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MADIGAN CALLS ON DUNCAN TO STRENGTHEN REGULATION OF FOR-PROFIT COLLEGES

Attorney General Files Comments with Department of Education to Better Protect Students Against Abusive Industry Practices

Chicago — Attorney General Lisa Madigan today urged U.S. Secretary of Education Arne Duncan to strengthen oversight of for-profit colleges and [filed comments with the Department of Education](#) in support of requiring schools to ensure students can pay off their loans and to make more accurate and complete disclosures about their job placement rates.

“Too often, with promises of higher-paying salaries and better job prospects, young people in Illinois and across the country have been lured into taking on huge amounts of debt to pursue diplomas at for-profit schools,” [Madigan said in a letter to Duncan](#). “Yet, over and over again, many of these institutions’ promises have proven empty, and young people have paid the price, going deeply into debt to pursue diplomas that leave them without better job prospects or higher salaries.”

Many for-profit colleges and universities have achieved eligibility to receive Federal Student Aid by providing programs “to prepare students for gainful employment in a recognized occupation,” pursuant to the Higher Education Act. Yet, Madigan said, more clarity is needed to define “gainful employment,” given evidence in Illinois that some for-profit schools make deceptive claims to prospective students that induce them to enroll and take on excessive debt loads only to discover upon graduation that their degree fails to qualify them for a job in their chosen career.

Madigan’s comments cited a review of more than 1,500 student complaints as part of her ongoing investigation of the for-profit school industry’s deceptive marketing and lending practices. Based on that review, Madigan recommended the Department of Education strengthen its rules to ensure for-profit schools meet the obligation to prepare students for gainful employment in a recognized occupation. Specifically, Madigan recommended that:

- For-profit schools should be required to meet thresholds for their students’ debt-to-income ratios and repayment rates;
- For-profit schools should be required to make clear job placement disclosures so students understand how many graduates of their programs find jobs in their fields;
- For-profit schools should be restricted from finding new accreditors after a prior accreditor cites them for poor practices; and
- For-profit schools should be required to provide students with clear, understandable disclosures about their programmatic accreditations and what impact these accreditations, or the lack thereof, have on students’ job prospects.

The comments filed today are Madigan’s latest effort to address abusive marketing and advertising tactics in the for-profit school industry. In 2012, Madigan filed a lawsuit against the national for-profit school Westwood College, alleging Westwood left many students with anywhere from \$50,000 to \$70,000 in debt for degrees that failed to qualify them for their chosen careers. Madigan’s lawsuit alleges that Westwood downplayed the ultimate cost of attending the college and failed to provide students with sufficient information about their loans. Madigan also settled a national lawsuit with the company behind www.Glbill.com for deceptively steering U.S. service members and veterans to use their federal education benefits with the company’s preferred clients in the for-profit schools industry. Madigan has also testified before Congress on growing concerns about the industry.

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