money to the VA because CTU double bilked the VA. This was found when the VA audited them.” Student J.M. shared, “I had also notified the VA specialist [at CTU] that I was no longer attending CTU and he certified me through the VA system that I was still attending when I clearly wasn't. This was a big problem on their behalf in which I had to pay the price and repay the VA when I had clearly notified CTU I was no longer attending.” Reporting a slightly different problem, student W.D. stated, “They used my GI bill [Top Up] while I was on Active Duty stating my TA would not cover it. They literally used none of my TA benefits and solely burned through my GI Bill. Disgusting that they took advantage of me because I was uninformed and trusted them.”

Finally, (5) schools did not offer the classes students needed to graduate, required students to take classes that they later found out were not needed for their degree program, or enrolled students in classes without their permission. Student M.P. “...had trouble actually enrolling in the classes I needed because they were never available.” Student T.P. said, “This school prepares you for nothing, all they do is call you millions of times and automatically keep enrolling you in classes with out even asking if that's what you want to do.”

Whistleblowers. Employee 1 spoke of concerns with students’ ability to benefit from their degrees. Employee 1 said that CTU would routinely enroll people without a GED or proof of high school graduation, kick them out after they completed their first session of classes, and try to get them back after they earned their GED “so we can retroactively charge them for that quarter before the GED.” Employee 1 stated that management “purposely ignore any [proof of graduation] concerns so the student will count toward their start requirements.” Student S.L. shared, “They lied when I was signing up about my degree then they try to charge me two times out of pocket when first signing up. When signing up I asked if there was a program where I could get my GED and I also asked if I could be enrolled without my GED and they said yes multiple times. After a little bit of time being enrolled they dropped me BC of the GED situation. Then they contacted me stating they wanted to reenroll me again so I did in hopes of everything going right and once again was dropped.”

Employee 1 also shared that recruiters target vulnerable populations, such as the homeless, people who are mentally disabled, people who don’t speak English, people just leaving jail, and people without internet access. For example, Employee 1 had spoken to a student who had no Internet access and defaulted student loans. The student said that it would be in her best interest to wait to start school. Employee 1’s supervisor said “to be more concerned with doing what was in the best interest of CTU’s bottom line.” Employee 1 also was routinely encouraged to enroll students who could not read or write or had never used a laptop before. Some students would

need to be walked through simple tasks in the enrollment process over the course of hours. Recruiters could tell that they likely lacked the necessary skills to succeed, but they were pushed to enroll these students anyway. Employee 2 agreed that the school targets a “vulnerable student population,” and Employee 3 agreed that recruiters are targeting students in disadvantaged areas and students who are not equipped to excel. Student C.H. ended up incurring debt because of this: “They are wanting me to repay the for the classes when I didn't have internet for awhile and couldn't turn in the work.”

Students without a computer would be encouraged to use the CTU mobile app, which allows students to make one discussion board posting. If students made that first post, the school could collect its first tuition payment and lock the students in. However, the app does not allow students to do anything other than the first post. Employee 2 reiterated that students are encouraged to enroll without a computer. They are told they “may be eligible for additional funding” and are pressured to start “with the hope of receiving a stipend” that will cover their technological needs.

Employee 1 stated that students who are enrolled shortly after a jail term are often pushed toward criminal justice because they “can relate.” However, a criminal conviction will likely disqualify those students from employment in the field. Student M.D. shared, “I was told by CTU that my misdemeanor theft would not stop me from getting into law enforcement. I took their course and graduated with high honors from Science of Criminal Justice. Once I got my Associate's, I soon realized I could never get into law enforcement. Now I'm in debt with a degree I cannot use.”

Employee 1 stated that recruiters were “not allowed” to talk about leaves of absence with active duty servicemembers, even though such students will likely need to take time away from school for military duties. It was deemed the student’s responsibility to take the initiative to discuss any potential leaves of absence with their student advisor. Employee 1 found that these students frequently withdrew from classes and ended up owing money to the school.

Employee 1 also shared that students are promised a military discount or a scholarship that does not exist. It was sometimes referred to as a “Patriot Grant.” Nevertheless, no such discount or grant was given to military students.

Employee 2 stated that there is almost no help for students who need disability accommodations or remedial services. There are no certified ADA advisors, and only one uncertified ADA coordinator with no prior experience. Employee 1 said, “Recruiters are told not to offer ADA information even if the student clearly needs it.”

Additional Complainant Narratives.

- “Withdrew me from my classes without talking to me first about what I could do because my computer system was not talking to theirs for attendance purposes. So I am no longer enrolled and enrolled into another school.” (C.C.)
- I began the PhD BA Program in 2007, completed all core courses and was done with them in 2014, with on the dissertation phase and publishing of my dissertation to go. Well, due to chairs that were simply not helpful and dragged the program on (a total of

three now), things went way longer than they should have. In fact, despite my quick turnaround of product requirements to the university, the responses were either vague or there was simply a lack of interest by the chair in actually giving me the time I needed/deserved in order to complete the tasks. I have product submissions and e-mails with time-stamps that prove the lag of time and slow responses from various chairs that have been assigned to me. Meanwhile, somebody is paying the monthly tuition fees and that would be me. the GIBILL will not pay for dissertation-phase because it is a student-paced event. However, if the student (me) is regularly meeting the requirements and the chairs (staff) are slow to respond, it is the student that is paying the bills. It has been well over two years for the dissertation phase and I'm up to \$12,000.00 in debt and it JUST NOW got approved with conditions. I would argue that, despite my actions, it will drag on yet another three to four months. This is simply not acceptable and somebody should be held accountable for it. (P.P.)

- “They made me retake a class 6 times before giving me a different professor for the 7 time. Then told me the difference in grades were just the professor, really an A and an D/F. I can see a B and a D. The first professor told me it was my format of my paper and other professor who read the same exact paper said nothing wrong with my format.” (K.P.)
- “I attended Colorado Technical university 2013-2014 with hopes to getting a BS in Homeland security. I later decided to Transfer to the University of Oklahoma, but they wouldn't except a list of credits from CTU. Prior to this, when I asked for my transcripts to be sent to Oklahoma CTU refused requiring that I had to pay off the balance on my account for classes I hadn't taken yet. I had to disenroll from CTU to zero out my balance before they would send the transcripts.” (A.B.)
- “In that time frame I achieved my Associates of Science in Accounting degree and was almost done with my Bachelor's when the floor dropped out from underneath me. I had 5 classes left when during a two week break I was informed that I had no more money available and if I wanted to finish my Bachelor's degree I had to come up with almost \$7,000.00. NO ONE, and I mean NO ONE ever contacted me to left me know that my funding was coming to an end and when they did tell me I had exactly 10 days to come up with the almost \$7,000 they were asking for.” (A.C.)
- “My biggest complaint with this school is they're money hungry. They have me a grant then took it away because I withdrew from the school. I told them the only reason I was withdrawing was because i was deploying. They didn't care. When I came back I want to go to another school so i called to get my credits switched but they said i can switch unless I pay back the money for the grant they took away. So the gave me the option to finish me degree and take a loan or pay by pocket then i can switch schools.” (B.G.)
- “I was forced to discontinue my education at Colorado Technical University due to a serious health issue. After being in my last class for a total of 4 days the university has charged full tuition for this class. Due to my disability I am unable to pay for this as it would cause a severe financial impact on my family. How is it that an institution can get away with charging you for a class that all i did was login and post to a welcome discussion board.” (J.H.)
- “I was told that I didn't have enough pell grant money available and had exhausted my loans for the semester, they required that I pay out of pocket the rest of my tuition for the semester which I was unable to do amd was not going to use my GI Bill while on active

duty. I had to drop out of classes, then I set up a payment plan for the amount owed. At the time I was current and up to date on payments, they took it upon themselves to send me to a collection agency only because they did not have enough staff to handle the accounts. I was furious. I will never go back to CTU.” (J.G.)

- “Nearly 5 classes in and about \$4600 behind in payments I started to wonder why my GI Bill wasn't paying out. Come to find out the school wasn't notifying the VA verifying my student status and they had me registered under the normal GI Bill versus the Post 911 GI Bill. When I notified the financial dept at CTU to switch it to post 911 they wouldn't do their part so that the VA could properly pay it out. CTU told me that if not paid in full by the end of that semester they'd suspend me from taking additional classes. Since they wouldn't fix the paperwork I had to pay \$4600 out of my own pocket to remain in school.” (M.P.)
- “I asked the University for my tax information and they would not give this information to me, because they decided to delete any information showing that I completed the previous semester. This action resulted in the school getting paid and the student (myself) having to pay back Veterans Affairs my tuition cost.” (N.W.)
- “It showed I was being charged room/board and I asked about it. I was told no it's just standard. Why is it standard for online school??” (S.G.)
- “Then one I finished my associates degree I continued on with my bachelors degree almost completed it only to find out because I didn't finish in the required time frame I would need to take additional classes to finish my degree.” (T.B.)

Quality of Education

The sixth most frequent complaint topic was poor quality of education, which was identified in 112 of the 520 complaints, constituting 9 percent of the complaint topics.

Complaints from students about the quality of education included skepticism about their instructors, including their credentials; outdated equipment/lack of supplies; not being taught basic skills needed for a job in a graduate's field of study; and degree mill conditions where everyone passed.

Student M.Q.-S. detailed disappointment with the quality of education provided: “The professor they selected just had X amount of experience in the job field along with a bachelors. They didn't know how to teach. If we didn't understand we were told to learn it on our own teachers would call employers to complain about students being late to her class. Teachers saying they would blackball students from getting a job because the lab community is small and everyone knows everyone. One professor told us her way is the right way and to ignore the SOP on the test. We had to ask the President of the school for soap and paper towels in the lab because nothing was done when we asked professors for the supplies. We are handling bodily fluid without being able to wash our hands before or after handling them. We used donated expired reagents, test and tubes. Other programs had access to our supplies and would use all of them.”

Student B.S. was also severely disappointed in the CEC school experience, saying, “The classes were a joke and I seriously doubt the credentials of their professors. I ended my time there after

one semester, and here 3 years later they continue to call me and try to get me back in. They should be black listed and shut down for the frauds they are.”

Background. Taxpayers and students expect schools to use federal student aid and VA and DOD educational benefits to educate students. However, some colleges receiving significant GI Bill funds spend less than 20 percent of a veteran’s tuition on their education. For example, our [report](#), “Should Colleges Spend the GI Bill on Veterans’ Education or Late Night TV Ads?,” found that, among the 10 schools receiving the most GI Bill funds over the past decade, the top 3 spent less than 20 percent of gross tuition and fees on instruction and seven of the ten schools spent less than one-third on instruction.

Billions of taxpayer dollars flow to schools that spend very little on instruction. As our report found, the worst schools spend less than 10 percent of the tuition they collect on the student’s education. Unsurprisingly, these schools, including Colorado Technical University and American InterContinental University, provide students with poor outcomes and leave the students worse off than they found them. Of the VA-approved schools that spend less than 10 percent on education, only 51 percent of their students earn more than a high school graduate while only 26 percent of students who enrolled in these institutions left with a credential. Conversely, we found that proprietary schools that spent more on instruction had at least 50 percent of students graduating and earning more than a high school graduate. Student L.B. spoke about the outcomes at CTU: “The level of education I received in IT was less than what my son (then a senior in high school) received. I was taught nothing that I did not already now. Although I enrolled in CTU as a junior (I already had an Associate's degree through the Community College of the Air Force in Security Administration) none of my credentials were checked or verified. My biggest complaint is that I thought I would be educated enough to at least get an entry level job in IT. The IT education I received was enough to get me an entry level job at McDonald's.”

A school that dedicates relatively little of its revenues to teaching students, on its face, raises serious questions about its academic quality and value. Students and employers should be able to expect and trust that institutions of higher education, especially career-focused education, have the integrity and rigor to teach skills that are valued in the workplace. Undercover observation in 2011 by GAO investigators and a review of student complaints revealed that many for-profit schools have curricula that do not challenge students, academic integrity policies that are sparsely enforced, and teaching practices that in some cases do not lead to successful student learning and outcomes.

GAO’s investigators used various tactics to examine academic standards including (1) submitting obviously plagiarized work, (2) submitting non-responsive or objectively incorrect work, and (3) failing to submit assignments. In many cases, the GAO employees’ experiences reflected a lack of academic integrity and rigor on the part of for-profit schools. For example, four of the five courses granted full or partial credit for multiple plagiarized assignments, and instructors in two of those courses never acknowledged the plagiarism in any way. These failures were not due to the plagiarism being difficult to detect. The plagiarized material was often copied directly from websites like Wikipedia or Answer.com, and GAO employees included links to the source websites, making it easy to identify plagiarized work. Some teachers failed to notify the student or the school of plagiarized submissions that were copied verbatim from other

students' discussion posts for the same assignment. Several assignments submitted by GAO employees were given full or partial credit even when the teachers noted that the assignments were plagiarized. Students who submitted low quality work frequently received higher credit than they should have according to the schools' own academic standards.

Students at CEC schools reported similar occurrences. Student K.W. said, "I truly believe AIU's reputation as a diploma mill hindered my job search after finishing my bachelor's degree. I do not think the instructors read the work before grading because on more than on occasion I knew I wasn't making sense as I wrote the assignment." Student A.Z. reported, "I felt as though CTU was nothing short of a degree mill in that as long as assignments were submitted, you would pass. The standards for students was appalling and the level of knowledge and professionalism from the professors was depressing." Student M.G. shared, "Their entrance exam (simple essay) appeared way too easy for a 4 year college.... Now, 5 years after graduating Summa Cum Laude (If that was even accurately measured, as I was simply an average high school student) with a 4.0 GPA in a seemingly extremely simple curriculum, I have no more knowledge than I already had in my field, and no job with a mountain of new debt."

Further, even where a student "earned" a credit by the school's own grading standards, the academic experience was far less rigorous than a student or potential employer might expect. For instance, at one school, it was extremely difficult for students to fail a course because if a student did fail a test, they were required to re-take the same test. In another instance, a student failed a course multiple times but passed it with a different instructor, even though the student submitted the same work each time.

Whistleblowers. Employee 1 shared that certain programs do not leave the students eligible to work in their field, but that the school does not share this information and recruiters steer students into these programs anyway. For example, the psychology degree does not have a clinical requirement, but this information is only shared "in small print." Similarly, recruiters tell students that they can be an accountant with an Associate's degree in Accounting, but this is not true. Student M.E. shared, "I have applied to thousands of jobs for an accountant and no one will hire me in my field because they don't recognize CTU as a proper form of education. There was a time in my time at CTU when I thought the teachers weren't reading my work and just throwing a grade at me so I tested it. For two assignments that were not the same I sent the same exact paper and low and behold I got the same grade for both which was 100%."

Employee 3 raised concerns about the decline of educational standards at CTU. Employee 3 had always graded his students accurately and held them to APA writing standards. However, towards the end of 2019 (around the time VA announced CTU may be suspended from receiving GI Bill funds), Employee 3 was reassigned from higher level courses to entry level courses. Employee's advisor told him to "accommodate" students more, and she clarified over the phone that classes needed higher pass rates. Employee 3 was pressured to change Ds to Cs and to give Cs as long as a student submitted anything, even a blank document. The students figured this out, because Employee 3 started receiving assignments that just said "uploaded for credit." Employee 3 was told that Ds were a "red flag."

Employee 3 was chastised for not using a new grading rubric. Employee 3 did not want to use the rubric but was told that it would make it easier to pass students. It became very clear that CTU expected Employee 3 to pass as many students as possible. Students noticed this trend as well. Student J.C. shared, “After I got started I realized the quality of the education was SUBPAR, and grades were being awarded to keep statistics high and pass rates, high while placating to paying customer's needs. My degree feels more paid for than earned due to the quality of the education.”

Employee 3 documented all concerns and elevated them to a supervisor. Within a few days, Employee 3 received an email saying that someone on the CTU staff had given the professor a poor evaluation. Employee 3 was also assigned to teach a class with no registered students. CTU “ghosts” teachers by assigning them to classes that will not fill with students, in the hope that they will resign and CTU will not have to pay them unemployment.

Additional Complainant Narratives.

- “the classes were not taught by teacher that were supposed to have training in the subject they were teaching, their software and computers were out of date. i was supposed to go into a real office for my internship instead i was in the back of the school in a fake office learning nothing.” (M.S.)
- “I had not learned anything from AIU. My life has suffered because of AIU. I now have a degree [BS] and work in retail because I have no skills and no money to return to college as I wish.” (R.W.)
- “Since I have graduated, I have found the degrees are not relevant to my field of work and had to attend remedial programs and certification areas of study to bridge the gap in order to do my job as required.” (T.S.)
- “I was recruited online for a 1 year masters degree program. The quality of the education was Extremely subpar, they were not properly accredited and the expenses they charged were exorbitant.” (Z.R.)
- “The quality of the education is below standard because of the accelerated curriculum at CTU.” (A.M.)
- “My education at Colorado Tech was....disappointing. One of the first classes I took was essentially just playing a game called Second Life, it taught me nothing about design for the web or any applicable skills. Another class that I remember very well is Adobe Flash. The first week the instructor, who built the class himself, had said that utilizing flash to build pages is a technology that is no longer used and he did not want to teach us flash for building pages so he would teach us how to build flash movies. He even said he brought it up with the chair member but she did not want to change it. That was very upsetting that a school that specializes in technology was teaching outdated tech, and I was wasting my time and money....” (C.H.)
- “When I was recruited I was told a degree in medical coding and billing I would be able to work from home. I was told I would be prepared to take the certification test. I was not told that test would cost \$3000.00 to take each time I took it. I had very little training in coding and billing and even tough I graduated summa cum laude, I certainly did not feel prepared to take the test. I was surprised also to learn that even with FAFSA my loans for a 2 year degree was \$5000.00 or more. I have never been able to use this degree.” (D.T.)

- “I found myself in classes that did not teach me much more than how to cite a reference. What they consider education is a joke. I know 10 year old children that could ace their program.” (K.O.)
- “Although I maintained a 3.8 GPA, I felt as if I did not learn anything. Being a Psychology major, after over a year of higher education, I felt that I knew just as much then as I know now. I have not learned anything since I was enrolled at CTU. When I questioned my advisors about this matter, they quickly brushed me off and told me that they would get back with me. I recently withdrew from CTU because I'm scheduled to graduate next year. But as I mentioned earlier, I feel as if I have not learned anything while enrolled at this institution. The money spent at this college does not represent the education I received. Enrolling at CTU was one of the biggest career mistakes I ever made.” (R.G.)
- “While enrolled in my classes, help from the instructors was just one day during a conference call with all the other students. I found myself having to teach myself to complete assignments by constantly searching the web.” (T.M.)
- “After getting my associate degree with ctu I tried to move on to umuc [University of Maryland University Campus] and realized that ctu was a completely waste of time and that they would pretty much pass anybody and pray on millitary to get there gi bill money.” (T.P.)
- “The tuition fee's were way over priced for the quality of class I received along with the actual school work was almost like an open book test all the time it was a complete joke and waste of expenses” (T.F.)
- “I have attended the Colorado Technical University of Denver for several years and I feel extremely disappointed in my overall education. COVID most certainly did not help anything but this was awful. I did not go to school for a degree, I went for an education, I went to learn, but I was jipped big time. Most of their stuff talks about me using my favorite internet browser to google everything myself. All of their content uses YouTube videos versus actual instructors teaching the courses. Their online materials are extremely out of date and insufficient. When COVID came, instructors were not prepared, which is semi-understandable. Many of them did not know how to use zoom and they would record their screen and not their voice or vice versa. There were no books assigned to most of these courses. The basic of the course was an online discussion board, a 45-min lesson each week, and maybe a lab assignment that made you google everything. I am leaving with a Bachelors of Science and yet I know very little. I am extremely saddened. Truth is, it wasn't my money, it was yours. I could walk away take my degree and be fine. But I'm not, this school is a scam.” (C.G.)

Program Costs

The seventh most frequent topic of complaints was high program costs, which were identified in 107 of the 520 complaints, constituting 9 percent of the complaint topics.

Many military-connected students complained about “ridiculous” tuition and fees compared to public and nonprofit institutions, particularly considering the poor quality of CEC schools. Not only were program costs high, but students complained about either not being told about the

costs or having the costs misrepresented. In large part, the concerns about costs were driven by student outrage about crippling student loan debt while they also were using benefits.

Background. According to the 2012 Senate HELP Committee report, most for-profit schools charge higher tuition than comparable programs at community colleges and flagship public universities.

- Bachelor’s degree programs averaged 20 percent more than the cost of analogous programs at flagship public universities.
- Associate degree programs averaged four times the cost of degree programs at comparable community colleges.
- Certificate programs similarly averaged four and a half times the cost of such programs at comparable community colleges.
- The for-profit education companies examined rarely set tuition below available federal student aid. Internal company documents provide examples of tuition increases being implemented to satisfy company profit goals, that have little connection to increases in academic and instruction expenses and demonstrate that for-profit education companies sometimes train employees to evade directly answering student questions about the cost of tuition and fees.

According to recent Department of Education [data](#), for-profit schools still charge substantially more in tuition and fees compared to public sector institutions.¹¹ For example, tuition and fees at for-profit 4-year schools averaged \$16,200 in 2017-18 compared to \$8,309 at public 4-year institutions. The disparity was even greater at 2-year institutions where the average tuition was \$14,749 at for-profit schools but only \$3,600 at community colleges. Student T.S. stated, “The credit hour charges were five times that of my local state schools which were not an option to me as the military moved me every few years. I wish I could have taken a less expensive option and afforded a more meaningful education to meet my field's challenges.” Similarly, student J.C. shared, “I attended American Intercontinental University because of the Military Friendly advertising. I specifically asked during the recruiting process about accreditation, and If the cost was inline with other institutions..... the cost per credit hour were nearly double that of other local private and public schools. This information was not disclosed and this school is taking advantage of VA benefits, and active duty military members Federal Tuition Assistance status.”

Whistleblowers. Employee 1 told Veterans Education Success that employees used to be barred from enrolling students the weekend before classes began. However, the policy changed to allow such enrollments. Then it changed again, to allow students to be enrolled throughout the add/drop period. Students can enroll up until the last day of add/drop, and a common recruitment tactic is to convince students to start now and “just try it out.” The students are not told that “trying it out” is the same as enrolling for a semester. They are also not told that if they try it out and do not want to stay, they will have incurred debt because there is no window left in which students can withdraw from courses without a cost. The retention goals prioritize getting students past the institutional cancel period.

¹¹See Table 2.

Employee 1 shared that advisors are instructed to hide the true tuition cost. For instance, they will cite the tuition cost for a student on an accelerated track. A student can be told that their program will cost \$16,000, when it will really end up being over \$60,000 for a nonaccelerated track. Student J.H. reported, “I was not told what the total cost of my education would be. When it was all said and done I am 100K in debt that I can't pay off.” Student E.E. said, “They said my degree plan was only \$36,000 but I looked at my loan and now I am over \$70,000 don't know how this happened. I did take a little extra but not that much.” Advisors would also urge students to reduce their course load in order to utilize GI Bill benefits over four years for an associate's degree.

Employee 1 also stated that advisors would swiftly move past the VA shopping sheet, which requires transparency about cost. They would say something like, “Don't worry about that. It doesn't give factual information anyway because it has room and board.” They could also direct students to click into the shopping sheet on their phone and then return to the previous page, and the system would register the student as having viewed the information even if the advisor did not discuss it with the student at all.

Employee 1 shared that CTU differentiated between cancellations (within 15 days) and withdrawals (after 15 days). However, CTU let students think they would have to withdraw, which has financial consequences, even if they actually could have cancelled. CTU would send the withdrawal letter to cancel students, making them think that they were going to incur a debt that they would not have actually incurred. Student W.C. shared, “During the move I became overwhelmed and realized I needed to withdraw from classes, so I wouldnt negatively impact my GPA. I did so, and I thought I was in the allowed grace period to drop without penalty, but CTU disagreed and says that I owe them several thousand dollars to pay for the classes I didnt take.” Employee 1 said that CTU lied to students and said that they would have to pay a fee if they cancelled, and many students would remain enrolled as a result. Students who persisted in their desire to cancel would be directed to a telephone line, and they would be harassed on the call to remain enrolled. These calls were not recorded, so “there is no check on how predatory and pushy the calls become.” CTU's representative could look up notes on the reason the student originally enrolled, and the representative would use those notes to try to manipulate the student into remaining enrolled. Students who did manage to cancel would be repeatedly called and encouraged to get back into classes.

Employee 2 shared concerns about how CTU handles a student's need to drop a course. If a student tries to drop a course even just one day after the drop period ends, regardless of the reason, that student is charged in full. If the student is on an accelerated track (two courses back-to-back in one session), the student is charged in full for both courses, even though the second course had not yet begun when the student withdrew. These costs are not disclosed to students. Furthermore, advisors often suggest that students take a “Standard Period of Non-enrollment Withdraw” instead of just withdrawing from a course. This option benefits advisors because it does not impact their retention percentages, but it is much more costly for the student. The full cost is not clearly communicated to the student.

Student M.T. shared an experience in which a CEC school misrepresented the financial consequences of withdrawing from a course: “About three weeks ago I spoke with a financial aid

advisor and asked to drop a class. I specifically asked if this would cost me any money and she said no, that I was actually getting a stipend of \$1,335 or something like that. I then stated last time I dropped a class I was given a stipend, but then owed money to the school. She said this would not happen, I was getting the stipend. They gave me a stipend, but not the amount I was expecting, it was 495\$. I then log in to my student account today and I owe the school \$601.01. I called and my financial advisor said I owe due to the fact my cost of attendance changed. I let her know that I spoke to her colleague about this happening and told her colleague that I would keep the class if that was the case, I was told no I can drop and this wouldn't happen, but now it is. I feel the school is lying to me and who knows about what else...."

Additional Complainant Narratives.

- “For the price of \$1300 per class was ridiculous especially knowing the start of the program the cost was \$1000 per class. I even asked why were students not grandfathered to price the same way with the course catalog.” (T.S.)
- “I felt like AIU did not apply credits appropriately...I feel like they took advantage of overcharging me for tuition fees and not applying every transfer credit as possible. I'm disappointed and discouraged. I believe they took advantage of my GI and TA assistance. Simply put, easy tuition money and fees for the University less for the student.” (D.C.)
- “Transferred over 45 credits from another school and for taking 15 credits with AIU that cost me \$15,000. \$5000 a class was not what we originally discussed, but I couldn't do anything about it.” (J.W.)
- “They overcharged me for classes because they were 'online', and were allegedly a military friendly school.” (M.C.-G.)
- “It was overpriced and I am now in deep debt. My credits- a lot wouldn't transfer. I don't feel like I learned near enough.” (K.R.)
- “While I realize that online education is generally more expensive than traditional education there is no reason that I should have incurred a \$40,000 student loan debt for a 2.5 year program.” (L.D.)
- “Had to utilize [Top-Up](#) on top of active duty Tuition Assistance, which is excessive.”¹² (L.K.)
- “Ridiculous overcharging and no potential to further career after graduation.” (N.B.)
- “Was quoted a set price for my tuition and books. When budgeted, the price that I had set aside was much less that what the school was charging.” (S.C.)
- “The tuition fee's were way over priced for the quality of class I received...” (T.F.)
- “Attended CTU online and found out recently they charged unorthodox fees to degree program after I completed 6 years. Tuition went up which caused me to need more student loans and grants.” (V.J.-A.)
- C.G. complained that he was charged a \$150 fee for each online course, even for courses that he had planned to take in-person but was forced to take online due to the pandemic. “Because of COVID, they refused to offer any in-person courses until the most recent semester, which began a few days ago. Yet they continued to charge a \$150 online fee to students, on top of the tuition for the courses. Even though their online course is awful.

¹²Because servicemembers who turn to Top Up are charged up to a month of entitlement regardless of the difference between what TA pays and the cost of the course, it is considered an unwise use of GI Bill benefits.

The same course in person, would not have required the additional \$150, but you get less online. Does not make any sense.”

- “I served 4 years in the usmc from 2006-2010. I am attending Colorado technical Institute and recently discovered through your site that it is a predatory school. I found this site because I am having issues with the school not providing me my stipends, and giving me false documents.” (J.C.)

Changes in Degree Plans or Requirements

The eighth most frequent complaint topic was changes in degree plan or requirements, which were problems identified in 56 of the 520 complaints, constituting 5 percent of the complaint topics.

Complaints alleged that CEC schools did not offer the classes needed to complete degrees, which required students to remain enrolled and take unnecessary classes, and that the dissertation process was dragged out. Changes in degree plans or course requirements typically resulted in military-connected students having to take additional classes, which, they told us, was another way for CEC schools to increase their revenue. For example, student K.W. explained, “I found out that I could not start a different program of study unless I wanted to take all of the other courses related to my current course of study. Then I could complete a double bachelor degree. The problem now is that my curriculum constantly changed and I had to take more courses in order to get my degree, thus running my POST 911 funding completely out and having a max on my student loans. Now I am 7 credits away from my degree and was told that I will now have to pay out of pocket.” Two students stated that they graduated with from 30 percent to more than double the required credits for their degrees. Some students ended up with degrees other than those that they had expected to earn.

Background. Some students are persuaded to enroll in for-profit schools with the promise of a specific degree program, but then are switched into a different program without their knowledge. Students may not find out about this switch until after they have earned their degrees. For example, student E.A. shared, “My degree plan was supposed to be in Human Resources but ended up being Business Management. I wanted to focus on Human Resources, especially since I had spent 30 years in the field.” Also, student G.K. reported, “...And title of my degree was switched twice.” Other for-profit school students find that changes are made to their programs’ requirements after they start classes. Such changes result in the need to take additional classes to graduate, an increase in students’ time in school, and an additional financial burden. These changes in their program of study or changes to their degree requirements thwart their ability to seek work in their desired fields. In one egregious example, student J.B. shared, “...whenever I had to put in a break in time because of going to the field or TDY, when I would return 2 months later, and my degree plan was no longer available. I would have to start a new course of study. That’s why I graduated with almost 300 semester hours and only a bachelor’s degree.” In addition, student B.S. stated, “I basically had to do my bachelors two times because the degree plan changed. I had four classes left and took a few months off, came back and I had to take 12 classes.” Student F.B. said, “Change in degree plan every 6 months to a year.”

Another for-profit school tactic is program “bait and switch.” Students find out, after signing up for a program, that they are only eligible for that program if they complete a different course of study first, e.g., completing an associate’s degree program before being accepted into the preferred bachelor’s program. However, after completing the associate’s degree program, students are told that the bachelor’s degree they had been promised is no longer offered. Student W.D.-C. experienced a similar situation: “Starting 2006 I began a AS degree in Visual Communications. I completed the program and continued onto a BS in Digital Media Design. The program was eliminated from the university and I was told I could complete the program. After about a year of PCS [permanent change of station] and Deployment I called to continue my degree. I had already completed all program classes, all I needed was a speech class. They told me since I was use Financial Aid that I would have to take an additional class. I was happy to comply. When the school went to finish the enrollment, the dean called me and said I was unable to complete the program because it was eliminated. The school wouldn’t make any attempt to help me. Again, all I was missing was a Speech class. I am now \$75K in debt and no degree to show for it.”

Whistleblowers. Employee 1 discussed tactics by which students are kept enrolled longer. Employee 1 cited a specific course, UNIV 104, in which students would be repeatedly enrolled so as to drag out tuition payments. Employee 2 also talked about UNIV 104. It was a very basic entry level course, and if students failed it, it should have been a red flag that they might not be ready to be successful in college. However, CTU “made millions” from students retaking this course, because they could take it up to five times before being dismissed. Employee 1 also shared that CTU changes program requirements midway through for students who are already pursuing the degree, and that CTU does not make clear to nursing students what standards they need to maintain to remain in the program.

Employee 1 shared that students are sometimes enrolled in a program other than what they wanted. Recruiters are “trained to steer students seeking degrees that CTU does not offer into other degrees that have a superficial similarity.” For example, students who want hands-on training to pursue a nursing degree are directed toward a degree in Health Administrative Services or Health Care Management, both of which are administrative and do not involve patient care. Employee 2 corroborated that students are often placed in programs that do not align with their career goals. Student D.B. experienced this: “Was enrolled at Ctu, was told that they had a environmental course. and was told i had to take a biz admen course first. after about 6 months I was told that they had no such course. I asked for my money back but never got it. I was misled from the start by CTU.”

Employee 2 expressed concerns that students are not clearly informed about the “150% Rule.” This rule states that a school must withdraw a student who attempts 150% of the program’s total credits. Students are routinely reenrolled to retake classes they have failed, which “causes the student to exhaust a lot of financial aid and receive a lot in additional funding.” Employee 2 said that communication about this rule “is not clear, serious intervention not implemented, and future costs not clearly reviewed.” This leaves students unable to complete degrees in which they have invested huge sums of money.

Additional Complainant Narratives.

- “I was told when I signed up that my degree plan would be a standard 4 year degree plan. Not only did they add 60 credit hours to my degree plan i.e. a 4 year degree is 120 credits and they assigned me 180 credits to graduate.” (C.W.)
- Her academic advisor certified her 104 R form each quarter that lays out her plan for graduation with the ROTC, but did some shady things including scheduling her to take classes way beyond her planned graduation date and enrolling her in classes more advanced than she was ready for. There is also a strange grading system where anything below a B is failing. (E.C.)
- “CTU didn't offer the classes listed in the graduation requirements, thus I was forced to take classes that were not related to my major.” (E.C.)
- “The school counselor [counselor] or school recruiter said my business degree would have a concentration in information technology with it. (I was not told there were other areas of concentration that could have been tacked on to my degree instead of information technology. I got stuck with what the school recruiter said he had instead of offering me a variety of choice as my concentration with my business degree!)” (H.W.)
- “I enrolled in 2 different degree programs, each of them were discontinued after I was in the program. I still had to pay for the classes that I had taken pertaining to those degrees.” (L.B.)
- “The graduate degree program no longer exists... If I had known that it was not a ongoing program, I would have never enrolled.” (M.B.)
- “I had asked for my Major to be in Business Management. After finishing my first Associates Degree which I thought was in Business Management and moved onto my second Associates Degree in Accounting I found out that my first degree was in General Studies and not in Business Management like I was originally told.” (M.G.)
- “I studied criminal justice even got told it is homeland security criminal justice. Come to find out no for criminal justice homeland security. When I got my degree, I questioned it because. They put it as general studies after telling me it would say criminal justice homeland security. On degree. The courses I took were criminal justice. But applying for jobs I have to put general studies degree instead of criminal justice homeland security degree. It's very difficult finding a job with homeland security. Putting down general studies.” (M.B.)
- “The plan of my degree credits constantly changed and I got to the point where it was not going to be in my financial interest to keep attending.” (P.W.)

Transcripts and Diploma Release

The ninth most frequent complaint topic was difficulty obtaining transcripts and diplomas, which was a problem identified in 52 of the 520 complaints, constituting 4 percent of the complaint topics.

The reason military-connected students said that they encountered problems obtaining transcripts or diplomas was that CEC schools claimed that they owed money. Frequently, this was the first time that students were told about the debt. Student H.M. said that, “...when I went to transfer the credits to UMUC [University of Maryland University College] here in Virginia, CTU told me

they would not release my transcripts until I paid an amount of money that I had never received a bill for or a phone call or email about. They have yet to offer any kind of explanation.” The amount owed was often \$6,000, but occasionally it was considerably less. One of the students with a \$6000 debt was C.N.: “I was never notified until I finished my masters that I owed \$6000.00 they let me complete the entire program only to find out that they said the VA didn't cover my entire tuition. Now I don't have transcripts for what I finished.”

Some of these students were perplexed because they had used benefits the entire time they were enrolled and they had never heard about any charge until they tried to transfer credits. One such student was M.B.: “...I haven't been able to get an official copy of my transcript, they stated I owed money, but I used my GI Bill the entire time. Finally, I feel they just wanted my GI Bill to get money for them. I never received the attention they described when applying to their school.” Although students were told that transcripts and diplomas were free when they enrolled, they subsequently learned that they had to pay for them. J.S. shared, “When I started School at CTU my diploma and transcript was suppose to be free. Well when I graduated they hit me for \$150 and high jacked my transcript and would not released it after I tried to apply to another School to start my bachelor's degree.” (full comment below). C.G. also reported that he was required to pay a surprise additional fee of \$150 to receive his diploma after he had completed the program.

Additional Complainant Narratives.

- “I also never recieved my degree after completing the program. They told me i still owed them another 575 dollars that had to be paid before the would send it. I have already paid them and they taled me into returning and they dropped me from classes saying i owed them again. (C.R.)
- The school CTU refuses to release my transcript, ive been told by PPCC [Pikes Peak Community College] that none of my credits will transfer, and they want me to pay for a class i didn't even take.” (D.S.)
- “They would not give up my degree until I paid the amount owed. I also had a hard time getting them to send me my credits.” (E.W.)
- “When I tried to transfer to another university they requested transcripts from CTU. I called to get hem and they told me tag I had an outstanding balance of 1000 dollars that I needed to pay in order for them to release my transcripts.” (I.S.)
- “When I started School at CTU my diploma and transcript was suppose to be free. Well when I graduated they hit me for \$150 and high jacked my transcript and would not released it after I tried to apply to another School to start my bachelor's degree. Know I am setting here making \$30 payments until August to get them to release my transcript. GARBAGE UNIVERSITY!!!!!!” (J.S.)
- “I was called by phone, enrolled and removed at almost completion but wasn't given a reason why and now CTU says I owe them money plus student loans and no degree.” (R.T.)