



October 30 2024

The Honorable Miguel Cardona
Secretary
U.S. Department of Education
400 Maryland Ave., SW
Washington, DC 20202

Dear Secretary Cardona,

We write to urge you to use your authority to help student veterans who attended Education Management Corporation (EDMC) schools.¹ In 2021, we shared with you a [report](#) summarizing the complaints we have received from veterans and service members, alleging misconduct and illegal practices at The Art Institutes, Argosy University, Brown Mackie College, and South University.² To date, you have [announced](#) a group discharge of federal student loans for students who attended The Art Institutes,³ only, citing findings that “The Art Institutes and its parent company, Education Management Corporation (EDMC), made pervasive and substantial misrepresentations to prospective students about postgraduation employment rates, salaries, and career services during that time [Jan. 1, 2004, through Oct. 16, 2017].”⁴ The evidence, however, indicates that the misconduct was not isolated to The Art Institutes, but was widespread at EDMC schools. Student veterans who attended Argosy University and Brown Mackie College were also subjected to substantial misrepresentations and deserve broad loan relief.

As of our 2021 report, 202 student veterans⁵ had lodged complaints with us about the EDMC schools, and over half of those complaints were from Brown Mackie students. According to the student veterans who contacted us, Brown Mackie and Argosy, like The Art Institutes, misrepresented employment opportunities, career services, and salaries.⁶ We continue to

¹ “EDMC schools” includes schools that were later sold. See <https://www.republicreport.org/2014/law-enforcement-for-profit-colleges/> (“EDMC closed some schools and sold all remaining schools to non-profit Dream Center Educational Holdings (DCEH) in 2018, and DCEH closed many schools and sold South University and some Art Institutes schools to non-profit Education Principle Foundation in 2019.”) The Art Institutes, Argosy University, and Brown Mackie College have all closed. See <https://www.republicreport.org/2024/biden-debt-relief-for-ripped-off-art-institutes-students-is-a-big-step-more-is-needed/>

² Veteran and Servicemember Complaints about Misconduct and Illegal Practices at Dream Center Schools (May 2021), *available at* <https://vetsedsuccess.org/veteran-and-servicemember-complaints-about-misconduct-and-illegal-practices-at-dream-center-schools/>.

³ Under the [Sweet v. Cardona](#) settlement, EDMC/Dream Center schools are on the list entitling borrowers to automatic loan discharge if they had borrower defense to repayment applications pending as of June 22, 2022. See <https://www.ppsl.org/sweet-v-cardona-class-members>.

⁴ Biden-Harris Administration Approves \$6.1 Billion Group Student Loan Discharge for 317,000 Borrowers Who Attended The Art Institutes, Dept. of Education Press Release (May 1, 2024), *available at* <https://www.ed.gov/about/news/press-release/biden-harris-administration-approves-61-billion-group-student-loan>.

⁵ The term “student veterans” can include veterans, service members, and military dependents.

⁶ See section 4 of [our report](#) *supra*. The EDMC schools misrepresented other key information, such as the transferability of credits and accreditation status, according to veterans who have contacted us.

receive requests for help from student veterans who wasted their GI Bill or took on substantial debt because they were misled by these schools.

Argosy University and Brown Mackie College have also been the subject of law enforcement actions for deceptive recruitment practices. In 2015, EDMC agreed to forgive \$102.8 million in institutional loans and entered into a consent judgment with 39 state Attorneys General to settle alleged “unfair and deceptive recruitment and enrollment practices”⁷ at multiple schools, including Brown Mackie and Argosy. As recently as 2022, ten state Attorneys General announced a settlement with Argosy, charging violations of the 2015 settlement agreement. The Attorneys General alleged that the school engaged in “misrepresentations and omissions of material fact with respect to prospective students,” which deceived or had the capacity to deceive the students in violation of consumer protection laws.⁸

At the same time as the 2015 settlement with the 39 state Attorneys General, EDMC settled with the U.S. Department of Justice for \$95.5 million following a claim that “EDMC was running a high pressure sales business and paid its recruiters based only on the number of students they enrolled,” resulting in “the enrollment of students in programs for which they lacked the necessary skills and qualifications, unsustainable student debt and default rates and schools’ pursuit of profits ahead of a legitimate educational mission.”⁹

There is clear evidence of widespread substantial misrepresentations at EDMC schools. Argosy University and Brown Mackie College, like The Art Institutes, have closed. Student veterans who attended these schools should be afforded and are entitled to loan relief. We respectfully ask you to utilize the authority vested in the Department to discharge the federal loans for students who attended these EDMC schools.

Respectfully,

Della M. Justice

Della M. Justice
Vice President for Legal Affairs

cc: Hon. James Kvaal, Under Secretary, U.S. Dept. of Education
Ben Miller, Deputy Under Secretary, U.S. Dept. of Education

⁷ EDMC to Change Practices, Forgive Loans through Agreement with Attorney General Sam Olens, Georgia Office of the Attorney General Press Release (Nov. 16, 2015), *available at* <https://law.georgia.gov/press-releases/2015-11-16/edmc-change-practices-forgive-loans-through-agreement-attorney-general>; see also

<https://www.ajc.com/news/local/state-sues-argosy-university-brown-mackie-college-art-institutes/mQj7HmoPuaFxlG0AZKbiN/>; <https://www.republicreport.org/2019/outside-monitor-found-abuses-in-dream-center-college-operation/>.

⁸ See Assurance of Voluntary Compliance/Assurance of Discontinuance, pp. 5-7, paras. 21-23, *available at* <https://www.oag.state.va.us/files/MIYARES2022/ASSURANCEFINAL.pdf>; see also <https://www.republicreport.org/2014/law-enforcement-for-profit-colleges/> (“Settlement agreement between 10 attorneys general and Argosy, for \$2.1 million debt relief, 01-26-22”).

⁹ For-Profit College Company to Pay \$95.5 Million to Settle Claims of Illegal Recruiting, Consumer Fraud and Other Violations, Dept. of Justice Press Release (Nov. 16, 2015), *available at* <https://www.justice.gov/opa/pr/profit-college-company-pay-955-million-settle-claims-illegal-recruiting-consumer-fraud-and>.

Juliana Rinz, Deputy Under Secretary, U.S. Dept. of Education
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