

# United States Senate

WASHINGTON, DC 20510

July 7, 2016

The Honorable Robert McDonald  
Secretary of Veterans Affairs  
810 Vermont Avenue, NW  
Washington, D.C. 20420

Dear Secretary McDonald:

We have a responsibility to ensure that our veterans receive the high-quality educational opportunities they have earned. While we commend the progress that the Department of Veterans Affairs (VA) has made in providing consumer protection measures for veterans using the Post-9/11 GI Bill, we urge VA to continue to strengthen oversight, enforcement, and accountability to make the promise of educational opportunity a reality for veterans nationwide.

In April 2012, President Obama signed Executive Order 13607 “Establishing Principles of Excellence for Educational Institutions Serving Service Members, Veterans, Spouses, and Other Family Members.” This historic Executive Order (EO) was intended to correct troubling findings from two U.S. Senate Committee on Health, Education, Labor, and Pensions (HELP) staff reports. Those reports revealed deceptive and misleading practices employed by some for-profit colleges to recruit large numbers of veterans, such as the misrepresentation of job prospects, transferability of credits, accreditation status, and whether educational costs would be covered by their Post-9/11 GI Bill benefits. These practices have enabled colleges with dubious educational outcomes to evade regulatory requirements and employ abusive tactics in order to gain access to veterans’ education benefits. Recent data show a significant increase in the number of Post-9/11 GI Bill beneficiaries since 2009 and a disproportionate number of veterans attending for-profit colleges when compared to civilian peers. With more than \$4.8 billion in Post-9/11 GI Bill dollars flowing to colleges each year, VA must do more to hold unscrupulous colleges accountable for providing a high-quality education and preventing high-pressure recruitment tactics.

VA should collaborate more closely with other federal and investigative agencies to address shared concerns with misleading and deceptive recruiting practices—including the U.S. Departments of Education, Defense, and Justice, the Federal Trade Commission, the Securities and Exchange Commission, and the Consumer Financial Protection Bureau. A number of state Attorneys General have also initiated investigations, made findings, and settled charges against colleges for deceptive and misleading practices, even while those colleges continued to maintain access to veterans’ education benefits. VA has inexplicably asserted that it lacks the authority to limit or suspend Post-9/11 GI Bill benefits flowing to these schools, and it even failed to immediately take action last year when the Department of Education suspended Title IV eligibility for Corinthian Colleges based on findings of falsified job placement rates.

As detailed in the white paper authored by the Veterans Legal Services Clinic at Yale Law School, VA has clear authority under 38 U.S.C. § 3696 et al. to suspend or otherwise restrict a

school's receipt of benefits when another agency has a finding of deceptive or misleading practices. In fact, the statute explicitly prohibits VA from approving veterans' enrollment in courses or programs that use deceptive practices. Unfortunately, VA lacks a formal enforcement mechanism to remove a school from the Principles list as a result of VA findings by VA itself, by other federal agencies, from program reviews, or from findings as a result from complaints filed by students. VA must establish a clear process to protect veterans utilizing the Post-9/11 GI Bill and to stop taxpayer funds from flowing unchecked to colleges engaging in misconduct.

In identifying risks to students, VA currently relies only on a limited set of program reviews conducted in partnership with State Approving Agencies. The EO specifically sought to use resources more effectively by having VA conduct fewer—but more detailed—examinations of schools receiving education benefits using a risk-based approach. Unfortunately, State Approving Agencies have failed to adopt this method and program reviews subsequently avoid substantive matters and rarely reveal serious violations. VA should select schools for review based on an index of risk factors, such as rapid increases in veteran enrollment, high numbers of student complaints, increases in the amount of benefits per capita, high rates of loan defaults, high dropout rates, deficiencies identified by accreditors and state agencies, and deficiencies in VA program administration compliance.

While we commend VA's work to finalize the Principles and to develop the GI Bill Comparison Tool, we believe that there is still much more to be done. The Tool allows students to compare potential educational options, provides some caution flags, and includes veteran-specific outcome information as required in Public Law 112-646, but the usefulness of the Tool continues to be impaired by overly broad definitions of completion of non-degree programs, by schools' failure to report complete and accurate information, by inconsistency in the caution flags, and by a lack of options for user feedback. In 2014, hundreds of educational institutions failed to report retention and graduation rates of first-time GI Bill students. The Tool also lacks specific information for veterans who are considering taking out loans to supplement their veterans' education benefits. While loan repayment rates, default rates, and average salaries after completion are available for the general population, similar statistics are not available to student veterans. VA must condition continued receipt of Post-9/11 GI Bill benefits on compliance with reporting requirements and continue to work with the U.S. Department of Education to ensure that this information can be made available.

Finally, it is important to protect veterans who might fall victim to deceptive and misleading recruiting efforts. Third-party "lead generators" continue to be widely used by some colleges seeking to enroll veterans with deceptive tactics. While VA has successfully trademarked the GIbill.com domain, many other internet-based domains and search terms continue to lead veterans to schools of questionable quality. VA needs to continue to increase efforts to halt the use of these sites through trademark claims and enforcement efforts.

Our country has a responsibility to act in the best interest of those who have served. We request that you provide a response by September 1, 2016, detailing the actions that VA will take under the Principles of Excellence EO to protect veterans and their families from bad actors in higher education, provide more meaningful consumer information, and crack down on abusive and misleading recruiting practices to ensure the federal government is not providing benefits to



schools that do not serve the needs of the veterans they enroll. We look forward to working together to further ensure meaningful educational outcomes for our veterans and their families.

Sincerely,



RICHARD BLUMENTHAL  
United States Senator




PATTY MURRAY  
United States Senator



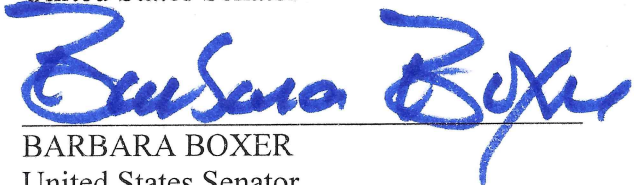
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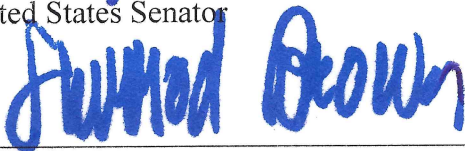
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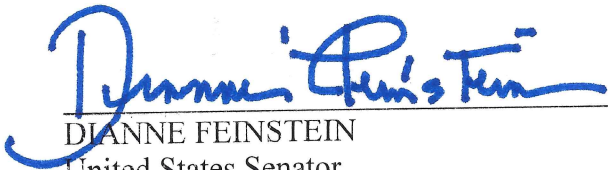
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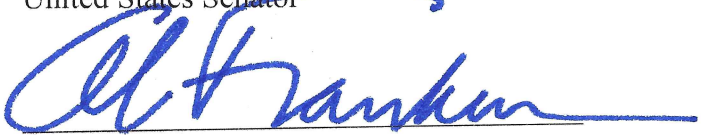
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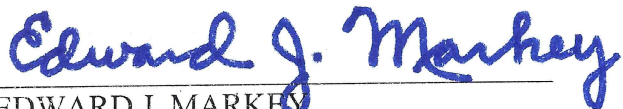
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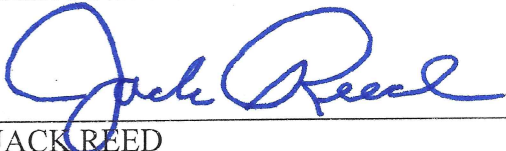
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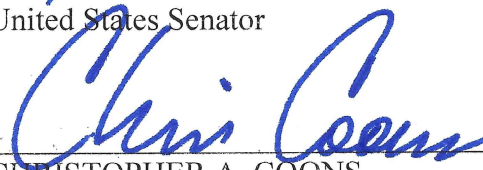


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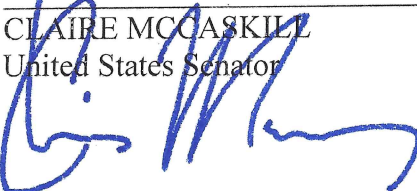
  
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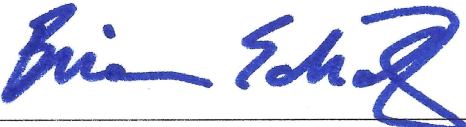
  
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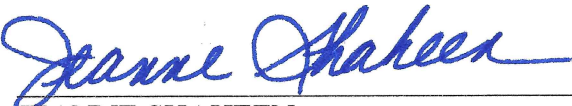
  
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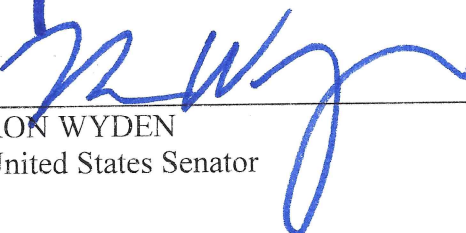
  
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