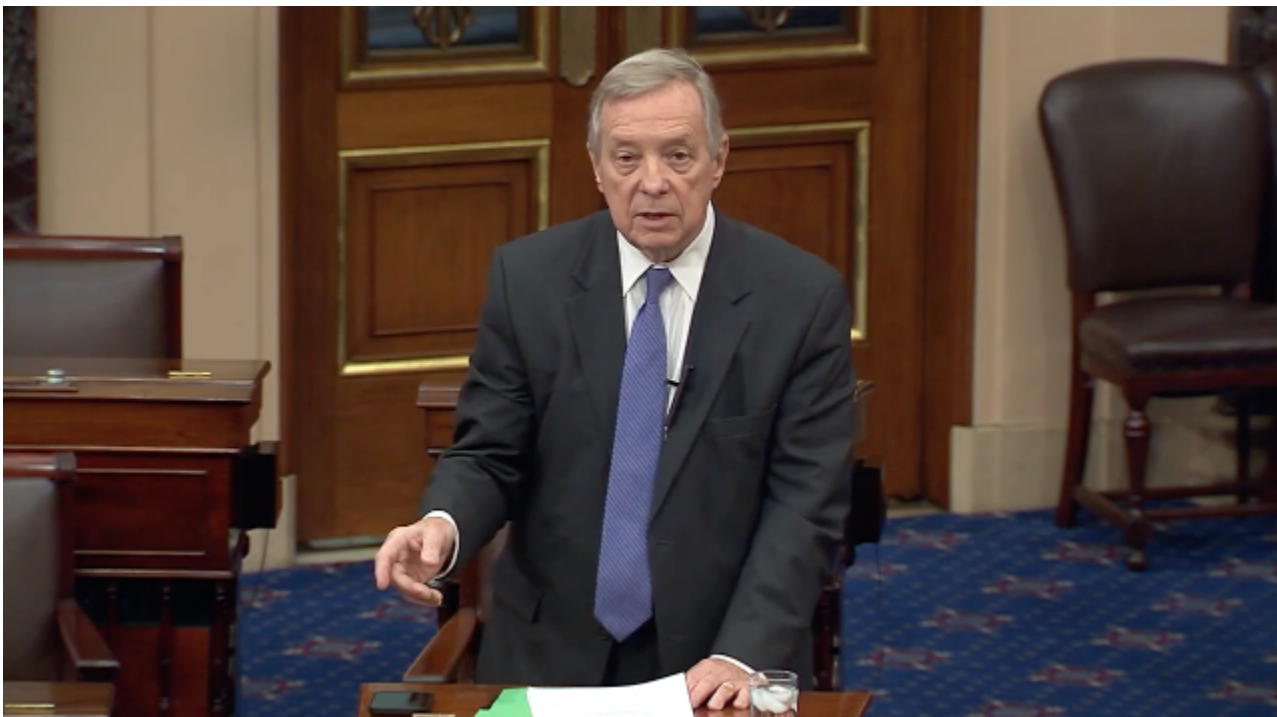


Durbin, Delauro Send Letter Urging Department Of Education To Recoup Funds From Predatory, For-Profit Colleges

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WASHINGTON – U.S. Senate Majority Whip Dick Durbin (D-IL) and U.S. Representative Rosa DeLauro (D-CT-03) sent a letter to Department of Education Secretary Miguel Cardona urging him to recoup funds from for-profit colleges University of Phoenix (Phoenix) and Ashford University (Ashford) after the agency cancelled student debts for borrowers that were defrauded by those institutions.

“For far too long, predatory for-profit colleges like Ashford and Phoenix have preyed on students, especially veterans, students of color, and low-income students,” the lawmakers wrote. “We therefore urge the Department to aggressively recoup funds from these institutions. This would send a strong warning signal to other predatory for-profit colleges that there are substantial financial consequences for defrauding students.”

In their letter, Durbin and DeLauro advocated for stronger enforcement measures to protect student borrowers, including streamlining borrower defense applications for other former Ashford and Phoenix students and scrutinizing whether these schools remain eligible for federal student aid.

“We also urge the Department to continue providing accessible and streamlined avenues for other defrauded borrowers who attended Ashford and Phoenix to receive relief through borrower defense to repayment,” the lawmakers continued. “Finally, we urge the Department to review whether Ashford and Phoenix—each of which has engaged in extensive and sustained misconduct that has violated Department regulations, including the prohibition on making substantial misrepresentations to students—continue to remain eligible for federal student aid.”

U.S. Senator Elizabeth Warren (D-MA) and Jeff Merkley (D-OR) and U.S. Representatives Pramila Jayapal (D-WA-7), Jan Schakowsky (D-IL-9), Lloyd Doggett (D-TX-35), Nydia Velázquez (D-NY-7), Maxine Waters (D-CA-43), Barbara Lee (D-CA-12), and David Trone (D-MD-6) also joined the letter.

Durbin has repeatedly called out Ashford and Phoenix for their predatory practices against student borrowers, particularly scamming attendees out of thousands of dollars in exchange for a phony college degree. While he applauded the Department’s move to approve [\\$1.56 million](#) in borrower defense claims for former Phoenix students in Illinois and [\\$3.6 million](#) in relief for Illinois student borrowers who attended Ashford, Durbin has [urged](#) the Department to ensure that federal student aid does not go toward predatory for-profit schools like Ashford and Phoenix.

Durbin has also cautioned credible universities against purchasing nefarious for-profit colleges as they accept the for-profit colleges’ liabilities and poorly run programming. In September, Durbin [wrote](#) to the University of Idaho on the dangers of purchasing Phoenix, reminding the University of Idaho that Phoenix has a history of illegally recruiting military service members, using misleading advertisements, and hiring executives who led other defunct for-profit colleges. Similarly, Durbin [advised](#) the University of Arizona against purchasing Ashford in 2020. Despite Ashford’s numerous state and federal investigations and law suits for fraudulent and predatory practices, Arizona went through with the sale. Ashford’s administration still runs the operations of the same program, now disguised as “University of Arizona Global Campus,” including the marketing and recruitment practices that continue to prey upon students.

Both Ashford and Phoenix have a track record of wrongdoing, as detailed in investigations into the for-profit colleges. After reviewing the information found in a Federal Trade Commission (FTC) investigation in 2019, the Department concluded that Phoenix deceived prospective students by using disingenuous marketing and false

advertisements. Phoenix continuously claimed the for-profit college could grant access to exclusive job opportunities with corporate sponsors, while in reality, Phoenix misrepresented their relationship with corporate partners and employment options. Predatory for-profit colleges like Phoenix often aggressively market to students in hopes of accessing funding like the Title IV program, the GI Bill, and the Department of Defense's Tuition Assistance program.

The Department also found that Ashford's misconduct included widespread misrepresentations about the cost of attendance, ability to transfer credits, its accreditation and licensure status, and the length of its programs. Some students were told they would not incur any out-of-pocket costs and were eligible for Pell Grants, but later discovered they had reached lifetime loan limits while enrolled, forcing them to withdraw with debt but no degree. Ashford recruiters also told students they could transfer credits easily. These students, however, often were unable to transfer credits both into Ashford and to other institutions.

The full letter can be viewed [here](#).