



## State of Wisconsin / Educational Approval Board

431 Charmany Drive, Suite 102  
Madison, Wisconsin 53719  
Phone: (608) 266-1996  
Fax: (608) 264-8477

*Scott Walker*  
Governor

eabmail@eab.wisconsin.gov

*David C. Dies*  
Executive Secretary

### **PRESS RELEASE**

December 8, 2015  
For Immediate Release

For more information contact:  
David C. Dies (608) 267-7733

## **NEARLY \$1.0 MILLION IN WISCONSIN STUDENT DEBT WIPED-OUT**

On November 16, 2015 officials for Education Management Corporation (EDMC) announced that it had reached agreements with 39 state attorneys general and the District of Columbia to end state-level investigations the company had illegally paid recruiters and misrepresented data on the placement of students in jobs. Concurrently, EDMC reached a settlement agreement with the U.S. Department of Justice, 12 state attorneys general, the District of Columbia and other individuals resolving cases filed under federal and state False Claims Act (FCA) provisions.

“As a result of the settlement, 933 adult students from all across Wisconsin will have more than \$916,500 in institutional loans forgiven by four separate for-profit colleges,” according to David Dies, Executive Secretary of the Educational Approval Board (EAB).

According to the EAB, Wisconsin students are currently enrolled at four EDMC institutions: one on-ground campus located in Milwaukee – Art Institute of Wisconsin (Ai-Wisconsin) – and three that offer online programs – Argosy University, South University, and the Art Institute of Pittsburgh. “Under the settlement, students who will have their institutional debt forgiven must have enrolled in a program of study with fewer than 24 hours of transfer credit; withdrew from the program of study within 45 days of the first day of their first term, and their final day of attendance was between January 1, 2006, and December 31, 2014,” Dies stated.

Although EDMC has sent a letter to all qualifying students informing them that their debt has been forgiven, former students with questions can contact EDMC using a special toll-free number that has been established at 855-725-4301. Additionally, students can contact the EAB at 608-266-1996, which has received a list of eligible Wisconsin students and the amount of their institutional debt that will be forgiven.

Earlier this year, Ai-Wisconsin informed the EAB that it had stopped enrolling new students, would teach-out existing students and close its doors in 2017. “The EAB acted quickly to have Ai-Wisconsin submit a comprehensive teach-out plan to ensure current students could complete their programs,” according to Dies.

-more-

*eab.state.wi.us*

“The Ai-Wisconsin closing and the EDMC settlement for student loans are the latest problems with for-profit institutions the EAB has dealt with to protect students,” he added.

In 2012, the EAB was successful in having Everest College teach-out existing students, pay-off over \$4.0 million of debt for students who did not complete their programs, and worked collaboratively with the Wisconsin Department of Justice, which filed a lawsuit in November 2014 alleging violations of Wisconsin’s consumer protection laws for engaging in unfair, false, misleading, and deceptive trade practices. According to the lawsuit, an investigation revealed that consumers were lured to enroll using false and deceptive representations about critical facts such as the school’s job placement rates for its graduates and the availability of externships the school offered.

When Anthem College closed its doors in 2014 with no notice and filed bankruptcy, the EAB worked with several other area institutions so that the 187 students attending the school could finish their programs elsewhere or be relieved of their debt. “In total, the EAB used \$527,300 from its Student Protection Fund to complete the teach-out for these Anthem students,” Dies noted.

According to Dies, the EAB is currently working to resolve a number of different problems students attending the University of Phoenix and Bresnten Education, Inc. have experienced. “Without the EAB’s involvement, students who attended Everest College, Anthem College, and Ai-Wisconsin would have had little or no recourse and been left with thousands of dollars of student debt,” he said

When Strayer University decided in 2014 that it would close its Milwaukee campus, it basically gave the 100+ on-ground students three options: transfer to the Strayer online campus, find another institution and transfer, or simply dropout. Given the limited student options and the short notice, the EAB intervened on behalf of the students and worked with school officials to extend the closing so students could plan a smoother transition, partnered with Ottawa University and Upper Iowa University so students could easily transfer, and allowed any student who had only completed 25% or less of her/his program to have all of their education debt forgiven/paid-off by Strayer.

Despite each of these for-profit institutions being warned by the EAB about the saturation of educational institutions and the difficulties of serving a high-need adult population, each chose to expand in Milwaukee only to fail and close. “If it was not for the EAB, the traumatic impact on students and the burdens of crippling debt would have been much worse,” Dies added.

###