

United States Senate

WASHINGTON, DC 20510

November 21, 2017

The Honorable David Shulkin, MD
Secretary
U.S. Department of Veterans Affairs
810 Vermont Avenue, NW
Washington, DC 20420

Dear Secretary Shulkin,

We write today to urge the Department of Veterans Affairs (VA) to take additional steps to protect student veterans attending Ashford University in light of the company's impending loss of GI Bill eligibility. Specifically, we ask that VA warn currently enrolled GI Bill beneficiaries and prohibit new GI Bill enrollments at Ashford.

Ashford University was created in 2005 through shady legal maneuvering in which investors bought the tiny Franciscan University of the Prairies in Iowa and, with it, the school's accreditation. What began by paying for accreditation has become a national online enterprise that is the poster child for unfair, deceptive, abusive practices – especially against veterans and service members – in the for-profit college industry. Ashford is currently facing investigations by attorneys general in New York, North Carolina, and California. In 2014, Ashford agreed to pay \$7.25 million in a settlement with the Iowa Attorney General for its misleading recruitment practices. Just last year, Ashford agreed to pay \$30 million in a settlement with the Consumer Financial Protection Bureau for deceptive acts and practices including lying to students about their student loan payments.

Now, Ashford is engaged in a legally dubious scheme to maintain its GI Bill eligibility, which brought in nearly \$38 million in 2016. As you know, in order to be eligible to receive GI Bill education benefits, an institution of higher education must be approved by the State Approving Agency (SAA) for the state in which its main campus is located. In 2016, when Ashford closed its Iowa main campus, the Iowa SAA withdrew its approval of Ashford citing its lack of jurisdiction. Ashford challenged Iowa's decision in federal court and lost earlier this summer.

Instead of seeking SAA approval in California, where Ashford's parent company Bridgepoint is headquartered, Ashford sought and received approval from the Arizona SAA. A recent *Chronicle of Higher Education* article entitled "Inside the Scramble to Save Ashford U" documents the mockery Ashford has made of the state approval requirements including using political pressure to get expedited approval from the Arizona SAA despite the state's insistence

that Ashford's home state is California and that "California regulators would be responsible if any serious problems occurred." In addition, the *Chronicle* noted Ashford's physical presence in Arizona is limited to a leased building "roughly the size of a Chipotle restaurant" which VA officials found to be dark and empty on two separate visits.

In response to Ashford last week, VA rightfully found that approval by the Arizona State Approving Agency SAA is "legally insufficient because the Arizona SAA lacks jurisdiction to approve Ashford" and notified Ashford that it will lose GI Bill eligibility if it fails to get approved by the California SAA within 60 days. We are pleased with the VA's actions to enforce the law and regulations related to Ashford's state approval.

But we also believe additional steps must be taken to adequately protect veterans between now and the end of the 60 day deadline. We urge the VA to immediately notify, through direct email and mail, all of the more than 9,000 GI Bill students currently enrolled at Ashford of the impending disruption of benefits and provide these students with resources about their rights and high quality transfer options.

We recognize that, in a public filing with the Securities and Exchange Commission on November 15, Ashford announced it is voluntarily suspending new GI Bill enrollments. Given that this is a voluntary decision that can be reversed at any time by the company, we urge the VA to prohibit new GI Bill beneficiaries from enrolling at Ashford until further notice. We cannot allow additional veterans and their families to be put at risk by signing up at Ashford – only to find their school cut off from GI Bill benefits in a few short weeks.

Thank you for your consideration. We look forward to your prompt response.

Sincerely,



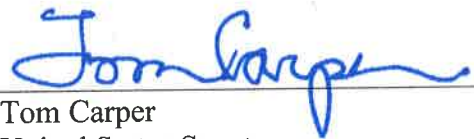
Richard J. Durbin
United States Senator



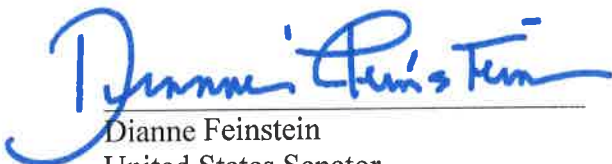
Jack Reed
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Dianne Feinstein
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Sherrod Brown
United States Senator


Elizabeth Warren
United States Senator


Margaret Wood Hassan
United States Senator

cc: The Honorable James Mattis, Secretary of Defense