

Congress of the United States
House of Representatives
Washington, D.C. 20515

July 07, 2016

The Honorable Robert McDonald
Secretary
Department of Veterans Affairs
810 Vermont Avenue NW
Washington, DC 20420

Dear Secretary McDonald:

Veterans returning from war have earned the benefit of using the GI Bill to pursue post-secondary education, vocational training, apprenticeships, and other opportunities in preparation for rewarding careers outside the military. The GI Bill is one of the only benefits that all veterans receive based on their length of service, rather than on their disability rating. Their entitlement to the GI Bill is generous but not unlimited, which is why it is critical that eligible programs of education take care of our veterans and keep their best interests in mind. A 2012 report by Senator Harkin revealed that some schools are targeting veterans with deceptive and misleading recruitment practices designed to confuse prospective students and misrepresent how much of their tuition is covered by military benefits.¹ More must be done to guarantee our veterans are protected from these tactics. We write to enlist your help in setting a federal interagency strategy to identify unscrupulous programs of education that employ deceptive practices to recruit student veterans in order to access their GI Bill benefits.

Upon leaving the service, veterans planning to use the GI Bill to pursue higher education face an onslaught of marketing material targeting them for their GI Bill benefits. Some schools with questionable academic value have aggressively recruited veterans through dishonest assertions about the “education” they offer. These schools have lied to student veterans about tuition costs, the quality of the program, the ability to transfer credits, graduation rates, job placement rates, and have even signed student veterans up for high-interest private loans without their knowledge.

Federal agencies and states are starting to take action against some of the worst offenders. We thank you for signing a Memorandum of Understanding to work with the Federal Trade Commission (FTC) to identify schools that employ deceptive practices. In January, FTC filed a lawsuit against DeVry University based on allegations that the school violated the FTC Act with “misrepresentations or deceptive omissions of material fact” due to false advertising around job

¹ United States Senate Health, Education, Labor and Pensions Committee, “For Profit Higher Education: The Failure to Safeguard the Federal Investment to Ensure Student Success,” July 30, 2012

< http://www.help.senate.gov/imo/media/for_profit_report/PartI-PartIII-SelectedAppendixes.pdf >

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placement rates and student earnings.² Your decision to suspend DeVry University from the Principles of Excellence list and conduct a targeted review of the school demonstrates your intention to take this partnership seriously.

However, in spite of this progress, VA lacks a comprehensive policy to identify schools that mislead student veterans and revoke their GI Bill benefits eligibility—and veterans are suffering as a result. Over the past several years, the VA failed to take action against Corinthian Colleges, which eventually lost eligibility to receive Title IV education benefits based on findings of “misrepresenting its placement rates to current and prospective students and to its accreditors.”³ Student veterans were left in the lurch when Corinthian eventually went bankrupt. In addition, FTC and Ashworth College recently reached a settlement over alleged violations of the FTC Act due to “unfair or deceptive acts or practices” involving false licensure qualification claims; however, VA still has not placed a caution flag on Ashworth in the GI Bill Comparison Tool.⁴ And VA does not currently use caution flags to warn veterans about schools under investigation by other federal agencies.

House Democrats have responded to this problem with the GI Bill Oversight Act (H.R. 5175), which would require the VA Office of the Inspector General to apply heightened scrutiny when another federal agency, or a state, finds that a college has used deceptive or misleading practices, to see whether eligibility for VA Education Assistance benefits may be impacted. The bill would then require VA to disapprove a course of education it finds to have used deceptive or misleading practices, and to provide counseling services to help those students transfer to another program of education. At a markup on May 18, 2016, the House Veterans Affairs Committee favorably forwarded this bill to the full House (as part of H.R. 5178). We are pleased that this idea has gained traction and want to work with you to ensure VA properly implements its new authority if it becomes law.

In tandem with these legislative efforts, we would like to see VA working with other federal agencies that are focused on identifying schools that employ misleading practices in order to establish a clear mechanism for sharing information about bad actors. We are writing to ask that you convene a Federal Interagency Working Group on Veteran Education that includes the Department of Education, the Department of Defense, the Department of Justice, the Federal Trade Commission, the Securities and Exchange Commission, and the Consumer Financial Protection Bureau. Over three months, the Working Group would be tasked with developing recommendations to improve interagency performance in the following areas:

² *FTC v. DeVry Education Group* (D. Cent. Calif. 2016).

<<https://www.ftc.gov/system/files/documents/cases/160127devrycmpt.pdf>>

³ Letter from US Department of Education to Corinthian Colleges, “Notice of Intent to Fine Heald College.” April 14, 2015.

<<https://www.documentcloud.org/documents/1873896-heald-fine-letter.html>>

⁴ *FTC v. Ashworth College* (D. N. Ga. 2015).

<<https://www.ftc.gov/system/files/documents/cases/150526ashworthcollegecmpt.pdf>>

- Identification of programs of education that have potentially misled students through deceptive recruiting practices or made false claims regarding graduation rates, costs, and post-graduation employment outcomes;
- Sharing mechanisms that have been successful in helping each agency put a stop to these unscrupulous practices;
- Securing fair compensation and recourse for students whose educations have been negatively impacted by misrepresentation.

Finally, we ask that the Working Group reports its findings to Congress at the end of the three-month period so that we can partner with you to bolster your efforts through legislation. We are committed to taking action, and while we appreciate VA's efforts to rein in the egregious behavior of a few schools, we want to see more interagency coordination to stop schools that take advantage of student veterans. We hope the VA can take the lead in providing that coordination.

Sincerely,



CORRINE BROWN
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