

March 9, 2016

Dr. John B. King
Acting Secretary of Education
Lyndon Baines Johnson Department of Education Building
400 Maryland Avenue SW
Washington, DC 20202

Dear Secretary King:

The undersigned groups represent veterans, servicemembers, and their families. We write to urge the Department of Education (Department) to protect the legal rights of students whose schools victimize them through fraud and other wrongdoing.

Specifically, we request the Department issue a rule requiring educational institutions to agree, as a condition on receipt of Title IV assistance under the Higher Education Act (HEA), not to include pre-dispute arbitration clauses in enrollment or other agreements with students, a practice also known as “forced arbitration.” Under these clauses, students give up their right to court proceedings and a jury and are instead required to use arbitration to resolve any dispute they may later have with the school. The Department has the authority to adopt such a rule under the HEA and it would be consistent with the Federal Arbitration Act (FAA), 9 U.S.C. § 1 *et seq.* The rule requested would aid the Department in meeting its obligation to protect students and root out fraudulent conduct by schools participating in Title IV programs.

We also request the Department make clear that schools cannot bar their students from filing complaints about a school’s conduct with agencies like the Department, Veterans Affairs, Department of Defense, or the Consumer Financial Protection Bureau.

Veterans and service members need their legal rights if they are hurt by a college that has deceived them or defrauded them. As you know, some predatory colleges offer low quality programs and faculty, shortchange students in their support service offerings, and produce poor outcomes for students, especially in low graduation and job-placement rates. Veterans and service members are often targeted for especially aggressive and deceptive recruiting, in which they are misled about their school’s accreditation, tuition, and educational quality, and about graduates’ job prospects. Veterans too often find they hold loans arranged by unscrupulous colleges even if the veteran explicitly requested no loans because they had the G.I. Bill.

Incredibly, while many of these schools cheat their students out of a meaningful education, they escape civil liability for wrongdoing by including forced arbitration clauses in student enrollment agreements. Often buried in the fine print, these clauses shut courthouse doors to students.

Of particular concern are schools that block students from filing complaints with government agencies, especially the Department of Veterans Affairs (VA). By way of example, in ITT’s student handbook, students are mandated to first go through ITT’s student complaint

procedure—and if that doesn't work, then the dispute may be elevated to binding arbitration.¹ When student veterans have filed a complaint with VA, ITT has responded by first admonishing the student for going to VA and not using ITT's internal grievance procedure (see below). A school does not have the right or the legal authority to prevent veterans from seeking help from the VA. The VA's student complaint system is important in helping VA gather data on potentially illegal behavior by schools and serving as an early warning system for VA to protect the GI Bill from fraud. The VA complaint system also is important to veterans in allowing veterans to seek VA's help without having to bring a lawsuit. It is important for students to know that an impartial agency will review their complaint and that they do not have to face their school alone.

No school should be permitted to deny veterans and other students their legal rights, especially their rights to inform the federal government of potential fraud and to seek the government's assistance. Forced arbitration clauses and mandated internal complaint procedures have a clear and harmful consequence—to shield schools from accountability when they fail to deliver on their promises. We ask the Department to use its authority to ensure that students are afforded as much protection as the schools they attend.

Sincerely,

Air Force Women Officers Association
Iraq and Afghanistan Veterans of America
Military Child Education Coalition
Student Veterans of America
Tragedy Assistance Program for Survivors
VetsFirst
Veterans Education Success
Vietnam Veterans of America

¹ ITT Technical Institute Student Handbook - Albuquerque, pg. 62 *available at* <https://www.itt-tech.edu/campus/download/060.pdf>.

ITT Technical Institute **ITT**

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February 18, 2016

[REDACTED]
C/o Department of Veterans Affairs
Principles of Excellence
Complaint Case Manager

Re: [REDACTED]

Dear [REDACTED]

A copy of your complaint sent to the Veterans' Administration (VA) has been forwarded to my attention. I appreciate the opportunity to respond to the concern(s) you submitted online at <http://www.benefits.va.gov/gibill>.

Please note that when you enrolled at ITT Technical Institute, you signed an Enrollment Agreement (EA) in which you agreed to all terms of our school catalog, including our published Student Complaint/Grievance Procedure. A review of our records reveals that you did not use our established Student Complaint/Grievance Procedure to first afford the school you attended the opportunity to address or respond to your concerns. ITT Educational Services, Inc. is providing a response to your concerns even though this is outside of our established Student Complaint/Grievance Procedure. You can, however, locate the ITT Technical Institute you attended by accessing our website at <http://www.itt-tech.edu/campus/> and then view the school's catalog and Student Complaint/Grievance Procedure by selecting the "Catalog" hyperlink underneath the "Campus Information" section of the applicable campus webpage.

[REDACTED]

Upon receipt of your complaint, the school attempted to contact you without success at the telephone number, email address, and mailing address in your school file. Please contact the school at (817) 794-5100 if you have any questions about your enrollment, your student account, or this response.

In your complaint, you allege you have experienced issues in the following area(s): Financial/Refund Issues. As a resolution to your grievance, you have asked that you be refunded the amount you claim should have gone directly to the VA. We have reviewed your allegations and determined the following:

[REDACTED]