

Westwood College Group Discharge Executive Summary

The U.S. Department of Education (Department) has determined that all borrowers who enrolled in a school operated by Westwood College (Westwood) between January 1, 2002 and November 17, 2015, when it stopped enrolling new borrowers, are eligible for discharge of their related federal student loans. This group discharge process will facilitate relief to borrowers harmed by Westwood's actions, including borrowers who have not yet applied for borrower defense.

The Department's Borrower Defense Group (BDG) previously made several detailed findings regarding widespread misrepresentations occurring at Westwood campuses and online. These findings demonstrated that Westwood substantially misrepresented the value of Westwood coursework and degrees for borrowers' prospects of obtaining employment in their fields of study. Specifically, BDG found that:

- From January 1, 2002 through November 17, 2015, Westwood misrepresented its graduates' employment prospects, including making misleading guarantees that graduates would obtain employment in their field of study and assurances of post-graduation salaries that were inflated and unrealistic;
- From May 1, 2004 through November 17, 2015, Westwood made widespread misrepresentations to students that its criminal justice program would lead to careers as police officers in Illinois, particularly in the Chicago area; and
- From January 1, 2002 through November 17, 2015, Westwood made misrepresentations exaggerating the transferability of its credits while it knew its credits would in fact rarely transfer.

After reviewing the evidence provided, BDG determined that these misrepresentations could serve as the basis for a valid borrower defense to repayment under the 1995 borrower defense regulation (34 C.F.R. § 685.206(c)) and the 2016 borrower defense regulation (34 C.F.R. § 685.222(d)). Due to the overall lack of value in a Westwood education, the Department determined that 100% relief for Westwood borrowers who alleged the above misrepresentations within this time period was appropriate.

The findings regarding Westwood's widespread misrepresentations have supported the approval of individual borrower defense applications for over 4,400 Westwood borrowers to date. The evidence was particularly compelling with respect to Westwood's substantial misrepresentations regarding borrowers' employment prospects and strongly suggests that Westwood's misrepresentations combined with the low value of its educational offerings led to near-universal misconceptions about the employment-related value of a Westwood credential. The Department found a high degree of consistency with respect to Westwood's misrepresentations both over time and across all geographic locations, supported by a variety of evidence. For example, the Department's analysis of Westwood borrower defense applications shows that over 70% of borrowers asserted employment prospects claims, and borrowers consistently raised similar allegations. Specifically, Westwood exaggerated the likelihood that graduates would find employment as well as the salaries they could expect to obtain. Claims from borrowers who enrolled between 2002 and when Westwood stopped enrolling new students in November 2015 were very similar regardless of their campus or when the borrower attended.

In addition to the applications themselves, sources of evidence originating outside the Department support the conclusions that Westwood made employment prospect misrepresentations and they were widespread. Examples of such evidence include: (1) sworn statements of former Westwood employees; (2) sworn statements of former Westwood students (beyond borrower defense applications); (3) transcripts and recordings of calls with admissions recruiters; (4) Westwood's admissions training and slide presentation; (5) Westwood's "career success kits"; (6) Westwood's television commercials and website; (7) accreditor correspondence; and (8) internal emails.

Based on all the evidence reviewed from numerous sources, including extensive evidence submitted by the Colorado and Illinois Attorneys General, the Department concluded that nearly all borrowers who attended any Westwood campus after 2002 would have been subject to employment prospects misrepresentations. This would include borrowers who enrolled in its Criminal Justice programs in the Illinois area between May 2004 and Westwood's closure and who Westwood misled about their ability to obtain jobs as police officers in Illinois. The Department also concluded that a large percentage of Westwood borrowers were subject to additional misrepresentations which provide further bases for granting discharges, including that between January 2002 through November 2015, Westwood misrepresented the transferability of its credits.

Because of the extensive reach of Westwood's misconduct, the Department concluded that Westwood's misrepresentations likely would have negatively affected nearly all students who enrolled at Westwood in or after 2002. Consequently, the Department believes that at least tens of thousands of additional borrowers' applications would be approved based on these findings if the borrowers applied individually. A group discharge process is an efficient way to provide relief to eligible borrowers and to streamline the discharge process operationally.

For these reasons, the Department found that it is appropriate to consider these Westwood borrowers as a group and further concluded that all borrowers who enrolled at Westwood in or after 2002 are eligible for group discharge of their related federal student loans.