

## **DeVry University Borrower Defense Executive Summary**

Pursuant to 34 C.F.R. § 685.222(e)(3), the Department of Education (“Department”) is charged with conducting a fact-finding process to determine whether each borrower defense application states a basis for a borrower defense. In adjudicating each individual borrower defense application, the Department must consider not only the borrower’s application and accompanying evidence, but also any relevant information in records in the possession of the Department and in submissions from the school, as well as any other information obtained in connection with the fact-finding process.

The Borrower Defense Group (“BDG”) has completed a review of the evidence within the Department’s possession relating to DeVry University (“DeVry”) as it relates to representations between 2008 and 2015 regarding DeVry’s job placement rate and the likelihood of students finding new in-field jobs after graduation. Additional summaries regarding other specific types of borrower claims, if any, will be submitted for approval separately.

DeVry operated campuses in twenty-six states and an online program attended by students in all fifty states. At its peak in 2010, DeVry enrolled approximately 68,290 students. To date, the Department has received over 20,000 borrower defense applications relating to DeVry.

Applying a preponderance of the evidence standard, BDG has prepared a series of summaries of the evidence relating to DeVry. Together, these summaries form a Common Statement of Facts that will be applied in the individual adjudication of borrower defense applications from DeVry borrowers that are adjudicated pursuant to 34 C.F.R. §§ 685.206(c), 685.206(d), and/or 685.206(e) based on the dates of the loans relating to the borrowers’ claims.

### **DeVry’s Operational and Procedural History**

This section describes DeVry’s scope of operations; administrative actions taken by the Department relating to DeVry’s administration of Title IV funds; an investigation by the Federal Trade Commission (“FTC”), which led to a lawsuit and subsequent settlement relating to allegations that DeVry made deceptive representations regarding its job placement rate and the salaries of its graduates; a limitation action taken by the Department relating to DeVry’s inability to substantiate its job placement rate “Since 1975” representations; investigations by both the New York Office of the Attorney General and Massachusetts Office of the Attorney General into DeVry’s job placement rate representations; and student lawsuits and arbitration proceedings against DeVry relating to job placement rate representations. Section I also contains information regarding the Borrower Defense Group’s notification of DeVry of pending borrower defense applications.

### **Between 2008 and 2015, DeVry Misled Prospective Students to Believe that They Had a Very High Likelihood of Landing New In-Field Jobs with a DeVry Education**

This section discusses how DeVry misrepresented its job placement rate and the likelihood of students finding new in-field jobs after graduation. The evidence in BDG's possession relating to this conduct establishes by a preponderance of the evidence that:

- From at least 2008 through 2015, DeVry represented that ninety percent of DeVry graduates who actively sought employment obtained jobs in their field of study within six months of graduation (“90% Representation”). This 90% Representation was heavily featured in DeVry’s “We Major in Careers” national advertising campaign, which included television, radio, internet, and print advertisements. The 90% representation was also used in direct mailings and other marketing materials as well as in DeVry’s admissions presentations and enrollment materials;
- The 90% Representation was misleading because DeVry’s method of calculating the ninety percent statistic deviated from the plain language of the representation in two significant ways:
  - **First, DeVry counted “old jobs” held by its mid-career students towards its placement rate, even though the students obtained the jobs on their own, without leveraging their DeVry education.** Almost half of the graduates who DeVry counted towards its placement rate began their jobs more than a year prior to graduating, and nearly a quarter began their jobs four or more years prior to graduating. DeVry acknowledged internally that these “old jobs” were not attributable to DeVry.
  - **Second, DeVry improperly deemed graduates as inactive in their job search and thus excluded them from their calculation.** DeVry excluded graduates from its placement rate if their job searches resulted in them accepting positions outside of their fields of study; if they chose to search for jobs on their own without the help of DeVry’s Career Services staff; or if they did not use the job search tools recommended by Career Services staff or if staff deemed them to have not “work[ed] cooperatively.”
- When accounting for these two manipulations of the job placement rate, DeVry’s rate drops from ninety percent to less than fifty-eight percent.

BDG continues its work on the DeVry Statement of Common Facts and will update the website with additional summary memoranda when appropriate.