

Veterans in this GI Bill scam played along as trade schools pocketed millions

Prosecutors went after “ghost” school operators but rarely pursued students who enrolled just to collect housing subsidies, a Post investigation found.

By Craig Whitlock and Andrew Ba Tran

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Illustration by Isabel Seliger/For The Washington Post

SAN DIEGO — At Blue Star Learning, a vocational school that defrauded taxpayers of \$29 million in GI Bill funds, learning was not the point.

Over four years, more than 1,100 military veterans packed Blue Star Learning’s classrooms next to a Jack in the Box fast-food joint here, ostensibly to learn basic computer skills. In reality, most enrolled just to collect a GI Bill housing allowance of about \$3,000 per month, according to court documents and law enforcement records obtained by The Washington Post as part of a Freedom of Information Act lawsuit.

Veterans logged 18 hours in class a week to conjure the illusion that they were full-time students entitled to housing subsidies. Most spent the time snoozing, scrolling through YouTube or “just hanging out,” Justin Foose, Blue Star Learning’s former admissions director, told federal agents.

Meanwhile, Blue Star’s instructors pretended to teach while the school received millions of dollars in GI Bill tuition from the federal government, according to investigators’ files.

Foose said the hoax revealed itself when a government regulator showed up unexpectedly and poked his head in a classroom. “Clear as day, everybody’s on videos, and there’s one instructor up there, picking his nose,” Foose told the agents in a recorded interview. “You don’t even have to run a school or even be in education to walk into this place and realize that it’s a joke.”

Blue Star Learning was what federal agents call a “ghost” or “shell” school. Before its owner was convicted of fraud and sent to prison in 2020, Blue Star was in the vanguard of a GI Bill racket that has since been mimicked across the country, according to agents.

Unlike fraudulent GI Bill trade schools that exploit veterans by charging the government sky-high tuition to teach simple skills like grass-growing or rock-making, ghost schools rely on vets to be complicit in their schemes.

Since the first Trump administration, the Justice Department has won criminal convictions or imposed civil penalties against the operators of at least 12 ghost schools for defrauding the Department of Veterans Affairs (VA) under the GI Bill, according to federal court records and law enforcement files. All were for-profit vocational programs in which large numbers of students habitually skipped class or showed up while doing little to no work, the documents show.

Investigators told The Post that they suspect they’ve uncovered only a fraction of the ghost schools that are cheating the federal government. They noted that ghost operations can be surprisingly difficult to detect, in part because GI Bill students who profit from such scams are unlikely to file complaints.

Besides defrauding taxpayers, such rackets undermine the legitimacy of the GI Bill and make it harder for other veterans to trust that they can get a quality education from any school bearing the government’s stamp of approval.

Unaccredited trade schools, by category

Cosmetology, barber schools and others under “Beauty and personal care” had the most institutions with at least one Post-9/11 GI Bill student enrolled in 2025, but driving schools, among others under “Transportation and driving,” had the most total enrolled students.

CATEGORY	TOTAL INSTITUTIONS	STUDENTS ENROLLED	AVERAGE TUITION	COMPLAINTS PER 100
Beauty and personal care	161	976	\$11K	4
Transportation and driving	160	4,277	\$8K	1
General education and academia	98	1,497	\$12K	1
Traditional trades and industrial	75	2,017	\$15K	1
IT, tech and business	66	1,726	\$13K	1
Safety and emergency services	45	180	\$4K	2
Government, religion and other organizations	38	380	\$15K	3

Unaccredited trade schools, by category. Source: Department of Veterans Affairs data analyzed by The Washington Post.

Since the GI Bill's passage toward the end of World War II, its purpose has been to help former service members gain skills to join the civilian workforce. The \$11 billion-a-year program run by VA funds 36 months of tuition for veterans at a college or trade school.

VA also pays a housing subsidy directly to student veterans based largely on the cost of living in their area. Last year, the median subsidy nationwide was \$2,161 per month, according to VA data. In some parts of the country, the monthly allowance can exceed \$4,000.

For veterans who are eligible for the GI Bill but don't want to further their education, ghost schools have provided a benefits shortcut.

"Some veterans maybe aren't that interested in getting their education," Michelle Wasserman, then a federal prosecutor who oversaw the investigation into Blue Star Learning, said during a court hearing. "They go to a school like this, where they don't have to do very much or not very much is asked of them. It's kind of a fakey education and everyone is happy. The school owner gets a bunch of money and the veterans get to keep their benefits."

Lax oversight has contributed to the problem. Under federal law, VA auditors are required to visit schools funded by the GI Bill every two years to examine financial records and student files. But a July report by VA's Office of Inspector General found that of roughly 7,600 schools nationwide, 479 had not received a routine compliance visit in more than three years — and 153 others had never had one.

In addition, few standards exist to ensure that trade schools are delivering a quality education. Most colleges that grant degrees must obtain academic accreditation to qualify for GI Bill money, but trade or vocational schools are not required to do so.

Ten of the 12 schools that the government took action against were unaccredited, according to federal court records and law enforcement files.

While some ghost-school owners and operators have gone to prison, veterans have almost never been prosecuted for participating in such ruses. The Post could identify only one case in the past decade in which veterans faced criminal charges for swindling VA out of housing money by enrolling at a ghost school.

In that instance, the Justice Department won a fraud conviction in 2019 against the owner of a California truck-driving school — an Army veteran — who pleaded guilty to running a \$4.2 million phantom-class racket. Two school employees also pleaded guilty to fraud.

More than 100 veterans enrolled in courses at the trucking school that never took place, according to the Justice Department. Federal authorities left it to the California attorney general's office to determine whether to file state criminal charges against veterans who allegedly collected housing stipends under false pretenses.

Ultimately, California prosecutors charged 35 of the veterans with conspiracy to commit grand theft, forgery and other fraud-related counts. The rest were not charged.

To charge veterans who enrolled in such programs, authorities must prove intent to defraud, not just that students were lazy or failed to complete coursework.

VA Inspector General Cheryl Mason, whose office acts as an independent watchdog that investigates cases of suspected fraud, said it can be difficult to distinguish between veterans who con VA for housing money and those who enroll in unchallenging schools just so they can pad their resumes.

"While veterans can be colluding in these cases," she told The Post in an interview, "oftentimes the veteran is a target. And they're sold on it as, you know, this easy thing. 'Oh, it's easy. You can do this. And let's go tell all your friends.'"

To better understand the ghost-school schemes, The Post sought GI Bill enrollment and complaint databases from VA under the Freedom of Information Act (FOIA), as well as records from law enforcement investigations conducted by the inspector general's office.

The government denied the requests, citing privacy exemptions. But The Post sued to compel the release of the material, arguing that it was in the public interest. After a year-long legal battle, VA and its inspector general's

office released some of the databases and thousands of pages of law enforcement files. The Post also reviewed court records from ghost-school prosecutions across the country.

The Post made multiple requests with VA to interview Kenneth Smith, the executive director of its Education Service. The department declined. VA officials also declined to respond directly to written questions about the problem of ghost schools and the abuse of GI Bill housing benefits by some veterans.

In a statement, VA Press Secretary Quinn Slaven said a White House anti-fraud task force led by Vice President JD Vance “is moving at unprecedented speed and ferocity to root out the waste, abuse and criminal exploitation of government programs in these areas and others.” Earlier this year, he added, VA created a tool that assigns a fraud risk score to schools and started a compliance and enforcement division to refer cases to the inspector general’s office.

At the same time, he blamed state governments for enabling fraud within the GI Bill program in general. “The problem is that many state- level bureaucrats have looked the other way for years as fraudsters robbed government programs blind,” he said.

VA has contractual arrangements with state governments to help approve and monitor GI Bill schools. Some states, in turn, have blamed VA and federal lawmakers for not doing more to deter fraud and for not giving them more resources to conduct oversight.

In the case of Blue Star Learning, a staffer working for the California Department of Veterans Affairs, or CalVet, in 2016 became the first regulator to report signs that the school might be a sham, according to law enforcement records. But it took three more years until federal and state officials jointly forced Blue Star to close.

CalVet declined to respond directly to written questions from The Post about ghost schools in the state. A spokeswoman, Kate Hoit, released a statement saying that California veterans “deserve programs that deliver real training and opportunity.”

“CalVet takes any allegation of fraud involving GI Bill benefits seriously and is committed to protecting both veterans and taxpayers through rigorous oversight, accountability, and close coordination with state and federal law enforcement, and oversight partners,” she added.

A 230-mile commute

During the first Trump administration, the VA inspector general’s office formed a specialized unit to ferret out education fraud with sophisticated data-analysis tools.

Under GI Bill rules, colleges and universities can teach classes online, but veterans enrolled at trade schools must attend in person. Federal agents had grown suspicious that many vets were abusing the rule so they could collect housing benefits.

Using public records and other databases, analysts examined vocational school rosters to pinpoint where students lived. At some schools, they discovered that large numbers of students lived unusually long distances from campus — often in another state, according to Michael Missal, who served as VA inspector general from 2016 to 2025.

“They’re supposed to be in class, but how could somebody in Hawaii be showing up for a class in Kansas, you know, every Tuesday?” Missal told The Post in an interview. “That doesn’t make any sense.”

One of the most blatant examples was California Technical Academy, a computer-training school that taught hundreds of veterans at three hubs near Los Angeles and San Diego. In 2020, analysts determined that about 40 percent of its GI Bill students lived more than 75 miles away from the school’s campuses, a clue that they were probably not meeting VA’s requirement that students attend 18 hours of class in person each week, according to investigators’ files.

Agents knocked on the door of one veteran’s residence in Las Vegas — about a 230-mile drive from the campus in Riverside where he purportedly attended classes. When they questioned whether he was really driving all that way to go to school, he replied unconvincingly that he was, according to the agents’ notes.

The veteran ended the interview by stating, “I hope I am not going to prison for this.” (He did not.) Investigators theorized that California Technical Academy became a magnet for ghost students because of its location, according to law enforcement files. At the time, veterans attending school in Southern California typically received GI Bill housing subsidies exceeding \$3,000 per month.

Analysts cross-checked another set of databases and discovered that veterans who were registered as full-time students at California Technical Academy also held full-time jobs working for the Department of Veterans Affairs, according to law enforcement files.

While it was conceivable that people were putting in a combined 60 to 80 hours a week at school and the office, agents concluded it was more likely that the VA employees were skipping class and double-dipping to get their full-time paychecks and housing money.

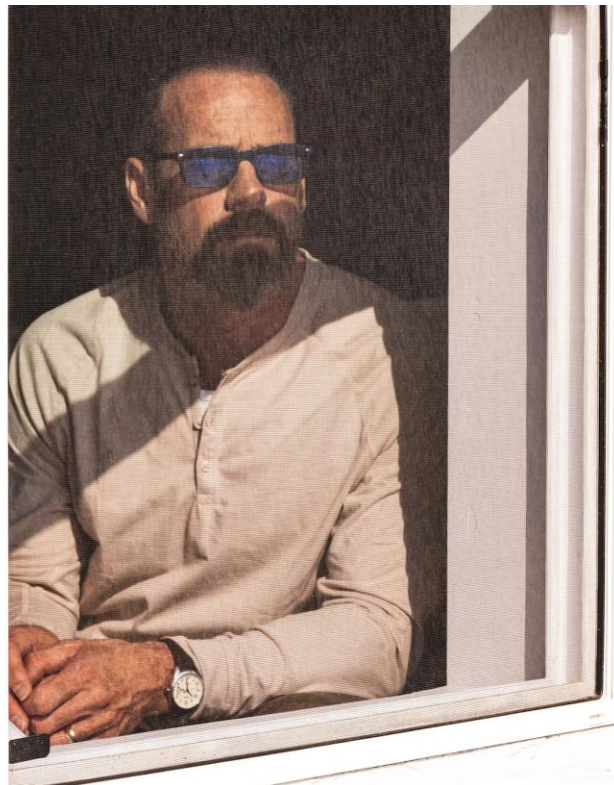
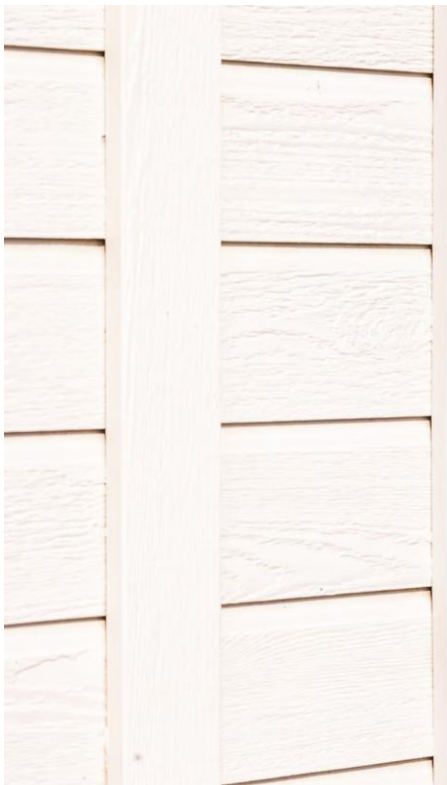
Undercover agents placed the school’s campuses under surveillance and conducted surreptitious interviews. Staffers acknowledged that few veterans showed up for class. They also told agents that the academy falsified transcripts and enrollment records before submitting them to VA, according to law enforcement files.

In 2022, federal agents raided the three campuses and seized the academy’s financial assets. The next year, the school’s chief executive and two other administrators pleaded guilty in federal court to defrauding VA in a scheme that involved nearly 1,800 veterans and lasted a decade.

The federal government said its losses from California Technical Academy totaled about \$105 million, two-thirds of it on housing subsidies and the rest on tuition. The Justice Department said it was the costliest GI Bill scam of any kind since lawmakers expanded the program in 2008.

During sentencing, defense attorneys for the two other administrators sought leniency from the judge on the grounds that their clients were uneducated or unsophisticated, court records show.

One, Philip Abod, a longtime instructor, had dropped out of ninth grade with a 0.25 grade point average; the other, Eric Bostock, a former janitor who served as director of student services, had “cognitive limitations” and an IQ of 82, according to court filings and statements by their lawyers. Each was sentenced to a year and a day in prison. Neither responded to requests for comment.



California Technical Academy founder Michael Bostock, seen in home detention in Idaho. (Kyle Green/For The Washington Post)

Michael Bostock, the school's chief executive and founder, and brother of Eric Bostock, pleaded guilty in 2022 to conspiracy to commit fraud. He admitted falsifying transcripts and attendance records to deceive VA and received a five-year sentence. A judge ordered him to pay \$105 million in restitution.

In an interview last year with The Post while serving part of his sentence in home detention in Idaho, Bostock said California Technical Academy provided a legitimate education to those who wanted it. "We knew that there was cheating going on and things like that and we just, I made my instructors focus on the students that really wanted to be successful," he said.



Michael Bostock during home detention. (Kyle Green/For The Washington Post)



Bostock, wearing an ankle monitor, during the interview. (Kyle Green/For The Washington Post)

But he acknowledged that many veterans signed up just to receive housing allowances. He said he told the staff to let those veterans skip class under the guise that they were conducting "independent study," an arrangement that violates GI Bill rules. Veterans who did little or no academic work still received passing grades so they could sign up for more courses, he added.

Typically, Bostock said, those students were in their late 50s or 60s and had no motivation to learn because they were already settled in their careers or retired.

"They were very open about it. They'd say, 'We want, I want the easiest program. What's the least amount I can do?' And several of them would enroll in that program," he recalled. "And then they would stay there as long as they could."

'We're here to earn, not to learn'

At other ghost schools across the country over the past decade, operators did little to conceal the bogus nature of their classes. In some cases, they offered kickbacks to recruiters who signed up veterans, according to court records and law enforcement files obtained under FOIA.

In Hawaii, a massage school owner pleaded guilty last year in federal court to defrauding VA of more than \$9 million. Brian Matsudo, who ran the Elite Massage Academy in Honolulu, admitted arranging kickbacks for recruiters who enrolled no-show vets in courses that cost VA as much as \$21,455 in tuition per student.

In Virginia, the owner of a small welding school paid a recruiter to induce veterans to register for fake courses in “fine arts welding” and “exotic welding,” then charged VA as much as \$34,200 per course, according to court records and investigators’ files. In comparison, welding classes at a nearby community college cost between \$500 and \$1,000, the files show.

Undercover federal agents staked out the school — the Hampton Roads Skills Center in Newport News — and spied students clocking in and then, a few minutes later, clocking out, the files show. Other times, agents found the school doors locked during the day and the parking lot empty.

One veteran who purportedly received 600 hours of instruction told agents that he didn’t put on a welding mask even once. “I never had no interest in no welding,” he admitted, law enforcement files show.

The owner, Wilbert J. McNair Jr., a church pastor, pleaded guilty in 2017 to defrauding VA of \$1.4 million in tuition for 83 students. He was sentenced to more than three years in prison and ordered to repay the money.

In court filings, prosecutors called Hampton Roads Skills Center “a sham school.” They calculated that veterans enrolled there received a combined \$1.2 million in housing subsidies. Yet none of those veterans faced charges for accepting that money.

One veteran signed up for nine welding classes so he could collect \$46,000 from VA for housing and books — even though he already had worked as a professional welder for nearly a decade and as a welding instructor at another school, according to McNair’s plea agreement.

Six of the ghost schools that the federal government has investigated over the past decade were barber or cosmetology programs.

In Mississippi, a hairstyling school called April’s Mane Attraction certified to VA that veterans received 1,500 hours of instruction to prepare for the state barbering exam. Federal agents, however, discovered that classes were rarely taught, that some registered students lived hundreds of miles away from the school, and that the coursework included word puzzles designed for children learning their colors, according to investigators’ files.

Puzzle No.

23

(b)(6)

Colors

10/25/2017

C	P	F	J	M	L	W	B	K	C	A	L	B	O	S	S	S	F	A	A
H	C	V	J	Z	E	N	W	E	V	H	V	T	X	S	P	P	K	K	M
J	W	S	I	M	J	Y	V	A	N	R	D	Y	K	Y	L	X	E	E	N
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S	U	I	H	V	Y	J	B	M	N	I	Y	C	U	M	G	C	G	C	K
A	R	E	W	K	E	Z	W	X	C	H	A	R	T	R	E	U	S	E	Q
C	G	B	V	U	W	F	F	B	G	T	R	Q	Q	O	R	T	J	K	J

AMBER

BEIGE

BLACK

BLUE

CHARTREUSE

ECRU

GOLD

GRAY

GREEN

IVORY

JADE

NAVY

ORANGE

PINK

PURPLE

RED

SILVER

TEAL

WHITE

YELLOW

A word puzzle offered by April's Mane Attraction as part of a course to prepare veterans for the state barbering exam. (Obtained by The Washington Post)

The GI Bill requires schools to charge veterans and civilians the same tuition. Yet the hairstyling academy billed VA \$22,400 per student — about 10 times more than what it charged nonveterans, investigators' files show.

In 2024, a judge ordered the school and its owner, April Tucker Beard, to pay more than \$900,000 in civil damages and penalties after the Justice Department sued, alleging violations of the False Claims Act. Beard did not respond to messages seeking comment.

In Chesapeake, Virginia, the College of Beauty and Barber Culture served veterans who, on paper, were looking to launch careers as hairstylists. Most collected about \$1,500 from VA for housing each month and up to \$1,000 annually for books and supplies, according to court records and investigators' files.

But of the more than 350 veterans who enrolled in the college, only seven were able to pass a state exam to obtain a barber or cosmetology license, the files show.

Veterans later admitted to federal agents that the school was full of "ghosts" and that their unofficial motto was, "We're here to earn, not to learn." They said students were instructed to sign attendance logs each day so VA auditors would think that classes were taking place, according to investigators' files.

The school's husband-and-wife owners, William and Katherine Grobes, pleaded guilty to defrauding VA of \$4.5 million in tuition. Each was sentenced in 2017 to five years in prison and ordered to repay that amount of money. They did not respond to requests for comment.

Prosecutors said veterans who attended the school received a total of \$10.5 million in GI Bill money for housing, books and supplies.

None of the students faced charges.

‘We were desperate’

Before veterans flocked to it, Blue Star Learning was a tiny IT service business that taught basic hardware and software courses in a strip mall north of downtown San Diego. Most of Blue Star's clients were private companies or state agencies with entry-level personnel looking to improve their computer skills.



The San Diego building at right was home to Blue Star Learning, a vocational school that defrauded taxpayers of \$29 million in GI Bill funds. (Craig Whitlock/The Washington Post)

The owner, Nimesh Shah, told The Post in an interview that he bought the school in 2010 for \$50,000 but struggled to make ends meet. After two years, Blue Star was generating just \$3,500 a month in revenue, he said. Some weeks, Shah couldn't find enough students to hold a class. "We were just sitting there," he recalled.

Around 2012, a consultant suggested that Shah seek VA approval to offer computer training for veterans under the GI Bill. Shah said he knew "nothing" about the GI Bill then but was aware San Diego was a military town with lots of veterans. He paid the consultant about \$4,000 to prepare Blue Star's application.

"I was like, doesn't hurt," he said. "We were desperate."

In 2013, VA cleared the school to accept GI Bill students. A handful of veterans signed up for three-month courses that cost between \$2,000 and \$5,000, and the school's finances stabilized, Shah said. "We were able to pay the rent," he added.

Then, in 2015, Blue Star's fortunes transformed almost overnight. One evening, a Navy veteran walked in and offered to triple Blue Star's business by rustling up scores of his old Navy buddies.

"He's like, 'Look, I have 80 to 100 folks and we are happy to bring them over to you,'" Shah recalled. There was just one catch. Instead of attending classes Monday through Friday, these veterans could come only twice a week because most had full-time jobs.

Shah said he knew that arrangement might conflict with VA rules, which required veterans enrolled in trade schools full-time to attend in person 18 hours each week.

He said he didn't think it was feasible to teach nine hours at a clip. He also wondered how these veterans could juggle a heavy class load while staying employed full-time. So he proposed a compromise: classes three days a week, for six hours each. The Navy veteran agreed, Shah said, adding: "Right there and then, he's like, 'You're on!'"

Privately, Shah figured it was too good to be true. But the following Monday, he said, Navy veterans swamped Blue Star with phone calls and emails, wanting to register for class. The school immediately had to scramble to find more classroom space.

Things snowballed, and within a year, the number of veterans enrolled at Blue Star nearly quadrupled. In 2016, VA paid the school \$7.4 million to cover their tuition, investigators' files show.

"Word of mouth got out really quick, and five guys brought five guys, and they each brought five guys. It was just insane," Foose, the school's former admissions director, told federal agents. "It was like 800-something people. They didn't even fit in the school because they would just line up out the door."

What soon became apparent, however, was that these GI Bill students were not there to learn, according to Shah and Foose. They said most were men in their 50s and 60s who had good-paying government jobs: at the post office, at the VA medical center in La Jolla, or at nearby military bases as defense contractors. Others were retired and collecting military pensions, as well as disability compensation from VA.

"When you start teaching them, they were nonchalant about it," Shah recalled. "They're like, 'Okay, fine. You know, teach me, don't teach me. I don't care.'" They didn't explicitly say they just wanted their GI Bill housing money. But Shah and his staff caught on. "We got the point," he said.

As he became more savvy about the GI Bill, Shah said he realized the school could charge much higher prices for undemanding classes as long as he didn't exceed VA's annual tuition cap. He increased tuition fourfold, to more than \$20,000 per course — about three times what San Diego State University charged in tuition for a full year of classes, court records show.

To obtain VA's approval for the tuition increase, Blue Star had to certify that it was obeying two federal regulations: that it was charging veterans and nonveterans the same amount, and that at least 15 percent of the students in every course were civilians. Those requirements for GI Bill schools are based on the logic that if at least a small number of civilians were willing to pay full tuition, then the class must be legitimate.

In his interview with The Post and in court records, Shah admitted that he and Blue Star repeatedly lied to VA about following the rules because it couldn't find enough civilians to pay the higher tuition. It took regulators years to uncover the extent of his deceit, despite obvious warning signs that Blue Star had become a fraudulent operation.

Fake companies and burner phones

In 2016, while Shah was vacationing in Mexico, a senior education specialist with the California Department of Veterans Affairs named Shane Ferrebee arrived at Blue Star for an unannounced visit.

Under an arrangement with VA, California officials were responsible for monitoring GI Bill schools in the state and ensuring they adhered to regulations.

Blue Star had recently submitted an enrollment form stating that it had 700 GI Bill students, according to an account Ferrebee later gave to investigators. He said he thought that was fishy because Blue Star only had a few classrooms, according to an account he later gave to investigators.

His suspicions were already heightened because he had warned Shah the year before that the ratio of veterans to civilians at Blue Star was out of balance. “I never trusted the guy,” Ferrebee recalled in an interview with federal agents. “He was just too nice, and just too friendly and just [had] too many veterans.”

He decided he had grounds to conduct a surprise inspection.

Ferrebee looked in a classroom and found 50 students watching videos and “just hanging out,” with no instruction taking place, investigators’ files show. He also determined that Blue Star was still violating the percent rule because it had too few civilians. Soon after, he notified the school in writing that it was being removed from the GI Bill program.

Shah knew he had been breaking the rules, he told The Post. He said he was forced to lay off most of his staff.

But Blue Star had become dependent on GI Bill money, so Shah hatched a risky and complex plan to get back in, court records show.

To persuade VA and California officials that the school now had enough civilian students, Shah submitted falsified enrollment data, according to court records and investigators’ files. He included a spreadsheet with the names of recent graduates and their employers — but most of the names and companies were fake, the records and files show.

Shah also paid someone to create individual websites for 30 phony companies. He had a Blue Star staffer buy 30 cellphones so that if regulators called the contact numbers listed on the websites, his staff could answer, court records show.

The gambit initially worked. In 2017, one year after removing Blue Star, California and VA officials readmitted the school to the GI Bill program. Veterans eager to cash in their housing allowances returned in droves, according to investigators’ files.

But the following year, Blue Star caught the attention of investigators working for VA’s inspector general.

As they did with California Technical Academy, analysts cross-checked names of Blue Star students with a database of VA employees. They found 50 people who were claiming to be studying full time at Blue Star while collecting full-time paychecks from VA.

Over several months, agents secretly interviewed former students and employees. Many described the computer classes as a farce and said that it was an open secret that veterans enrolled just to get their housing benefits, according to investigators’ files.

One former administrator told them about the list of fake names and companies that Shah maintained, the files show.

In June 2019, agents working for VA’s inspector general and the FBI raided Blue Star’s offices. Other agents arrived at Shah’s home to question him. He promptly confessed to falsifying records, according to investigators’ files and court records.

“I admitted it because, see, once you have the feds kicking in your door, there’s no point in lying,” Shah told The Post.

He also acknowledged that he was driven by greed. “It was lucrative,” he said. “I mean, there’s no ifs, ands or buts.”

In November 2019, Shah pleaded guilty in federal court to wire fraud and making false statements. Prosecutors calculated that VA lost \$29 million in the Blue Star scam. Of that, \$11 million was tuition paid to the school and \$18 million was housing money paid to veterans.

At Shah’s sentencing the next year, his attorney, Michael Lipman, said Blue Star was “not a total sham” because some courses were actually taught, even if veterans were not paying attention. But he acknowledged that Shah “chose to do something really stupid” and that he “lied repeatedly,” including by inventing “totally fictitious students” to increase the number of civilians enrolled.

At the same time, Lipman argued, veterans who attended Blue Star just for housing allowances were culpable, too — and he criticized prosecutors for not going after them.

“The government doesn’t appear to be interested in making any attempts to get back any of the money from these people,” he said.

Wasserman, the lead prosecutor, acknowledged in court that “some of the veterans are complicit here.”

That prompted U.S. District Judge John A. Houston to ask why the Justice Department hadn’t charged any veterans as co-conspirators.

“They are taking money from the government, knowing that they didn’t earn it,” he said, adding later: “There have been veterans who caused Americans and taxpayers to lose as well, and there has been no look-see into that.”

“It’s a difficult case to bring,” Wasserman responded. She said it was part of a pattern that federal authorities were seeing around the country but suggested that it was easier to hold ghost school owners accountable than veterans.

“The scheme is, in part, scammy schools and veterans who are willing to go there” for the housing benefits, she said. “And that’s unfortunate.”

The judge sentenced Shah to 45 months and ordered him to pay \$29 million in restitution.

Nate Jones and Caitlin Gilbert contributed to this report.

Methodology

The Washington Post obtained comprehensive records spanning 2018 to 2024 from the Department of Veterans Affairs’ GI Bill Comparison Tool via the Freedom of Information Act (FOIA) and merged them with VA’s 2025 Comparison Tool data pulled from the Internet Archive. Data is current as of May 2025.

The Post grouped non-degree-granting schools into categories — such as unaccredited trade specialization or flight schools — based on their accreditation status, facility codes and specific course offerings. VA tracks two separate enrollment statuses, counting all GI Bill participants and those who served after 9/11. Unless specified, enrollment figures were based on whichever figure was higher in the data. Tuition rates were based on post-9/11 enrollment because tuition figures were available only in post-9/11 data.

Information on unaccredited and vocational programs is often incomplete, so reporters used school addresses found in the FOIA data to query the Google Places API and gather missing business statuses and classification types.

About this story

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