

For Immediate Release  
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## **TWELVE SENATORS URGE EDUCATION DEPARTMENT TO PROTECT STUDENTS WHILE CONTINUING OVERSIGHT OF CORINTHIAN, OTHER FOR-PROFIT COLLEGES**

### ***Call for Corinthian to immediately stop enrolling students***

[WASHINGTON, D.C.] – Today, twelve U.S. Senators called on Secretary of Education Arne Duncan to protect students while continuing to hold Corinthian Colleges, Inc. accountable, including immediately prohibiting them from enrolling any new students. After failing to provide required data to the Department of Education about its practices, including falsifying job placement data used in marketing claims to prospective students and allegations of altered grades and attendance, Corinthian has now agreed to sell or close its campuses across the country. This places the company's 70,000 current students at risk, but also presents the opportunity to find better educational opportunities for these students. The for-profit college is currently under investigation by 20 states, the Consumer Financial Protection Bureau, the U.S. Department of Justice, and the Securities and Exchange Commission.

The Senators signing on to today's letter include: Assistant Senate Majority Leader U.S. Senator Dick Durbin (D-IL); Chairman of the Senate Health, Education, Labor and Pensions Committee, Senator Tom Harkin (D-IA) and U.S. Senators Barbara Boxer (D-CA), Sherrod Brown (D-OH), Jack Reed (D-RI), Elizabeth Warren (D-MA), Bill Nelson (D-FL), Richard Blumenthal (D-CT), Brian Schatz (D-HI), Chris Murphy (D-CT), Ed Markey (D-MA) and Mazie Hirono (D-HI).

**“Corinthian College Incorporated represents a risk to students on a scale that could overwhelm the current system of support and safety net provisions for students. Corinthian has shown itself to be one of the worst actors in the for-profit college industry,” wrote the Senators. “It is important that the Department continue to hold Corinthian accountable for its actions, but we must not let students be held responsible for the bad actions of this company.”**

In addition, the Senators asked the Department of Education to answer a series of questions related to the protection of students and taxpayer funding. They also called for the Department to take the following actions:

- Require Corinthian to fully inform students of the company's intentions related to the sale or closure of specific campuses;
- Prohibit any for-profit company or school that is under federal or state investigation from purchasing or participating in teach-out processes of any Corinthian campuses; and
- Use its negotiating power to protect students from mandatory arbitration clauses in Corinthian enrollment agreements that often deny students an avenue for relief through the courts.

*Full text of the letter is below:*

June 25, 2014

The Honorable Arne Duncan  
Secretary  
Department of Education  
400 Maryland Avenue, SW  
Washington, DC 20202

Dear Secretary Duncan:

[We] write to ensure that the Department of Education is doing everything it can to protect students who will be displaced or disadvantaged as a result of the impending sale or closure of Corinthian College Incorporated's campuses nationwide. Over the past several years we have seen multiple examples of abrupt school closures that have left students in the lurch, scrambling to continue their education or discharge their loans. Corinthian College Incorporated represents a risk to students on a scale that could overwhelm the current system of support and safety net provisions for students.

Corinthian has shown itself to be one of the worst actors in the for-profit college industry – under investigation by four additional federal agencies and more than 20 State Attorneys General. It is important that the Department continue to hold Corinthian accountable for its actions, but we must not let students be held responsible for the bad actions of this company. As such, we urge the Department to:

- Immediately prohibit Corinthian from enrolling any new students.
- Require Corinthian to fully inform students of the company's intentions related to the sale or closure of specific campuses.
- Prohibit any for-profit company or school that is under federal or state investigation from purchasing or participating in teach-out processes of any Corinthian campuses.
- Require, as a condition of receiving continued federal funding, that Corinthian certify that it will not seek to enforce mandatory arbitration clauses that preclude students who have been harmed by Corinthian's misconduct from seeking relief in the forum of the students' choice, and prohibit any entity that the Department permits to purchase a Corinthian school or carry out a teach-out plan from including such clauses in their enrollment agreements.

In addition, we request answers to the following questions:

- When will Corinthian Colleges designate which campuses it intends to sell and which will close?
- Do students at closing campuses have the option to refuse a planned teach-out and instead seek Closed School Discharge? If so, how will the Department ensure students are properly notified of their options?
- What process exists for borrowers who do not qualify for the Closed School Discharge to bring claims to the Department that the school's potential violations of the law are a defense to repayment? Will individual borrowers have to bring separate actions for such an option or will all borrowers subjected to the same improprieties be granted relief? Will this process be extended to all borrowers regardless of payment status?
- If a Corinthian school is purchased and the new owner closes programs, but maintains the campus, what relief will the Department provide or require to be provided to those students?
- How will students enrolled in online-only programs be dealt with?
- How will the Department seek to ensure relief for Corinthian students with private student loan debt?

We request a prompt response to each of these requested actions and questions. Thank you for your work to hold for-profit colleges, like Corinthian, accountable. We encourage you to continue conducting aggressive oversight of this industry.

Sincerely,