



Office of Commissioner
Rebecca Kelly Slaughter

UNITED STATES OF AMERICA
Federal Trade Commission
WASHINGTON, D.C. 20580

CONCURRING STATEMENT OF COMMISSIONER REBECCA KELLY SLAUGHTER

In the Matter of the University of Phoenix, Inc.
Commission File No. 1523231
December 10, 2019

Today the Commission announced that it is filing a federal court complaint and proposed stipulated order against the University of Phoenix, Inc. and its parent company, Apollo Education Group, Inc. (“University of Phoenix”). After a comprehensive investigation, the FTC lays out in its complaint how the University of Phoenix launched a major deceptive ad campaign that dangled the prospect of available jobs through purported corporate partnerships. These partnerships did not exist. When consumers make the decision to devote their already limited time and income into pursuing their educational goals, many do so with the hope of finally landing a better job. The deceptive claims set out in the Commission’s complaint are particularly galling to me because they sold false hope—robbing consumers of their time and money for the prospect of a job that did not exist.

The proposed order requires the University of Phoenix to pay 50 million dollars back to deceived consumers and relieves many affected consumers of the debt they directly owe to the University of Phoenix.¹ I commend the FTC staff for their tireless efforts to achieve this excellent result for consumers.

We know, though, that many consumers are still victims of or vulnerable to the abuses perpetrated by unscrupulous for-profit schools. I join my colleague, Commissioner Chopra, in calling on the FTC to continue to be vigilant in this critical area and share his view that the FTC should do all it can within its authority to protect consumers in this area.

Our vigilance is particularly important at this moment as we watch what appears to be a complete abdication by the Department of Education, which has oversight of for-profit institutions and controls their access to federal financial aid. Since the beginning of the current administration, the Department has, among other retrenchments, unwound a team whose focus

¹ This settlement will not affect a borrower’s federal loan obligations. Those who have been deceived should consider exercising their legal right to apply for discharges, as discussed in detail in Commissioner Chopra’s statement.



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had been investigating fraud and abuse in the for-profit arena²; abandoned or stalled major investigations into large for-profit schools³; and repealed rules that would have required many for-profit schools to demonstrate that their graduates could find gainful employment in order to maintain access to federal financial aid.⁴

The FTC cannot be the sole bulwark⁵ to protect consumers whom bad actors increasingly victimize for profit only to be abandoned by the very government agency best able to help. I join the call for this administration to stop what appears to be its systematic betrayal of consumers pursuing that most fundamental of American ideals—that all should have a chance to secure a better future through education.

² See Danielle Ivory et al., *Education Department Unwinds Unit Investigating Fraud at For-Profits*, N.Y. Times (May 13, 2018) <https://www.nytimes.com/2018/05/13/business/education-department-for-profit-colleges.html>.

³ See Diana Hembree, *Investigations Into For-Profit College Abuses Dismantled Under Betsy DeVos*, Forbes (May 14, 2018) <https://www.forbes.com/sites/dianahembree/2018/05/14/education-department-dismantles-team-that-investigated-for-profit-college-abuses/>.

⁴ See Danielle Douglas-Gabriel, *Trump Administration Formally Rescinds Rule Governing Career Training Programs*, Wash. Post (June 28, 2019) <https://www.washingtonpost.com/education/2019/06/28/trump-administration-formally-rescinds-rule-governing-career-training-programs/>.

⁵ I would be remiss not to acknowledge and applaud the excellent work to defend student-loan consumers by nonprofit advocates, *see, e.g.*, National Student Legal Defense Network, <https://www.defendstudents.org/>; Student Borrower Protection Center, <https://protectborrowers.org/>, and scholars, *see, e.g.*, David Whitman & Arne Duncan, Brookings Institution, *Betsy DeVos and Her Cone of Silence on For-Profit Colleges* (Oct. 17, 2018), <https://www.brookings.edu/research/betsy-devos-for-profit-colleges-education-america/>; Yan Cao, The Century Foundation, *How DeVos Is about to Make Life Harder for Victims of School Closures* (July 23, 2019), <https://tcf.org/content/report/devos-make-life-harder-victims-school-closures/>. This list is by no means exhaustive, but non-governmental organizations and advocates such as these are essential partners in the effort to protect vulnerable consumers, and they are actively working to mitigate the direst consequences of the Education Department's abdication.