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**MADIGAN TESTIFIES IN D.C. ON ALARMING STUDENT DEBT LEVEL IN
FOR-PROFIT SCHOOLS INDUSTRY**

Attorney General Relays Abusive Tactics Seen in Illinois For-Profit Colleges to Support Durbin's Bill to Allow Student Debt to Be Discharged in Bankruptcy

Washington — Illinois Attorney General Lisa Madigan testified today on the increasingly high level of debt students are undertaking to obtain a degree in the for-profit schools industry in a hearing before the U.S. Senate Judiciary Committee's Subcommittee on Administrative Oversight and the Courts.

"We've seen first-hand the damage done to the lives of students burdened with enormous debt from for-profit schools. These students wanted nothing more than to go to school and better their lives, but too many of them end up struggling to pay for an expensive education with few job prospects in their chosen field," Madigan said. "The abuses in the for-profit schools industry are rampant. Left unchecked, I fear this troubling trend will produce a generation of students saddled with crushing debt and years of financial insecurity."

Madigan testified earlier today on Capitol Hill in a hearing called by Illinois Sen. Dick Durbin, "The Looming Student Debt Crisis: Providing Fairness for Struggling Students."

The Attorney General warned committee members that student debt poses a large and growing threat to the stability of the economy. Madigan said that just as the housing crisis has trapped millions of borrowers in underwater mortgages, student debt could prevent millions of Americans from achieving financial security.

As part of her testimony, Madigan detailed a lawsuit she filed earlier this year against the national, for-profit Westwood College, which has campuses in the Chicago Loop, O'Hare, Woodridge and Calumet City. The lawsuit alleges Westwood used deceptive marketing that left students with thousands of dollars of debt and limited job opportunities. Madigan's lawsuit alleges that, through marketing its criminal justice program, Westwood falsely convinced students they could pursue a law enforcement career with such agencies as the Illinois State Police and suburban police departments, even though those employers don't recognize a Westwood degree due to its lack of regional accreditation.

Many students learned only after graduation – and after racking up thousands in student loan debt – that their degrees would not land them the law enforcement jobs they originally sought. Additionally, because Westwood isn't recognized by regionally accredited colleges, students found they couldn't transfer their coursework to alternative programs to complete a degree. Lacking a regionally accredited degree and unable to transfer their coursework, Westwood students were left with anywhere from \$50,000 to \$70,000 in student loan debt.

Since filing the Westwood case, Madigan's office has received 1,007 calls from students with similar stories of taking out private loans for degrees that failed to qualify them for careers in criminal justice. The Attorney General encouraged current and former students of Westwood College seeking more information to contact her office's Consumer Fraud Hotline, (800) 386-5438.

Madigan's testimony today is part of her ongoing effort to crack down on fraudulent and deceptive practices in the for-profit college industry. In 2011, Madigan filed a complaint in a whistleblower suit against Education Management Corporation and the Illinois Institutes of Art in Chicago and Schaumburg for allegedly incentivizing admissions recruiters based on enrollment numbers and thereby defrauding the state of education grant dollars.

Earlier, in 2007, Madigan reached a settlement with Illinois-based DeVry University and Career Education Corporation concerning student loan practices involving the schools and lenders. The settlements required the schools to adopt a College Code of Conduct and to return the money paid by lenders to schools.

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