



October 7, 2014

MADIGAN URGES STRONGER OVERSIGHT OF FOR-PROFIT COLLEGE INDUSTRY***Attorney General Joins Letter of Support for Passage of Federal Legislation to Improve Coordination in Agencies Overseeing For-Profit Schools***

Chicago — Attorney General Lisa Madigan today sent a letter to U.S. Senators Dick Durbin (D-IL) and Tom Harkin (D-IA) and U.S. Representative Elijah Cummings (D-MD) expressing support for their legislation that would improve coordination among federal agencies overseeing the for-profit college industry.

"We've heard from far too many graduates of for-profit schools in Illinois who are struggling with enormous debt levels and limited job prospects in their chosen field," Madigan said. "It is long overdue for the federal government to increase its oversight of the for-profit college industry to ensure for-profit schools focus less on maximizing revenues and more on improving their students' graduation and employment rates."

Currently, at least nine different federal agencies have a hand in overseeing the for-profit school industry: the Department of Education; the Consumer Financial Protection Bureau; the Department of Justice; the Securities and Exchange Commission; the Department of Defense; the Department of Veterans Affairs; the Federal Trade Commission; the Department of Labor and the Internal Revenue Service. The *Propriety Education Oversight Coordination Improvement Act* would require representatives from each agency to coordinate efforts and publish a report about for-profit colleges, which would allow Title IV borrowers to make better informed decisions about the school they may want to attend.

Additionally, the bill would require the interagency committee to hold quarterly meetings as a group and annual meetings with state attorneys general to coordinate federal and state activities related to for-profit school oversight. The legislation would also charge the committee with publishing a "For-Profit College Warning List" for parents and students, which would identify schools that have engaged in illegal practices or where there is evidence of widespread abuse - including unethical, fraudulent, and/or predatory recruiting or lending practices.

"This bill will provide the federal government with a mechanism by which to hold for-profit colleges more accountable for accepting billions of dollars in taxpayer money and will not conflict with, nor pre-empt the important work of the States in enforcing state law," the letter states. "Further, this bill will help prevent Title IV funds from continuing to line the pockets of some for-profit colleges that offer deficient educations in a deceptive manner."

Attorney General Madigan has been a national leader in investigating and enforcing consumer protection violations in the higher education field, becoming the first state Attorney General to [file lawsuits against emerging student loan debt scams](#), leading the investigation into Sallie Mae (now Navient), and pursuing litigation against national for-profit colleges for fraudulent marketing practices. Earlier this year, Madigan testified before the U.S. Senate Health Education Labor and Pensions (HELP) Committee on the role of states in higher education.

Joining Madigan in the letter of support were attorneys general from Arkansas, Connecticut, Iowa, Kentucky, Maine, Maryland, Mississippi, Missouri, Nevada, New Mexico, Oregon, Pennsylvania and Tennessee.

-30-

[Return to October 2014 Press Releases](#)

