## PRESS RELEASE

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## Reports Reveal Systemic Failures in VA's Oversight of Schools Receiving GI Bill

**Washington, D.C., April 28, 2025** — At a time when executive branch leaders <u>have told senior</u> <u>staff at the U.S. Department of Veterans Affairs (VA) to prepare cuts of approximately 80,000</u> <u>employees at the agency</u>, today, Veterans Education Success released three damning reports enumerating how the current VA education office staffing and oversight has been woefully inadequate amid troubling examples of negligence – and even outright conflicts of interest.

The first report, "<u>Results of Our Review of the Texas SAA's Correspondence Regarding</u> <u>Approval of Retail Ready Career Center</u>," sheds light on a startling case of fraud. The Retail Ready Career Center was <u>successfully prosecuted</u> for defrauding VA of \$72 million in GI Bill funds and the CEO jailed for 19 years. Records we received through a public records request demonstrated VA's Texas state agent's failure to heed obvious red flags (and VA's failure to supervise its Texas agent, known as a State Approving Agency) that allowed the school's owner to continue his fraudulent activities unchecked.

The second report, "<u>Results of Our Review of VA Approval Correspondence for Two House of</u> <u>Prayer Bible Seminaries in Georgia</u>," documents how VA and its Georgia state agent allowed the House of Prayer Bible College to defraud VA for 11 years, to the tune of \$22 million, despite troubling concerns about the school detailed in records we received through a public records request, including reports from both students and teachers that the school was actually a cult. Even after the school's sites were raided by the FBI in June 2022, VA took weeks to terminate the school's GI Bill eligibility.

"These reports expose a serious lack of accountability at both the state and federal levels, which has directly harmed veterans who depend on the GI Bill to build better futures for themselves and their families," said **William Hubbard**, **Vice President for Veterans & Military Policy at Veterans Education Success**. "VA must strengthen its oversight."

The third report, "Despite a Long History of Employee Conflicts of Interest with For-Profit Schools, the Department of Veterans Affairs' Oversight is Insufficient," documents VA's failure to police conflicts of interest by its employees and state agents. The report details the long history of conflicts of interest by VA employees with schools seeking the GI Bill and how VA nevertheless successfully lobbied Congress to allow it to implement a "waiver" process from the statutory ban on conflicts. Through our Freedom of Information Act (FOIA) request, we found that VA has not denied even a single waiver request from hundreds of VA employees, including 24 VA employees who oversee the GI Bill — obviously the most sensitive conflict of interest with a school – despite VA's promises to Congress to carefully ensure such conflicts would not occur. Troublingly, VA's waiver approvals rely on an employee's self-attestations on the paperwork even though past bribery of VA employees has never been uncovered through an employee's voluntary self-attestation.

"Our detailed investigation demonstrates VA's lack of commitment to preventing employees who work on veterans educational issues from double-dealing with fraudulent schools," said **Walter Ochinko, Research Fellow**. "And our case studies of two for-profit schools in Georgia and Texas demonstrate the significant fraud that can occur in the face of such lax oversight."

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## **About Veterans Education Success**

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 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.