

PRESS RELEASE

Colorado Department of Law
Attorney General John W. Suthers

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**ATTORNEY GENERAL ANNOUNCES \$4.5 MILLION SETTLEMENT
WITH WESTWOOD COLLEGE TO ADDRESS DECEPTIVE BUSINESS PRACTICES**

DENVER — Colorado Attorney General John Suthers announced today the state has reached an agreement with Westwood College, Inc. to address allegations that the institution violated the Consumer Protection Act by misleading prospective students, engaging in deceptive advertising and failing to comply with Colorado's consumer lending laws.

Under the settlement, Westwood will pay the state \$2 million in penalties, restitution and attorneys fees and costs. Westwood also will credit another \$2.5 million in restitution directly to students who financed their tuition with the school's institutional financing, which is called APEX. Finally, Westwood will reimburse APEX finance charges to students for Westwood's failure to follow Colorado's consumer lending laws.

"As students assess whether they want to obtain a degree or start a new career, it is important that schools are honest about their track records and the costs of their degrees," Suthers said. "An education is no different from any other product and service. Colleges should not be able to mislead prospective students about their chances of success any more than any other businesses should be able to mislead consumers with false promises or guarantees."

Under the settlement, Westwood must make a series of disclosures to prospective students, including accurately representing the number of students who successfully find employment in their fields of study by disclosing the job titles and employers that graduates report. Westwood also must affirmatively disclose the full cost of a Westwood degree and clearly explain to students that their credits earned at Westwood likely will not transfer to other schools. The settlement also enjoins Westwood from, among other things, estimating the amount of a military service member's government benefits that will cover tuition; including a graduate in its employment statistic unless certain criteria are met, including verification of the sustainability of the employment; and compensating its admissions representatives based on the number of enrollments they bring in.

Westwood must submit for three years to monitoring by the Attorney General of the school's admissions interviews, and to yearly audits of the data underlying Westwood's graduate employment statistics.

According to the complaint, filed along with the settlement in Denver District Court, Westwood misrepresented and inflated its job-placement rates by including in its employment statistics graduates who were described as "freelance" or "self-employed" but did work for as little as a few days. The Attorney General's investigation also revealed that Westwood inflated its job-placement statistics by including graduates whose jobs had little to do with their fields of study. Prospective students had no way of knowing which jobs Westwood was counting toward its employment statistics because the school did not disclose the actual job titles and employers. Instead, Westwood advertised job titles obtained by few

students graduating from the school's most popular degree programs. Westwood admissions recruiters also misled prospective students about the average wages of graduates, the transferability of course credits, and the total cost of Westwood degrees, according to the Attorney General's complaint. Westwood also misled veterans to believe that the GI Bill covered the cost of their studies when it often did not, the Attorney General alleged.

The Attorney General's investigation also revealed that Westwood failed to disclose the terms of its student financing, charged improper finance fees and failed to maintain records as required by Colorado's Uniform Consumer Credit Code. The settlement requires that the for-profit college correct these problems.

Consumers who believe they have been defrauded by a business can file a complaint with the Office of the Attorney General via www.coloradoattorneygeneral.gov/complaint or 1-800-222-4444.