

LAW ENFORCEMENT ACTIONS AGAINST PREDATORY COLLEGES

ACADEMY OF ART UNIVERSITY, SAN FRANCISCO

City Attorney of San Francisco

- 2016 lawsuit brought by City Attorney of San Francisco for violating city land-use rules. Settled for \$60 million (\$20 million in cash over five years and must provide at least 160 units of affordable housing worth an additional \$40 million). (see here and here) *Closed*.

Private Lawsuits

- 2018 whistleblower lawsuit for illegal recruitment tactics and defrauding the Federal government out of millions of dollars in financial aid. (see here) *Ongoing*.

ALDEN'S SCHOOL OF COSMETOLOGY

U.S. Department of Justice

- 2017 criminal prosecution of Alden Hall, owner and CEO of Alden's School of Cosmetology and Alden's School of Barbering. Convicted of multiple federal crimes, including defrauding the Department of Education and stealing Pell Grant funds. (see here) Sentenced to 30 months. (see here) *Closed*.

AMERICAN COMMERCIAL COLLEGE

Department of Justice

- 2014 criminal prosecution of Doyle Sheets, president of ACC. Convicted of concealing a felony. Sentenced to 24 months in prison, and nearly \$1 million in restitution. (see here) *Closed*.
- 2013 lawsuit under False Claims Act alleging school falsified financial reports so it could qualify for federal student aid funds. Resulted in settlement requiring school to pay between \$1 million to \$2.5 million. (see here) *Closed*.

APOLLO EDUCATION GROUP (UNIVERSITY OF PHOENIX)

State Attorneys General

- 2015 investigation by California AG with a subpoena to produce documents and information regarding business and practices of University of Phoenix relating to members and former members of the U.S. military and California National Guard, including marketing, recruiting, billing, financial aid, accommodations and other services for military personnel and use of U.S. military logos in marketing. (see here) *Presumably ongoing*.
- 2011 investigation by Delaware AG for unfair and deceptive trade practices. (see here) *Closed*.
- 2011 investigation by Massachusetts AG for unfair or deceptive methods of recruitment and financing of education. (see here) *Presumably ongoing*.
- 2010 investigation by Florida AG for unfair and deceptive trade practices. (see here) *Presumably ongoing*.

U.S. Securities and Exchange Commission

- 2012 enforcement inquiry regarding insider trading. (see here) *Presumably ongoing*.

U.S. Education Department

- 2014 Inspector General subpoena for information regarding “marketing, recruitment, enrollment, financial aid processing, fraud prevention, student retention, personnel training, attendance, academic grading and other matters.” (see here) *Presumably ongoing*.
- 2004 fine and related lawsuit under False Claims Act. Resulted in 2009 \$78.5 million settlement that required owner of the University of Phoenix agreed to pay \$67.5 million to the federal government and

another \$11 million in legal fees to two former admissions officials who accused the company of illegally paying its recruiters based on how many students they enrolled. (see [here](#)) *Closed*.

U.S. Department of Defense

- 2015 [action](#) for violating Memorandum of Understanding with U.S. Department of Defense. Resulted in being placed on probationary status and being cut off from Tuition Assistance. Status was lifted in 2016. (see [here](#)) *Closed*.

U.S. Federal Trade Commission

- 2015 [investigation](#) regarding deceptive or unfair practices in marketing, advertising, and sales. (see [here](#)) *Presumably ongoing*.

Private lawsuits

- 2014 [whistleblower lawsuit](#) filed in Ohio for violating the False Claims Act by falsely certifying it was in compliance with various Higher Education Act regulations. (see [here](#)) *Presumably ongoing*.
- 2015 [whistleblower lawsuit](#) filed by two former military liaisons for the University of Phoenix alleging they were asked to make “substantial misrepresentations” to veterans to recruit them to attend the school. (see [here](#)) *Presumably ongoing*.

ASHWORTH COLLEGE

U.S. Federal Trade Commission

- 2015 [settlement](#) after charges that the school misrepresented to students that programs would provide training and credentials required to meet state requirements for certain careers, and that their credits would transfer to other schools. (see [here](#)) *Closed*.

ATI ENTERPRISES (CLOSED 2013)

U.S. Department of Justice

- 2013 [lawsuit](#) and [settlement](#) under the False Claims Act. ATI was required under the settlement to pay \$3.7 million to resolve allegations that it falsely certified compliance with federal student aid programs’ eligibility requirements and submitted claims for ineligible students. (see [here](#)) *Closed*.

Private lawsuits

- 2011 [lawsuit](#) brought by over 100 ATI students for fraud. (see [here](#))

BRIDGEPOINT EDUCATION (ASHFORD UNIVERSITY, UNIVERSITY OF THE ROCKIES)

State Attorneys General

- 2017 [lawsuit](#) by CA attorney general alleging false or misleading statements and unfair and fraudulent business practices. (see [here](#)) *Presumably ongoing*.
- 2014 [investigation](#) by MA attorney general to determine if school was compliant with state’s consumer protection laws. (see [here](#))
- 2014 [lawsuit](#) by IA attorney general for violating state consumer protection laws, resulting in Ashford paying \$7.25 million in restitution. Agreement barred deceptive statements and coercive recruitment. (see [here](#) and [here](#)) *Closed*.
- 2013 [investigation](#) by CA attorney general for making false or misleading statements on sales calls. (see [here](#)) *Led to 2017 lawsuit against Ashford, referenced above*.
- 2011 [investigation](#) by NC attorney general regarding state consumer protection violations. (see [here](#)) *Presumably ongoing*.
- 2011 [investigation](#) by NY attorney general to determine if school violated state consumer protection, securities, and finance laws. (see [here](#)) *Presumably ongoing*.

U.S. Department of Justice

- 2016 [investigation](#) into possible misrepresentation of its compliance with the 90/10 rule. (see [here](#)) *Presumably ongoing.*

U.S. Securities and Exchange Commission

- 2014 [investigation](#) regarding accounting and other business practices. (see [here](#)) *Presumably ongoing.*

U.S. Consumer Financial Protection Bureau

- 2016 [lawsuit](#) and [consent order](#) found that Bridgepoint engaged in deceptive actions with its private student loan program. Bridgepoint was ordered to discharge \$18.5 million in private loans that it made to its students, refund another \$5 million to students who made payments toward those loans, and pay an \$8 million penalty to CFPB. (see [here](#)) *Closed.*

U.S. Education Department

- 2017 [final audit determination](#) found that Ashford owed the Department of Education \$0.3 million for incorrect refund calculations and refunds that were not made or were made late. (see [here](#)) *Closed.*
- 2016 [program review](#) found compliance issue was, for the most part, satisfactorily addressed and was closed in 2016. (see [here](#)) *Closed.*
- 2015 [action](#) for not properly completing disclosures for Gainful Employment Rule. (see [here](#)) *Closed.*
- 2015 [action](#) investigating representations made by Ashford University to potential and enrolled students, and asking the company and Ashford University to assist in its assessment of Ashford University's compliance with the prohibition on substantial misrepresentations. (see [here](#)) *Closed.*

CANYON COLLEGE

State Attorneys General

- 2014 [settlement](#) with ID attorney general after granting degrees and college credit the school was not authorized to award. In the settlement, Philip Braun, the owner and operator of the school was barred from “owning, operating or managing an entity that advertises for sale, offers for sale or sells educational goods or services to or from locations in Idaho.” Braun also must keep college records, respond to transcript requests, and pay \$41,000 in civil penalties if he violates the settlement terms. (see [here](#)) *Closed.*

CAREER EDUCATION CORPORATION

State Attorneys General

- 2015 [investigations](#) by attorneys general of Maryland and District of Columbia relating to the recruitment of students, graduate placement statistics, graduate certification and licensing results, and student lending activities, among other matters. (see [here](#)) *Presumably ongoing.*
- 2014 [investigations](#) by attorneys general of Arkansas, Arizona, Connecticut, Hawaii, Idaho, Iowa, Kentucky, Missouri, Nebraska, New Mexico, North Carolina, Oregon, Pennsylvania, Tennessee, and Washington. The inquiries involve subpoenas and civil investigative demands relating to the recruitment of students, graduate placement statistics, graduate certification and licensing results, and student lending activities, among other matters. (see [here](#)) *Presumably ongoing.*
- 2013 [settlement](#) with NY attorney general where CEC agreed to pay \$9.25 million in restitution to students, pay a \$1 million penalty, and change how the school calculates and verifies job placement rates after being found to be inflating graduates' job placement rates. (see [here](#)) *Closed.*
- 2011 [investigation](#) by IL attorney general relating to the recruitment of students, graduate placement statistics, graduate certification and licensing results, and student lending activities, among other matters. (see [here](#)) *Presumably ongoing.*
- 2010 [investigation](#) by FL attorney general into possible unfair and deceptive trade practices. (see [here](#)) *Presumably ongoing.*

U.S. Securities and Exchange Commission

- 2016 [investigation](#) regarding the company's classification of Le Cordon Bleu Culinary Arts campuses as held for sale within discontinued operations, subsequent sales process, and CEC's related public disclosures. (see [here](#)) *Presumably ongoing.*
- 2013 [investigation](#) into school's previous internal investigation of student placement determination practices and related matters. (see [here](#)) *Presumably ongoing.*

U.S. Federal Trade Commission

- 2015 [investigation](#) regarding deceptive or unfair acts or practices in or affecting commerce in the advertising, marketing or sale of secondary or postsecondary educational products or services, or educational accreditation products or services. (see [here](#)) *Unclear whether FTC still investigating.*

U.S. Education Department

- 2011 [action](#) placing schools on Heightened Cash Monitoring status. (see [here](#)) *Closed.*
- 2011 [investigation](#) into misrepresentations made about job placement rates. (see [here](#)) *Closed.*
- 2010 [audit](#) to determine whether CTU had policies and procedures to ensure that CTU administered Title IV Program and other federal program funds in accordance with federal law. (see [here](#)) *Final report and findings presumably still under review.*

Private lawsuits

- 2017 [agreement](#) to pay the United States \$10 million to settle a False Claims Act lawsuit brought against American InterContinental University. The U.S. Justice Department had declined to intervene in the case, and CEC again admitted no wrongdoing. *Closed.* (see [here](#) and [here](#))

CENTER FOR EXCELLENCE IN HIGHER EDUCATION (CEHE) STEVENS-HENAGER COLLEGE, COLLEGE AMERICA)

State Attorneys General

- 2014 [lawsuit](#) by CO attorney general for deceptively marketing degree programs and misleading students about the likelihood of job placement, earnings, and graduates' qualification for certain jobs. (see [here](#) and [here](#)) *Presumably ongoing.*

U.S. Department of Justice

- 2013 [lawsuit](#) under the False Claims Act for violating federal law prohibiting paying bonuses, commissions, and other incentive compensation based on the number of enrollments employees made. (see [here](#) and [here](#)) *Presumably ongoing.*

U.S. Education Department

- 2016 [action](#) denying company's application for Stevens Henager College, College America Denver, College America Arizona, and California College San Diego to be recognized as non-profit. (see [here](#)) *Closed.*

COMPUTER SYSTEMS INSTITUTE (CSI)

U.S. Education Department

- 2016 [action](#) denying application to be re-certified for federal student aid participation. (see [here](#)) *Closed.*
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CORINTHIAN COLLEGES (EVEREST, HEALD, WYOTECH) (SOLD OR SHUT DOWN ALL CAMPUSES, DECLARED BANKRUPTCY IN 2015)

State Attorneys General

- 2016 \$1.1 billion judgment following civil complaint by CA attorney general for violating state law by “misrepresenting job placement rates to students, misrepresenting job placement rates to investors, advertising for programs that it does not offer, unlawfully using military seals in advertising, and inserting unlawful clauses into enrollment agreements that purport to bar any and all claims by students.” \$1.1 billion judgment against company included restitution of \$820,000,000 on behalf of students and civil penalties of \$350,025,000. (see [here](#)) *Closed*.
- 2014 investigation by attorney generals from Arkansas, Arizona, Connecticut, Idaho, Iowa, Kentucky, Missouri, Nebraska, North Carolina, Oregon, Tennessee, Washington, and Pennsylvania regarding the company’s business practices. The investigation concerns organizational information, tuition, loan and scholarship information, lead generation activities, student enrollment qualifications, complaints, accreditation, completion and placement statistics, graduate certification and licensing results, and student lending activities, and other matters. (see [here](#)). Attorneys general from Colorado, Hawaii, and New Mexico later joined the investigation. (see [here](#)) *Presumably ongoing*.
- 2014 civil complaint filed by MA attorney general alleging school aggressively recruited and misled students by inflating the quality and success of their training programs. (see [here](#)) *Presumably ongoing*.
- 2014 civil complaint filed by WI attorney general for false, misleading, deceptive misrepresentations made in enrolling students, including availability of externships through the school, as well as job placement rates of graduates. (see [here](#)) *Presumably ongoing*.
- 2014 investigation by NY attorney general regarding potential issues in financial aid, admissions, students, securities, and other areas. (see [here](#)) *Presumably ongoing*.
- 2013 investigation by MN attorney general regarding financial aid, admissions, students, and other areas. (see [here](#)) *Presumably ongoing*.
- 2011 investigation by IL attorney general regarding financial aid, admissions, students, and other areas. (see [here](#)) *Presumably ongoing*.
- 2010 investigation by FL attorney general regarding potential misrepresentations in financial aid, recruitment efforts, and other areas of operation. (see [here](#)) *Presumably ongoing*.

U.S. Consumer Financial Protection Bureau

- 2012 and 2014 civil investigative demands to determine whether school engaged or is engaging in unlawful acts or practices relating to the advertising, marketing, or origination of private student loans. (see [here](#))
- 2014 lawsuit alleging “Corinthian induced students to enroll in its programs through false and misleading representations about its graduates’ career opportunities.” (see [here](#)) Resulted in 2015 default judgment requiring Corinthian to pay \$531,224,267 in restitution to borrowers of private loans. (see [here](#)) *Closed*.

U.S. Department of Justice

- 2014 investigation under the False Claims Act concerning allegations related to student attendance and grade record manipulation, graduate job placement rate inflation and non-Title IV funding source misrepresentations (see [here](#)) *Presumably ongoing*.
- 2014 subpoena related to matters including job placement representations, graduation rates, transferability of credits for the Company’s students, advertisements and marketing materials, and representations regarding financial aid, military connections, student loans, and defaults by Corinthian’s

students, as well as related statements to investors and disclosures in the Company's public filings with the SEC. (see [here](#))

- 2011 [subpoena](#) sent by Education Department, overseen by Justice Department in 2013, requesting documents related to employment and placement rates at Everest Institute. (see [here](#))

U.S. Securities and Exchange Commission

- 2013 [investigation](#) regarding recruitment, attendance, completion, placement, student loan defaults, compliance with Department of Education financial requirements, standards and ratios, and other accounting matters. (see [here](#)) *Presumably ongoing.*

U.S. Education Department

- 2015 [fine](#) after finding Heald College misrepresented its placement rates to current and prospective students and accreditors and failed to comply with federal regulations requiring the complete and accurate disclosure of its placement rates. Fined \$29,665,000. (see [here](#)) *Closed.*
- 2014 [denied approval](#) for opening new locations because company admitted to falsifying placement rates and/or grade and attendance records, and because of ongoing investigations regarding improper handling of Title IV funds. (see [here](#)) *Closed.*
- 2014 [placed on increased level of financial oversight](#). (see [here](#)) *Closed.*
- 2014 [agreement](#) with Department to sell most of its campuses and wind down operations at all others. (see [here](#)) *Closed.*
- 2014 [denied recertification](#) of Everest Cross Lanes for misrepresentations and breach of fiduciary duty at a satellite campus. (see [here](#)) *Closed.*

DAYMAR COLLEGE

State Attorneys General

- 2015 [lawsuit](#) by and [settlement](#) with KY attorney general for violation of consumer protection law. Settlement for \$12.4 million, including payment of \$1.2 million to qualifying students who attended between July 27, 2006 and July 27, 2011, and forgoing \$11 million in debt owed by former students. (see [here](#)) *Closed.*

DEVRY UNIVERSITY

State Attorneys General

- 2014 [investigation](#) by NY attorney general as to whether advertising violated federal law. Resulted in 2017 [settlement](#) whereby DeVry agreed to provide restitution of \$2.25 million and pay an additional \$500,000 in penalties and fees. (see [here](#)) *Closed.*
- 2013 [investigation](#) by IL attorney general for violating Illinois state law and violating incentive compensation ban. (see [here](#)) *Presumably ongoing.*
- 2013 [investigation](#) by MA attorney general for causing false claims or statements to be submitted to the state regarding student loans, guarantees, and grants. (see [here](#)) *Presumably ongoing.*

U.S. Federal Trade Commission

- 2016 \$100 million [settlement](#) following charges of making deceptive representations about the benefits of attending DeVry in advertisements. (see [here](#)) *Closed.*

U.S. Department of Justice

- 2015 [investigation](#) for offering an associate degree in Health Information Technology without disclosing necessary information to applicants regarding requirements for obtaining a degree and a job in the field. (see [here](#)) Decided not to intervene in False Claims Act lawsuit. *Closed.*

U.S. Education Department

- 2015 investigation regarding compliance with Title IV as to published earnings and job placement rates of graduates. Resulted in 2016 settlement requiring DeVry to:
 - Cease publishing marketing claims that include the “Since 1975 Representation;”
 - Cease making any representations about post-graduation employment rates without possessing and maintaining (1) graduate-specific data to substantiate those representations; and (2) documentation of the methodology used to calculate any claims. DeVry must also certify, and provide an independent certification to the Department, of its compliance with these documentation requirements;
 - Post an irrevocable, five-year letter of credit of no less than \$68.4 million;
 - Prominently disclose, for a period of two years, a notice on its online home page regarding its failure to substantiate the “Since 1975 Representation” and include the same language in new enrollment agreements for a period of five years; and
 - Take steps to rid the internet of the “Since 1975 Representation” (both on its own website and on websites not under its direct control).
 - (see [here](#)) *Closed*.

U.S. Department of Veterans Affairs

- 2016 action suspending status as a “Principles of Excellence” institution. (see [here](#)) *Closed*.

EDUCATION AFFILIATES (MULTIPLE SCHOOLS)

U.S. Department of Justice

- 2015 lawsuit under the False Claims Act. Resulted in settlement for \$13 million to resolve False Claims Act allegations pertaining to the submission of false claims to the Department of Education for federal student aid. (see [here](#)) *Closed*.
- 2014 investigation of All State Career, Baltimore for violation of Department of Education regulations regarding disbursement of federal aid. (see [here](#))

EDUCATION MANAGEMENT CORPORATION (EDMC) (ART INSTITUTES, ARGOSY UNIVERSITY, BROWN MACKIE COLLEGE, SOUTH UNIVERSITY)

State Attorneys General

- 2015 settlement following investigations by attorneys general from KY, FL, NY, and MA. The settlement required EDMC to reform its recruiting and enrollment practices and to forgive more than \$4.5 million in loans for about 3,389 Kentucky students. Nationally, the agreement requires the company to forgive \$102.8 million in loans held by more than 80,000 former students. (see [here](#)) *Closed*.
- 2014 investigation by 14 state attorneys general about the school’s recruitment of students, graduate placement statistics, graduate certification and licensing results, and student lending activities. (see [here](#)) *Presumably ongoing*.
- 2013 settlement between Argosy University and CO attorney general for school’s deceptive marketing. Resulted in \$3.3 million in restitution and fines. (see [here](#)) *Closed*.
- 2013 investigation by MA attorney general of New England Institute of Art’s marketing and advertising of job placement and student outcomes, the recruitment of students, and the financing of education. (see [here](#)) *Presumably ongoing*.

City Attorneys

- 2014 \$4.4 million settlement with City Attorney of San Francisco following investigation into consumer complaints that the school underestimated program costs and inflated earnings projections to recruit students; the settlement requires the company to create a \$1.6 million scholarship program for students who enrolled in The Art Institute of California – San Francisco or one of the California Art Institutes diploma or degree programs and did not obtain their diplomas or degrees, and \$850,000 for an unrestricted scholarship program for students attending one of the California Art Institutes. The

agreement also requires payment of \$1.95 million to the City Attorney of San Francisco for investigation costs and other fees. (see [here](#)) *Closed*.

U.S. Department of Justice

- 2015 [settlement](#) following 2011 lawsuit under False Claims Act for falsely certifying compliance with the incentive compensation ban. Joined by California, Florida, Illinois, Indiana, and Minnesota as intervenors based on their respective state false claims acts. Settlement included agreement by company to pay \$95.5 million to the United States, co-plaintiff states and whistleblowers, and includes funds for the compliance expenses of the state consumer fraud settlement, including the costs of the administrator and a sophisticated voice analytics system to record and analyze recruiters' calls with students. (see [here](#)) *Closed*.

GLOBE UNIVERSITY AND MINNESOTA SCHOOL OF BUSINESS

State Attorneys General

- 2017 [MN Supreme Court ruling](#) that school violated state law by [issuing loans without a license and by charging unlawfully high interest rates](#). (see [here](#)) Ruling followed 2014 [lawsuit](#) by MN attorney general against both schools for misrepresenting job placement from their criminal justice programs and misrepresenting the transferability of credits. (see [here](#) and [here](#)) [Schools](#) required to provide restitution to 1,200 students who were enrolled in their criminal justice programs. (see [here](#)) *Closed*.

U.S. Education Department

- 2016 [actions](#) cutting off Title IV student grants and loans to both schools for committing fraud by substantially misrepresenting the employability of graduates from the criminal justice program and the nature of the program, and misrepresenting the transferability of credits. (see [here](#)) *Closed*.

GRAND CANYON UNIVERSITY

U.S. Education Department

- 2011 [action](#) regarding compliance with incentive compensation ban rule. Resulted in 2013 [fines](#) totaling \$1.75 million. (see [here](#) and [here](#)) *Closed*.

Accreditor Action

- 2016 [rejection](#) of attempt to become non-profit college by its regional accreditor, Higher Learning Commission. (see [here](#)) *Closed*.

State Enforcement

- 2017 [decree of censure](#) after state regulators alleged violations of nursing rules and after the school's graduates slipped below the state's standards for passage rates on the registered nurse licensing exam two years in a row. (see [here](#)) *Closed*.

HARRIS SCHOOL OF BUSINESS

U.S. Education Department

- 2015 determination [closed program review](#) with no further action but noted that findings “identified serious concerns.” Found inconsistent or missing student information, incomplete verification of student financial aid applications, that school did not actually offer all the hours of instruction it claimed to offer, inadequate monitoring of student attendance, incorrect calculation of return to Title IV (failed to accurately account for calendar days completed for some students who withdrew), inadequate documentation of need calculations for direct loans, failure to document refunds for Title IV programs,

and misrepresentation regarding accreditation and therefore students' ability to sit for medical assistance exam upon graduation. (see [here](#)) *Closed*.

U.S. Department of Justice

- 2014 [lawsuit](#) brought by former employee whistleblowers for fraud. (see [here](#))
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HERGUAN UNIVERSITY

U.S. Department of Homeland Security

- 2016 [action](#) suspending the school from recruiting foreign students after CEO pleaded guilty to providing false documents to the Department of Homeland Security. (see [here](#)) *Closed*.
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HERZING UNIVERSITY

State Attorneys General

- 2013 [settlement in lawsuit](#) brought by MN attorney general for failing to obtain accreditation for one of its programs, which kept students from taking medical assistant exam. Settlement required Herzing to offer students four options: (1) students can forfeit their credits and receive a full refund, (2) enroll at another institution and receive a full refund for all credits that do not transfer, (3) receive a \$7,500 credit and continue their studies at Herzing, or (4) pursue any other private remedy on their own. The school must also fully disclose the programmatic accreditation of any Minnesota program, fully disclose the effect on licensure or certification if students are attending a program that is not accredited, accurately disclose in all advertisements and communications the programmatic accreditation of its programs, and prominently display the programmatic accreditation of its programs on its website. (see [here](#)) *Closed*.
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HOSANNA COLLEGE OF HEALTH

State Attorneys General

- 2017 settlement following [lawsuit](#) by MA attorney general for operating a school and offering classes in Massachusetts without being authorized to do so. (see [here](#)) School will pay \$190,000 to former students and will not collect any outstanding tuition payments. (see [here](#)) *Closed*.
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INFILAW HOLDING, LLC (CHARLOTTE SCHOOL OF LAW, FLORIDA COASTAL SCHOOL OF LAW, AND ARIZONA SUMMIT LAW SCHOOL) (CHARLOTTE SCHOOL OF LAW NOW CLOSED)

State Attorneys General

- 2017 [investigation](#) by NC attorney general as to whether students at Charlotte School of Law had sufficient information to make an informed decision about whether to attend the school. (see [here](#)) *Presumably ongoing*.

U.S. Education Department

- 2016 [action](#) cutting off federal student aid to Charlotte School of Law for misrepresenting to students and prospective students the “nature and extent” of the school’s accreditation and the “appropriateness of its courses and programs to the employment objectives that it states its programs are designed to meet.” (see [here](#)) *Closed*.

U.S. Department of Justice

- 2017 [investigation](#) of Charlotte School of Law and parent company for defrauding U.S. taxpayers of \$285 million from 2010-2015. (see [here](#))
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ITT EDUCATIONAL SERVICES (ITT TECH) (CLOSED IN 2016)

State Attorneys General

- 2016 civil complaint filed by MA attorney general seeking restitution for students that were exposed to ITT's unfair and deceptive enrollment tactics, and seek injunctive relief against those tactics. (see here) *Presumably ongoing.*
- 2014 investigation by attorneys general from Arkansas, Arizona, Connecticut, Idaho, Iowa, Kentucky, Missouri, Nebraska, North Carolina, Oregon, Pennsylvania, and Washington under each states' consumer protection laws. Civil Investigative Demands included requests for information and documents related to marketing and advertising, recruitment, financial aid, academic advising, career services, admissions, programs, licensure exam pass rates, accreditation, student retention, graduation rates and job placement rates, as well as many other aspects of the company's business. (see here) *Presumably ongoing.*
- 2014 civil complaint filed by NM attorney general for unlawful business practices including misrepresentations, unfair and deceptive actions in advertising, marketing, and selling educational services. (see here) *Presumably ongoing.*

U.S. Securities Exchange Commission

- 2013 lawsuit against ITT, Kevin Modany (CEO), and Daniel Fitzpatrick (CFO) for making false or misleading representations to ITT's investors. (see here) Led to 2017 settlement, which was rejected by Modany and Fitzpatrick (see here and here) *Presumably ongoing.*

U.S. Education Department

- 2016 letter to ITT regarding ACICS's (Accrediting Council for Independent Colleges and Schools) Show Cause Directive Letter. Education Department's letter required ITT to increase surety on file with ED from 10% to 20% of total Title IV received in recent fiscal year. (see here) *Closed.*
- 2016 letter to ITT stating ITT would no longer be eligible to participate in federal student aid unless (1) ITT no longer enrolled students relying on federal student aid, (2) disclosed to students that its accreditor found that it was not in compliance, (3) stopped awarding raises, paying bonuses or making retention or severance payments to its executives or to paying special dividends or out of the ordinary expenditures without department approval, (4) notified the Education Department of any significant financial events, and (5) use its own funds to cover Title IV funds and later be reimbursed. ITT was also required to increase its surety to 40% of federal aid dollars within 30 days. (see here) *Closed.*
- 2015 letter to ITT requiring ITT to "take additional steps to identify unearned Title IV HEA funds under ITT's control, and provide additional documentation to the Department regarding Title IV, HEA funds administered and drawn by ITT on behalf of its students." (see here) *Closed.*
- 2014 action requiring ITT to post larger letter of credit in the amount of \$79,707,879 and placing the institution on Heightened Cash Monitoring status. (see here) *Closed.*

U.S. Consumer Financial Protection Bureau

- 2014 lawsuit for coercing people into taking out ITT private loans through various tactics designed to prevent people from making informed decisions. (see here) *Presumably ongoing.*

U.S. Department of Justice

- 2015 investigation to determine whether there is or has been a violation of the False Claims Act and was "focused on whether the Company knowingly submitted false statements in violation of the Department of Education's Program Participation Agreement regulations." (see here) In 2016, DOJ declined to intervene in False Claims Act suit. (see here) *Closed.*

Bankruptcy Proceedings

- 2016 filed for bankruptcy after access to federal financial aid was cut off by the Federal government. (see here)

- Following 2016 bankruptcy filing, federal bankruptcy court considering approving \$1.5 billion settlement with former students that would cancel more than \$500 million in debts and return nearly \$3 million in payments students made to ITT Tech. (see [here](#) and [here](#)) *Ongoing*.

Private lawsuits

- 2016 [whistleblower lawsuit](#) alleging violations of the False Claims Act filed by a former dean of ITT Tech. Violations include enrolling unqualified students, and recruiting students with inflated graduate and job placement rates. *Presumably ongoing* (see [here](#))

KAPLAN HIGHER EDUCATION

State Attorneys General

- 2014 [lawsuit](#) by MA attorney general for violation of consumer fraud statute by using harassing sales tactics, misrepresenting the nature of the educational program and employment opportunities in their recruitment materials. Resulted in 2015 [settlement](#) for \$1.375 million to be distributed to eligible graduates of the school's medical vocational programs through paying off all or some of the students' debt. (see [here](#)) Result of 2011 *investigation*. (see [here](#)) *Closed*.
- 2014 assurance of voluntary compliance requiring the school to conspicuously disclose true and accurate information relating to the school's accreditation, program costs including the cost of taking any licensing or certification exams required to practice in Florida, financial aid and the scope and nature of employment services they provide. (see [here](#)). Result of 2012 *investigation*. *Closed*.
- 2012 *investigation* by NC attorney general finding Kaplan lied to students about the credentials they would earn in the Dental Assistant program. Charlotte campus of Kaplan College surrendered its license to operate a school. Kaplan refunded students the cost of tuition, books, and fees, and agreed to pay the program's graduates \$9,000 stipends. (see [here](#)) *Closed*.
- 2012 *investigation* by DE attorney general seeking information about Delaware students who attended campuses and online classes. (see [here](#)) *Presumably ongoing*.
- 2011 *investigation* by IL attorney general seeking information about students who are residents of Illinois. (see [here](#)) *Presumably ongoing*.

U.S. Department of Justice

- 2015 [lawsuit](#) under False Claims Act for employing unqualified instructors at campuses in Texas. Resulted in [settlement](#) for \$1.3 million. (see [here](#)) *Closed*.

U.S. Education Department

- 2015 [action](#) for failure to provide complete data for the gainful employment rule. Submitted additional data but cannot start any new programs until the issues with the U.S. Department of Education have been resolved. (see [here](#)) *Presumably ongoing*.
- 2015 [program reviews](#) opened at five campuses. Granted provisional certification until September 30, 2018 because of concurrently open program reviews. (see [here](#)) *Presumably ongoing*.

KEISER UNIVERSITY/EVERGLADES COLLEGE

State Attorneys General

- 2012 [assurance of voluntary compliance](#) following [investigation](#) by FL attorney general into Keiser's enrollment and marketing practices. Keiser agreed to offer thousands of students free training and to not misrepresent what the school offers, including transferability of credits, describing the school as "fully accredited," and describing federal loans as "cost free." (see [here](#) and [here](#)) *Closed*.

U.S. Department of Justice

- 2015 [lawsuit](#) under False Claims Act for submitting false claims. Resulted in settlement in which Keiser will pay the United States \$335,000 to resolve the FCA liability claims. (see [here](#) and [here](#)) *Closed*.

Class Action Lawsuits

- 2016 [class action lawsuit](#) for violation of the Telephone Consumer Protection Act in Florida. (see [here](#)) *Presumably ongoing.*
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LA'JAMES INTERNATIONAL COLLEGE

State Attorneys General

- 2014 [lawsuit](#) by IA attorney general for deceptive, misleading, and unfair practices in marketing, enrollment, and instruction. Resulted in 2016 [settlement](#) requiring the school to forgive \$2.1 million in student debts, significantly change its business practices, submit to outside oversight, and pay \$550,000. (see [here](#) and [here](#)) *Closed.*
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LINCOLN EDUCATIONAL SERVICES CORP (LINCOLN TECHNICAL INSTITUTE)

State Attorneys General

- 2015 [lawsuit](#) by MA attorney general for misrepresenting job placement rates and using high pressure sales tactics in recruitment and enrollment. Resulted in 2015 [settlement](#) requiring \$850,000 to be paid to pay down federal student loans for eligible graduates of the school's criminal justice program at its Somerville and Lowell campuses. The settlement also required the school to forgive an additional \$165,000 in private student loans. (see [here](#)) *Closed.*
 - 2015 [subpoena](#) by MD attorney general for various documents related to its Columbia, Maryland campus. (see [here](#))
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MEDTECH COLLEGE

U.S. Education Department

- 2016 [action](#) denying recertification for eligibility to participate in federal student aid because the school significantly overstated job placement rates. Required to remit a larger letter of credit as a condition to continue participation with federal student aid. (see [here](#) and [here](#)) *Closed.*
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MICROPOWER CAREER INSTITUTE/INSTITUTE FOR HEALTH EDUCATION (IHE)

U.S. Department of Justice

- 2016 [convictions](#) of senior executives for participating in a financial fraud scheme in which they defrauded the Department of Education of \$1,000,000 in education grant funds, and in a student visa fraud scheme that generated \$7,440,000 in illegal revenues. (see [here](#)) *Closed.*

U.S. Department of Homeland Security & U.S. State Department

- 2014 [investigation and raid](#) by Departments of Homeland Security and State for fraud charges. (see [here](#)) Resulted in convictions described above. *Closed.*
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NATIONAL COLLEGE

State Attorneys General

- 2016 ruling by KY Court of Appeals requiring school to pay \$157,000 in [sanctions](#). Followed National College's refusal to answer a subpoena in connection with KY Attorney General investigation into whether the school was in violation of state consumer protection law. (see [here](#)) *Closed.*

- 2011 [lawsuit](#) for misrepresenting job placement statistics. (see [here](#)) *Closed, see above.*

NEW ENGLAND COLLEGE OF BUSINESS AND FINANCE (NECB)

State Attorneys General

- 2018 [settlement](#) with MA attorney general over claims of aggressive recruitment tactics and failure to make proper disclosures to prospective students. The settlement requires the school to put the proper consumer protections in place. Under the terms of the settlement, NECB will also pay \$79,000 to cover the costs of investigations, relief to any effected prospective students, and funding for consumer education. Finally, NECB is required to forgive institutional loans to enrolled students that qualify. (see [here](#)) *Closed.*

PENN FOSTER (OWNED BY THE VISTRIA GROUP)

State Attorneys General

- 2015 [settlement](#) with OR attorney general to refund \$1,900 in tuition to individual student, donate \$50,000 to nonprofit or government organization that focus on providing disadvantaged Oregon youths with education access, pay attorney general's office \$22,000 for cost of investigation, provide restitution to other Oregon consumers who come forward with legitimate complaints about the college's accreditation and transfers, and be truthful in representation of accreditation and transferability of credits. (see [here](#)) *Closed.*

U.S. Department of Education

- Not certified for participation in federal student aid program.

PREMIER EDUCATION GROUP (SALTER COLLEGE)

State Attorneys General

- 2014 [settlement](#) with MA attorney general following allegations of misrepresenting job placement numbers and using deceptive enrollment tactics. Settlement to pay \$3.75 million. (see [here](#)) *Closed.*

Massachusetts Department of Public Licensure

- 2016 settlement with Massachusetts Department of Public Licensure for \$150,000. (see [here](#)) *Closed.*

SOUTHERN TECHNICAL COLLEGE

U.S. Education Department

- 2012 [compliance review](#) assessed \$229,000 in liabilities. (see [here](#) and [here](#)) *Closed.*

SPENCERIAN COLLEGE

State Attorneys General

- 2013 [lawsuit](#) by KY attorney general for overstating job placement rates to consumers. (see [here](#)) *Presumably ongoing.*

SULLIVAN AND COGLIANO TRAINING CENTERS, INC.

State Attorneys General

- 2013 [settlement](#) with MA attorney general after allegations that the school misrepresented job placement numbers and made other misleading statements about its medical field training programs. Settlement required the school to reimburse students \$425,000 and change its advertising practices. (see [here](#)) *Closed.*

TCI COLLEGE (BERKELEY COLLEGE, MANDL SCHOOL, NEW YORK CAREER INSTITUTE,
AND TECHNICAL CAREER INSTITUTES)

New York City Department of Consumer Affairs

- 2015 subpoenas to all four colleges after high volumes of consumer complaints involving high student loan default rates and overly aggressive recruiting practices. (see here) *Presumably ongoing.*

UNIVERSAL TECHNICAL INSTITUTE

State Attorneys General

- 2013 investigation by MA attorney general for false claims made to the state of Massachusetts about student loans, guarantees and grants provided to students at the Norwood, Massachusetts campus. (see here) *Presumably ongoing.*

U.S. Department of Justice

- 2012 investigation for False Claims Act violations. *Declined to intervene and closed investigation in 2013.* (see here)

UNIVERSITY OF MANAGEMENT AND TECHNOLOGY

U.S. Department of Justice

- 2015 investigation by U.S. Department of Justice and Naval Criminal Investigative Services for alleged ties with the Chinese military. (see here) *Has continued operation.* (see here) *Presumably ongoing.*