



TOO GOOD TO BE TRUE?

How to Identify (and Avoid) Predatory Schools when using GI Bill Education Benefits

By DONNA BOYLE SCHWARTZ

The GI Bill has been a tremendous boon to veterans and their families, allowing tens of millions of former service members to help pay for college, graduate school, and training programs. Currently, more than 1 million Americans are receiving GI Bill benefits for higher education programs, according to Best Collages, a leading national ranking service.

While this is a vital and important program to support veterans and their families, the GI Bill has attracted a particular class of fraudu-

lent scammers, known as “predatory colleges;” these are greedy, for-profit organizations eager to take advantage of service members and veterans by siphoning off the federal funding that is available through the GI Bill.

“We once described this target population as being viewed by fraudulent schools as dollar signs with backpacks,” reported Richard Cordray, chief operating officer of Federal Student Aid (FSA), an office of the U.S. Department of Education that manages outstanding student loans and controls federal funding to colleges and universities across the country.

Similarly, Samuel Levine, acting director



of the Federal Trade Commission's Bureau of Consumer Protection, posted a consumer alert on July 7, 2021, stating, "While American service members stand ready to defend the nation, smalltime scammers and large corporations alike have them in their sights. They follow the money — and they know that military personnel get a steady paycheck and valuable benefits from Uncle Sam. And the eventual transition back to civilian life gives the scammers even more opportunities to target the troops.

"The FTC works closely with the Department of Veterans Affairs (VA) and refers unfair or deceptive practices to the VA as our investigations uncover them," Levine added. "Schools that prey on veterans should understand that they will face not only enforcement actions by the FTC but also the loss of eligibility for GI and Title IV funds."

An analysis by the national nonprofit Veterans Education Success advocacy group revealed, "Eight of the top 10 recipients of Post-9/11 tuition and fee payments from fiscal years (FY) 2009 through 2017 were for-profit schools. These eight schools accounted for 20% of such payments (\$34.7 billion) to all participating schools since 2009."

Additionally, the group reported: "Six of the top 10 schools were being investigated by, sued by, or had reached settlements with federal or state law enforcement agencies for actions such as misleading advertising and recruiting, and fraudulent loan programs. Cumulatively, for-profit schools received 39% of Post-9/11 tuition and fee payments compared to 35% and 26% at public and nonprofit institutions, respectively."

In order to avoid these predatory schools, the FTC recommends doing some research before enrolling in a for-profit college or univer-

sity. Specifically, the agency recommends:

- Search the name of the institution at the Department of Education's College Navigator site, <https://nces.ed.gov/collegenavigator/>, which provides information about accreditation status, instructor-to-student ratio, whether the school is for-profit or non-profit, and student loan default rates.

- The FTC also recommends that veterans perform general online searches using the name of the school in combination with words like "complaints," "scam," and "reviews" to see if the college or university shows up with complaints of fraud or pending legal action.

Military-focused organizations including Veterans Education Success also offer free help for veterans and military-connected students, including legal services, advice, and college and career counseling for the GI Bill, as well as legal work building cases to stop college consumer fraud. To access this free assistance visit: <https://vetsedsuccess.org/>.

FSA's Cordray said the government is aware of the problem and striving to eliminate it. "The Education Department, the Department of Defense, Department of Veterans Affairs, and the Consumer Financial Protection Bureau have been working in coordination over the last decade to launch a series of efforts designed to prevent military veterans from being taken advantage of by predatory schools."

Indeed, a bill introduced earlier this year is designed to give veterans who were scammed by predatory colleges out of their hard-earned GI Bill benefits the opportunity to have benefits restored. The bill, H.R. 1767 *Student Veteran Benefit Restoration Act*, was introduced in March.

"This bill represents justice long overdue for student veterans," said Carrie Wofford, president of Veterans Education Success. "It has been so profoundly unfair that veterans who were robbed of their GI Bill by predatory scam schools have been left out in the cold, with no recourse and no ability to start again at a real college to use the benefits they earned serving our nation." 