

# **Biden Protects Servicemembers from Misleading Educational Recruiting Practices**

Secures new disclosures on online advertising, \$100,000 for Delaware in national settlement

Wilmington – Attorney General Beau Biden announced today that the company that owns the website GIBill.com will turn the site over to the Department of Veterans Affairs, provide clear disclosures to servicemembers and veterans on its remaining military and education-related sites, and pay \$2.5 million to states in a consumer protection settlement with 20 state Attorneys General. Today’s bipartisan multistate enforcement action is a result of ongoing investigations by states Attorneys General led by Kentucky Attorney General Jack Conway into recruiting and deceptive business practices of some for-profit colleges. Delaware will receive \$100,000, which will be paid to the Attorney General’s Consumer Protection Fund.

“We’re acting to ensure that servicemembers are not deceived by companies who are more interested in adding to their bottom line than in providing clear information to soldiers about the educational benefits they have earned while protecting us,” Attorney General Biden said.

The Attorneys General alleged that the owner of GIBill.com, QuinStreet, Inc. violated states’ consumer protection laws while operating this and other websites that generate recruitment leads primarily for the for-profit education

industry. The states reported that several of the company's sites targeting military servicemembers, including GIBill.com, were deceptive and misleading in giving the appearance that they were operated, owned or endorsed by the U.S. government or military. Moreover, the states found that the sites were misleadingly giving the impression that only the schools listed as "eligible GI Bill schools" were the ones at which veterans' benefits could be utilized. In fact, the list was primarily limited to QuinStreet's for-profit college clients.

As part of today's settlement, QuinStreet will relinquish ownership and control of the domain GIBill.com to the U.S. Department of Veterans Affairs, which will utilize the site to promote the GI Bill program and educate servicemembers about the benefits available to them under the program. QuinStreet will also shut down and cease to use any domain names that include the term "GI Bill."

Attorneys General and consumer advocates have observed a dramatic increase in recruitment of veterans by for-profit colleges since 2008 when Congress enacted the Post 9/11 GI Bill, making billions of dollars in educational benefits available for veterans and their families. According to the General Accounting Office, \$9 billion in educational benefits were provided to service members and veterans in Fiscal Year 2010, and an analysis by the U.S. Senate HELP Committee found that military educational benefits received by 20 for-profit colleges increased 683% over four years, from \$66.6 million in 2006 to a projected \$521.2 million in 2010. A reason why military members are attractive to for-profit colleges is because their benefits don't count toward the business' 90% cap on federal Department of Education funding. Last month Biden and 21 Attorneys General asked Congress to require that GI Bill and Veteran's Assistance educational benefits be

subject to this cap (learn more by visiting <http://www.attorneygeneral.delaware.gov/media/releases/2012/Benefits5-29.pdf>).

“I applaud the state Attorneys General for the settlement announced today to protect servicemembers from misleading and deceptive websites that target their GI Bill benefits. These new consumer protections will help ensure that veterans looking online to learn more about the GI Bill will find accurate information about the benefits they have earned through their service and sacrifices for our country,” said Holly Petraeus, Assistant Director for Servicemember Affairs at the federal Consumer Financial Protection Bureau.

“At VA, it is part of our mission to support and encourage Veterans as they seek higher education. We must ensure that they are adequately and accurately informed about their education options throughout the process,” said Department of Veterans Affairs Deputy Secretary Scott Gould. “Predatory, aggressive and deceptive marketing directly inhibits our ability to ensure they understand those options. This settlement is a positive step towards ensuring our Veterans have the education opportunities they’ve earned. VA stands with the states’ Attorneys General, and all Americans, in protecting Veterans from predatory, exploitive or deceptive marketing of any service.”

As part of today’s settlement:

- The Twitter, Facebook, and other social media accounts associated with GIBill.com will be shut down.
- All QuinStreet military-related sites are required

to have clear and conspicuous disclosures adjacent to the website name and logo that clarify the site is not owned or operated by the U.S. government.

- QuinStreet's websites will disclose that schools listed on the sites are not the only schools that accept government GI Bill benefits and will provide links to the Veterans Affairs webpage that provides a complete list.

- All of QuinStreet's education-related websites will provide disclosures clarifying that schools which respond to a consumers' search are advertisers or pay to appear on the sites.

- QuinStreet will no longer make claims that information presented on a site is "neutral" or "unbiased" or that schools are "top" or "best" unless that information comes from an independent source.

- All QuinStreet education-related sites will include "About us" and "FAQ" pages that clearly explain the site is owned by QuinStreet and contain identifying information about the company and its business operations.

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