

May 9, 2022

ATTORNEY GENERAL RAOUL CALLS ON U.S. DEPARTMENT OF EDUCATION TO GRANT RELIEF FOR DEFRAUDED ILLINOIS STUDENTS

Raoul Seeks Discharge of Federal Student Loans Held by Former Westwood Students

Chicago — Attorney General Kwame Raoul urged the U.S. Department of Education to discharge federal student loans held by former students of Westwood College by approving the Westwood group discharge application submitted by the Attorney General's office in 2016.

[In a letter to Department of Education Secretary Miguel Cardona](#), Raoul calls for the department to grant the group discharge application the Illinois Attorney General's office filed seeking the discharge of federal student loans for Illinois students enrolled in Westwood's criminal justice program. In 2015, the Attorney General's office reached a settlement with Westwood over allegations the school systematically deceived those students about their ability to become police officers in Illinois. While the settlement discharged institutional loans for Westwood borrowers, it did not apply to federal student loans held by the department.

"Westwood misled students into participating in its criminal justice program by deceiving them about their odds of finding employment as police officers after their graduation," Raoul said. "I urge the Department of Education to provide the just relief due to students who took out federal loans in good faith with expectation of being provided reasonable opportunity for careers in law enforcement."

The group discharge application calls on the department to forgive these criminal justice students' federal loans without requiring individual borrower defense applications. From 2016 forward, the Attorney General's office has provided the department with extensive evidence of Westwood's fraud to aid its analysis.

Earlier this year, the department released comprehensive findings related to Westwood concluding, in part, that the school deceived Illinois criminal justice students about their ability to become police officers after graduation. Despite agreeing with the allegations made in the Attorney General's group discharge application, the department failed to grant widespread relief. The letter calls on the department to grant the relief its own factual findings demand: discharge of all federal loans for Westwood criminal justice students in Illinois.

The Illinois Attorney General's office has long been a national leader in investigating and enforcing consumer protection violations in the higher education field. Since entering office, Attorney General Raoul has secured over \$160 million in relief for Illinois borrowers who were deceived by their school, private lender or servicer. Earlier this year, Raoul's office announced a \$1.85 billion national settlement with Navient, formerly the nation's second largest student loan servicer. Last year, Attorney General Raoul's office initiated and worked to pass "Know Before You Owe," to alert borrowers of their remaining federal student loan eligibility to help them steer clear of predatory private loans. Raoul has also overseen the rollout of the state's first Student Loan Ombudsman, a position created by the Student Loan Servicing Rights Act, to provide resources for student borrowers who are struggling to make student loan payments.

Student borrowers who have questions or are in need of can call the Attorney General's Student Loan Helpline at 1-800-455-2456. Borrowers can file complaints against their student loan servicer at the [Illinois Attorney General's website](#).



OFFICE OF THE ATTORNEY GENERAL
STATE OF ILLINOIS

May 6, 2022

Via Overnight Mail

The Honorable Miguel Cardona
U.S. Department of Education
400 Maryland Ave., SW
Washington, D.C. 20202

James Kvaal
Under Secretary of Education
U.S. Department of Education
400 Maryland Ave., SW
Washington, D.C. 20202

Richard Cordray
Chief Operating Officer
Federal Student Aid
U.S. Department of Education
830 First Street, N.E.
Washington, D.C. 20002

RE: Illinois Westwood Students

Dear Secretary Cardona, Under Secretary Kvaal, and Chief Operating Officer Cordray:

I write you today in light of the Department's release of its detailed findings of fraud relating to Westwood's Illinois criminal justice program.¹ As we have known for some time, and as the Department itself has now found, Westwood misrepresented that its criminal justice program in Illinois could lead to employment as police officers when, in fact, the Chicago Police Department, Illinois State Police, and other law enforcement agencies would not accept Westwood credits or degrees. This fraud has harmed Illinois Westwood students for far too long.

¹ See Westwood Statement of Facts, Parts 1 and 2, available at <https://studentaid.gov/announcements-events/borrower-defense-update> (last visited March 28, 2022).

I am pleased that the Department agrees with the allegations made in my office's 2012 litigation against Westwood, as well as in our 2016 group discharge application. However, with return to repayment looming for all federal student loan borrowers, I again ask the Department to grant our group discharge application immediately. There is simply no reason to prolong these students' suffering.

I. The Department Has Made Important Strides in Borrower Defense and for Westwood Students

I acknowledge and appreciate the Department's strides to address the backlog of borrower defense applications, including for Westwood students. My office knows well the importance of a thorough investigation and commends the Department's efforts on this front to review thousands of borrower defense applications and analyze additional evidence gained from its own investigation and from the investigations of other law enforcement agencies, like mine. Since this administration has come into office, the Department has provided much-needed relief for many harmed borrowers, including approving 1,600 claims totaling approximately \$53 million in relief for former Westwood students just this past July.²

Understanding that complexity, we have been happy to see the Department repeatedly agree with my office's findings regarding Westwood's systemic fraud: "the Department found that, from 2004 until its closure in 2015, Westwood made widespread, substantial misrepresentations to students that its criminal justice program would lead to careers as police officers in Illinois, particularly in the Chicago area."³ Now, the Department has released more-detailed findings outlining Westwood's fraudulent conduct and concluding, in part:

From 2004 to 2015, Westwood's television advertising and internet marketing were targeted at prospective students in the Chicago area, and created the impression that its bachelor's degree in Criminal Justice would lead to careers as police officers after graduation. This advertising and marketing was misleading because most police officer positions in the Chicago area required credits or a degree from a regionally accredited school, and Westwood was not regionally accredited.

Westwood Statement of Facts, Part 1, at p. 28. The Department further concluded "[b]etween 2004 and 2015, Westwood's admissions representatives directly told prospective students in the Chicago area that they could be police officers with a Westwood degree. These statements were misleading for the same reason". *Id.*

I trust that the Department has been exceedingly thorough in its review of Westwood's fraudulent conduct. I commend the able investigators who remained dedicated to this investigation and have concurred with the findings of my own office. Given these fundamental, programmatic findings of fraud, it is time to finally grant impacted borrowers relief to prevent ongoing harm.

² *Department of Education Approves Borrower Defense Claims Related to Three Additional Institutions*, Department of Education, available at <https://www.ed.gov/news/press-releases/department-education-approves-borrower-defense-claims-related-three-additional-institutions> (July 9, 2021).

³ *See supra*, note 1; *see also Westwood College Borrower Defense Executive Summary*, Department of Education, available at <https://studentaid.gov/sites/default/files/westwood-executive-summary.pdf> (last viewed Feb. 25, 2022).

II. The Westwood Group Discharge Application Should Be Granted Immediately

My office sued Westwood over its fraudulent practices in 2012 and eventually settled that suit in 2015. While my office secured the discharge of all Westwood's institutional loans for Illinois students enrolled in its criminal justice program from the program's inception, many of those students had taken out federal loans to attend Westwood. For these students, the Department is their only potential source of relief.

In November, 2016, my office submitted a group discharge application to the Department for all Illinois students who attended Westwood's criminal justice program from its inception in 2004 until the school closed in early 2016. My office also provided extensive evidence to the Department in support of that application both at the time and since, including interrogatory responses, Westwood's Answer to the complaint in our litigation, and deposition transcripts. Now, the Department has made clear that it concurs that Westwood deceived borrowers about the fundamental nature of its criminal justice program here in Illinois. To date, however, the Department has not acted upon our group discharge application.

There is no more analysis or evidence needed: Westwood defrauded *all* students who attended its Illinois criminal justice program. The Department – and only the Department – knows which defrauded borrowers continue to carry federal loan debt for their time at Westwood. These consumers continue to be harmed by the student loan debt they carry and its negative impact on their lives. With the pause to repayment ending on August 31, 2022,⁴ there is no more reason to delay and certainly no reason to return those defrauded borrowers into repayment status. All of these students should have their loans discharged. They have waited too long already.

Whether Illinois criminal justice program students were defrauded by Westwood is not in dispute. What is not yet determined is how long these students will be made to suffer for Westwood's misconduct. We strongly encourage the Department to grant our group discharge application immediately.

Sincerely,

A handwritten signature in black ink, appearing to read 'Kwame Raoul', is written over a horizontal line.

Kwame Raoul
Illinois Attorney General

⁴ *Biden-Harris Administration Extends Student Loan Pause Through August 31*, Department of Education, Apr. 6, 2022, available at <https://www.ed.gov/news/press-releases/biden-harris-administration-extends-student-loan-pause-through-august-31>.