

## **FOR IMMEDIATE RELEASE- STATEMENT**

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### **LARGEST POST 9/11 GI BILL FRAUD CASE YIELDS GUILTY PLEAS**

#### **SERVES AS TRAGIC WAKE UP CALL: VA NEEDS STRONGER AUTHORITY & OVERSIGHT**

#### **US Taxpayers & Student Veterans Scammed Out of \$100 Million+**

WASHINGTON, D.C.- June 28, 2023. In a major fraud case at the U.S. Department of Veterans Affairs (VA), two individuals running a California technical school have pleaded guilty to the largest Post-9/11 GI Bill fraud scheme prosecuted by the U.S. Department of Justice (DOJ). DOJ also announced five other guilty pleas in separate cases involving veterans education benefits fraud, including two scuba academies engaged in similar schemes involving smaller amounts of money.

The following is a statement from [Will Hubbard](#), Vice President for Veterans & Military Policy at [Veterans Education Success](#):

"With the depth and scale of fraud in this case, it is a wake-up call for VA and Congress. We have seen too many cases of fraud over the years. Today's news is simply tragic – \$100 million of GI Bill benefits stolen from veterans who earned those education benefits. VA's implied 'stamp of approval' needs stronger authority and oversight to prevent this kind of shocking behavior, which was sadly allowed to occur for so many years."

This case highlights the urgent need for increased standards for VA and the Department of Education when it comes to approving schools for education benefits. Scams targeting veterans continue to be all too common, impacting tens of thousands of students. Fraudulent institutions have received millions of dollars, and it's clear the current system is not working for all student veterans. Stronger safeguards are needed to ensure that hard-earned GI Bill benefits are used as intended, to educate America's veterans as they transition from military service.

Veterans Education Success has consistently urged VA to crack down on fraud and played a leading role in working with Congress to unanimously pass legislation – such as the "[Protect the GI Bill Act](#)," enacted as part of the Isakson-Roe law – that requires VA to conduct "risk-based" reviews of colleges that receive GI Bill funds. This important law from 2021 is just now starting to be implemented by VA.

Currently, Veterans Education Success is [pressing](#) Congress to add basic minimum standards that schools should meet before they are eligible for GI Bill benefits because too many scams continue to be approved. Veterans Education Success exposed two scams ([House of Prayer](#) and [US-K9](#)) in recent years, both of which were cut off by VA and raided by the FBI after Veterans Education Success exposed them

## ADDITIONAL REFERENCES

Our work calling on Congress to strengthen oversight and authority to prevent these kinds of scams, and to require minimum standards for GI Bill programs:

<https://vetsedsuccess.org/statement-for-the-record-legislative-priorities-submitted-to-the-senate-and-house-committees-on-veterans-affairs/>

Our recent statement to Congress addressing legislation that would enhance important technical components of GI Bill oversight:

<https://vetsedsuccess.org/our-statement-for-the-record-on-the-june-14-2023-legislative-hearing-of-the-house-veterans-affairs-subcommittee-on-economic-opportunity/>

## BACKGROUND ON THIS CASE

- Over a period of 10 years, the Bostocks defrauded the Department of Veterans Affairs by **falsely reporting veteran enrollment numbers, falsifying records, and impersonating enrolled veterans when regulators sought to verify information** about the program.
- The scheme resulted in a total loss of over \$100 million to US taxpayers.
- The Bostocks, who **also served as school certifying officials**, deceived the VA about the academy's compliance with veteran benefit policies and went to great lengths to conceal their actions.
- The Department of Consumer Affairs reported that the school received millions in tuition payments and housing benefits.
- The Bostocks face a maximum prison sentence of five years and will be sentenced at a later date.
- The case highlights the need for vigilance in safeguarding funds allocated for deserving veterans.
- Additionally, the Justice Department announced five other guilty pleas in separate cases involving VA fraud, including two scuba academies engaged in similar schemes involving smaller amounts of money.

## MORE ABOUT WILL HUBBARD

[Will Hubbard](#) currently serves as Vice President for Veterans & Military Policy, focused on advancing higher education success for service members, veterans, and their families, and protecting the promise of the GI Bill. Previously, Hubbard served as the Vice President of Government Affairs and Chief of Staff for Student Veterans of America. He has frequently been called to testify before Congress on a variety of topics related to higher education and veterans.

**Veterans Education Success** is a nonpartisan organization whose mission is to advance higher education success for veterans, service members, and military families and to protect the integrity and promise of the GI Bill and other federal education programs. The organization offers free help, advice, and college and career counseling to servicemembers, veterans, and their survivors and families using federal education benefits and helps them participate in their democracy by engaging with policymakers. Veterans Education Success also provides non-partisan policy expertise to federal and state policymakers and conducts non-partisan research on issues of concern to student veterans. Additional information is available at [www.vetsedsuccess.org](http://www.vetsedsuccess.org).

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