



Department of Defense

Postsecondary Education Complaint System

Summary Report

Fiscal Year 2014

The estimated cost of report or study for the Department of Defense is approximately \$2,600 for the 2014 Fiscal Year. This includes \$0 in expenses and \$2,600 in DoD labor.

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POSTSECONDARY EDUCATION COMPLAINT SYSTEM

Executive Summary

In January 2014, the Department of Defense (DoD), in collaboration with the Departments of Veterans Affairs (VA) and Education (ED), launched the DoD Postsecondary Education Complaint System (PECS) and began accepting complaints about educational institutions. This fulfilled a key provision of the President's Executive Order on the Principles of Excellence (PoE) for educational institutions serving Service members, veterans, spouses, and other family members and created consumer protection measures for beneficiaries of education benefits (which include Tuition Assistance). Between the launch on January 30, 2014 and September 30, 2014, DoD received and reviewed 380 complaints; of those complaints, 266 were PoE-related. DoD has closed 347 complaints, and the remaining complaints are being adjudicated.

Purpose

The purpose of this report is to provide information about DoD's administration of the PECS and to report on complaint findings for Fiscal Year 2014. The report describes how and why the system was created, the complaint intake process, and analytics. This report may be quoted or cited without restriction. Institutional-level data about the number and nature of complaints received may be reviewed at <http://www.dodmou.com/TADECIDE>.

Presidential Executive Order 13607 - Understanding the Principles of Excellence

The Principles of Excellence (PoE) were established with the signing of Presidential Executive Order 13607 on April 27, 2012. The PoE focus is on preventing misleading and predatory behavior by educational institutions towards Service members, veterans, and adult family members pursuing higher education. The goal is to strengthen policy enforcement, accountability and oversight within federal education benefit programs. Implementation is a joint effort between the DoD, ED, VA, the Department of Justice (DoJ), the Consumer Financial Protection Bureau (CFPB), and the Federal Trade Commission (FTC).

The PoE will help ensure military students receive relevant information that will assist them in planning, budgeting, and making informed educational choices and will hold educational institutions to the highest standards. The PoE initiative sets forth guidelines for educational

institutions participating in the federal Tuition Assistance program, requiring them to provide information regarding:

- Financial cost and quality of the school.
- The prevention of abusive and deceptive recruiting practices.
- High-quality academic and student support services available to military students.
- Re-admittance if the individual is temporarily unable to attend classes or has to suspend studies due to Service obligations.
- The approval from the educational institution's accrediting agency for new course and program offerings prior to enrollment of students.
- The school's policy for the return of any unearned tuition assistance funds as set forth by Title IV.
- Educational plans for individuals using federal military and veteran educational benefits.
- Designated points of contact for academic and financial advising.

Introduction to the Postsecondary Education Complaint System (PECS)

On January 30, 2014, the Department of Defense (DoD) launched the PECS. The PECS provides an efficient, fair, and timely submission and resolution process that empowers Service members and spouses to report on schools they feel demonstrate deceptive, fraudulent, or misleading practices.

Education Case Managers track and manage cases submitted by Service members and spouses. Case resolutions are coordinated with educational institutions, and feedback to the complainant is provided throughout the process. The PECS is also used as a mechanism for receiving, processing, and referring complaints about educational institutions across the DoD and to DoD's federal partner agencies (VA, ED, CFPB, DoJ, FTC) as deemed appropriate.

The PECS is intended for complaints directly related to the POE. It is not intended for issues that are specific to Service- or program-level policy and administration (e.g., eligibility, requesting a form, or payment) but can concern issues such as:

- Program quality – misrepresentation of degree programs
- Recruiting—multiple unsolicited calls or high pressure recruitment tactics
- Marketing materials make claims that are not truthful
- Tuition/fees not found on website
- Total cost of the program is not clear in marketing materials or on website
- School does not return any unused TA funds when a military TA recipient withdraws
- School encourages Service members and spouses to take out costly private or institutional loans, even if the GI Bill or other federal financial aid is available

- Accreditation – misleading statements concerning accreditation
- Courses requiring hands-on training and/or licensing are overwhelmingly online

PECS Analytics and Intake

The DoD PECS landing page was developed to help expand upon the purpose, credibility and value of PECS to military members (who participate in TA) and Spouses (who participate in the My Career Advancement Account or MyCAA program). The landing page provides the user with detailed information on how to submit a complaint, provides examples of PoE complaint types, and explains what the user can expect to occur once a complaint has been submitted. The landing page tracks the activity of users and represents the combined number of visits for both TA and MyCAA. Figure 1 below reflects the total number of DoD PECS landing page views and the number of unique visitors for the period from 30 Jan – 30 Sep 2014. Approximately fifteen (15) percent of unique visits resulted in the filing of an actual complaint.

REPORTING DATA	
Reporting Period	30 Jan – 30 Sep, 2014
Landing-Page Views	9,963
Landing-Page Unique Visitors	1,512

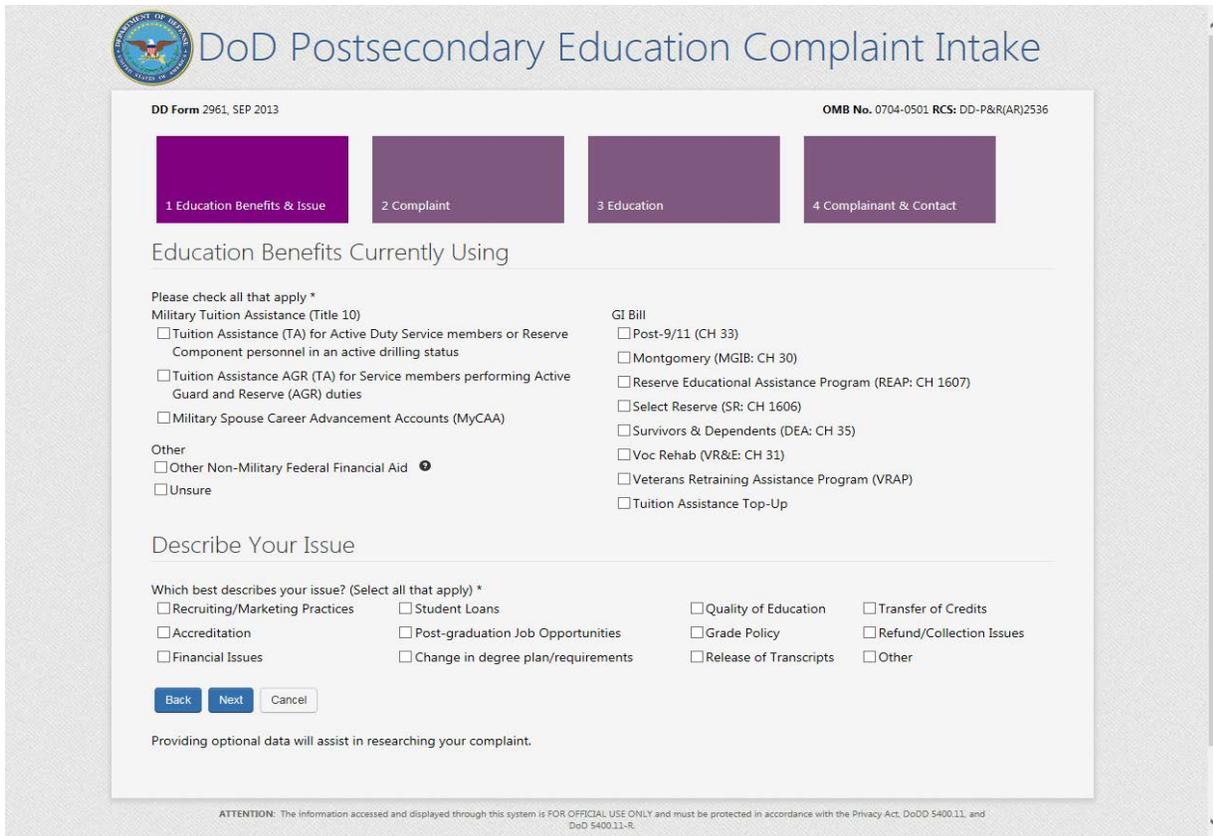
Figure 1

Service members and spouses are encouraged to submit a complaint when a school is failing to adhere to the Principles of Excellence. PECS complaints are distributed and worked based on the category of complainant (i.e., military member or spouse). All PECS cases are routed to the Federal Trade Commission’s Law Enforcement Consumer Sentinel System, which serves as a centralized complaint repository for each agency. This allows for further monitoring and potential enforcement efforts. Appropriate cases will be referred to the Department of Justice and/or the Consumer Financial Protection Bureau.

The manner in which PECS cases are processed is as follows:

PECS can be accessed at: <http://www.militaryonesource.mil/voluntary-education/complaint> where individuals who wish to submit a complaint can do so on their own behalf or on the behalf of someone else (See PECS system screen views in Figures 2 through 4). In submitting a complaint, the complainant is required to:

- Identify which education benefit is being used (TA or MyCAA)
- Select an issue category(ies)
- Populate the form with his/her complaint narrative and desired outcome
- Identify the school
- Populate the form with his/her contact information



DoD Form 2961, SEP 2013 **OMB No. 0704-0501 RCS: DD-P&R(AR)2536**

1 Education Benefits & Issue 2 Complaint 3 Education 4 Complainant & Contact

Education Benefits Currently Using

Please check all that apply *

Military Tuition Assistance (Title 10)

- Tuition Assistance (TA) for Active Duty Service members or Reserve Component personnel in an active drilling status
- Tuition Assistance AGR (TA) for Service members performing Active Guard and Reserve (AGR) duties
- Military Spouse Career Advancement Accounts (MyCAA)

Other

- Other Non-Military Federal Financial Aid
- Unsure

GI Bill

- Post-9/11 (CH 33)
- Montgomery (MGIB: CH 30)
- Reserve Educational Assistance Program (REAP: CH 1607)
- Select Reserve (SR: CH 1606)
- Survivors & Dependents (DEA: CH 35)
- Voc Rehab (VR&E: CH 31)
- Veterans Retraining Assistance Program (VRAP)
- Tuition Assistance Top-Up

Describe Your Issue

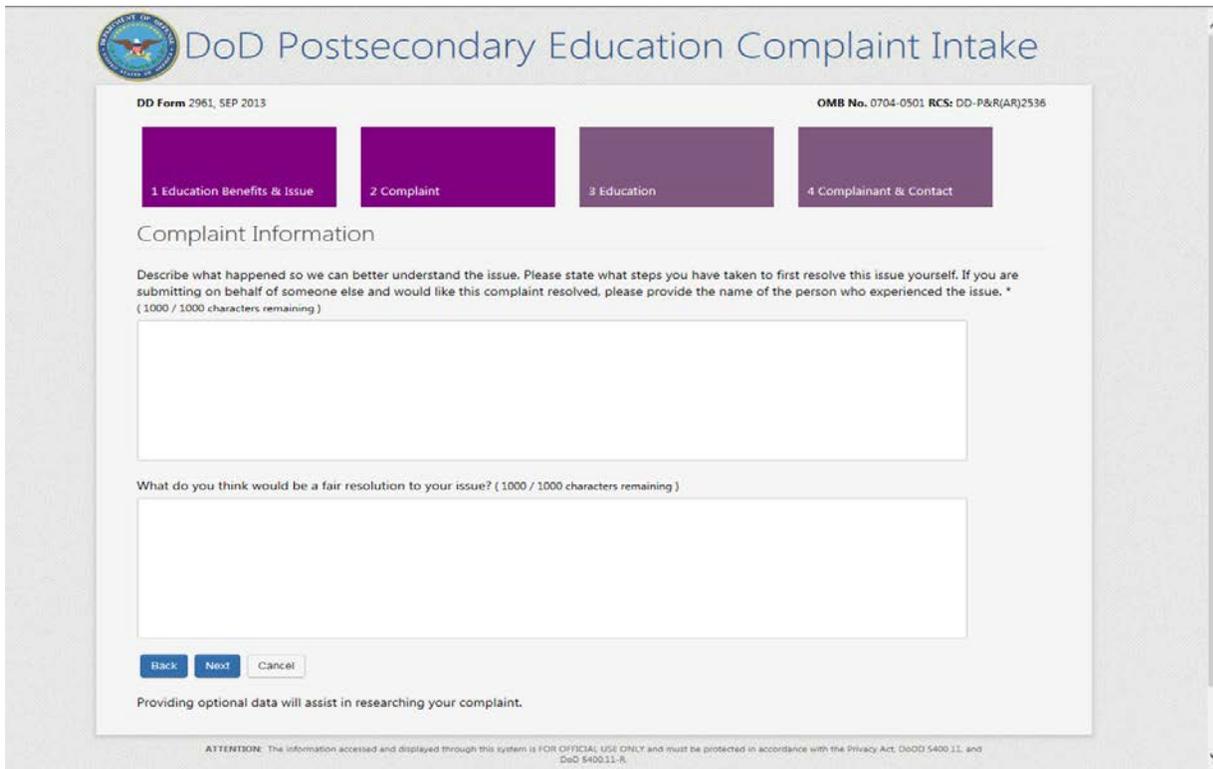
Which best describes your issue? (Select all that apply) *

- Recruiting/Marketing Practices
- Accreditation
- Financial Issues
- Student Loans
- Post-graduation Job Opportunities
- Change in degree plan/requirements
- Quality of Education
- Grade Policy
- Release of Transcripts
- Transfer of Credits
- Refund/Collection Issues
- Other

Providing optional data will assist in researching your complaint.

ATTENTION: The information accessed and displayed through this system is FOR OFFICIAL USE ONLY and must be protected in accordance with the Privacy Act, DoDD 5400.11, and DoD 5400.11-R.

Figure 2



DoD Form 2961, SEP 2013 **OMB No. 0704-0501 RCS: DD-P&R(AR)2536**

1 Education Benefits & Issue 2 Complaint 3 Education 4 Complainant & Contact

Complaint Information

Describe what happened so we can better understand the issue. Please state what steps you have taken to first resolve this issue yourself. If you are submitting on behalf of someone else and would like this complaint resolved, please provide the name of the person who experienced the issue. * (1000 / 1000 characters remaining)

What do you think would be a fair resolution to your issue? (1000 / 1000 characters remaining)

Providing optional data will assist in researching your complaint.

ATTENTION: The information accessed and displayed through this system is FOR OFFICIAL USE ONLY and must be protected in accordance with the Privacy Act, DoDD 5400.11, and DoD 5400.11-R.

Figure 3

DD Form 2961, SEP 2013 OMB No. 0704-0501 RCS: DD-P&R(AR)2536

1 Education Benefits & Issue 2 Complaint 3 Education 4 Complainant & Contact

Filing Information

I am filing on behalf of *

Myself Someone Else

Complainant Information

Your Service Affiliation *
-- Select --

Your Branch *
-- Select --

Your Pay Grade *
-- Select --

Your Age
-- Select --

Your Contact Information

Pay Grade / Salutation *
-- Select --

First Name *
[Text Field]

Last Name *
[Text Field]

Street 1
[Text Field]

Street 2
[Text Field]

Figure 4

Each complaint is reviewed by an education case manager to determine if the complaint is PoE-related. A decision is then made as to whether the complaint should be referred to another agency or whether the case warrants further review by DoD. The case status of the complaint will remain “open” until a case manager deems it to be a valid PoE-related case and takes ownership to work the complaint.

Routine or PoE-related complaints are continuously monitored and managed by case managers. An automated email is sent to the complainant notifying them that his/her case is being reviewed. The case manager may provide updates or request additional information from the complainant throughout the process.

The case manager will then forward the complaint to the educational institution identified in the complaint for the school to review and provide a response. DoD requests that institutions provide an email response to the complainant and a copy to the DoD. Upon receipt of the school's response, the case manager reviews and also forwards the response to the complainant via the PECS system to ensure receipt. The response time to complaints is dependent on the severity of the case, but normally does not or should not exceed 60 days.

Complaints that are not related to DoD Tuition Assistance benefits, such as those involving Title IV financial aid or VA education benefits, are referred to the appropriate agency. If a complaint is determined not to be PoE-related (see Figure 5), the case will be “closed,” referred to the respective Service for resolution, and an email to advise the complainant is sent. In these cases, complainants are instructed to submit their issue: (1) to their respective military Service’s education advisors, (2) through their education service portals, or (3) through their respective MyCAA Spouse Education & Career Opportunities (SECO) counselors.

Serious or egregious complaints are given increased scrutiny by DoD as depicted in Figure 5 below. PoE-related complaints are sent to the central repository at the Federal Trade Commission’s Consumer Sentinel System where they can be accessed by state and federal agencies, and law enforcement agencies (e.g., DOJ, CFPB) for further review/investigation as required.

Not PoE-Related	Serious or Egregious Complaints
Focuses on DoD’s handling of basic TA or MyCAA benefits (e.g., TA or MyCAA requests)	The complaint indicates serious or significant fraud or abuse
Does not involve the educational institution	As determined by the Complaint Manager
Is incoherent or spam or a duplicate	

Figure 5

As complaints are resolved, the complaint’s status is changed to “Resolved,” and the complaint is closed in the PECS system with the noted resolution. Upon resolution, the complaint status is updated with the FTC Consumer Sentinel System as noted in the paragraph above.

Complaint Data Reporting

The data and information provided in the following sections represent complaints received between January 30, 2014 and September 30, 2014¹. DoD views the data obtained from PECS to be vitally important as it is representative of the issues military students face in the academic community while pursuing their respective educational goals. DoD uses these statistics as a means for improving the overall educational experience for Service members.

1. This report does not contain data from the United States Coast Guard as this Service does not fall within the purview of the Department of Defense.

The following pie chart (Figure 6) reflects the total number of PECS complaints filed, the total number closed, and the total number that remain active.

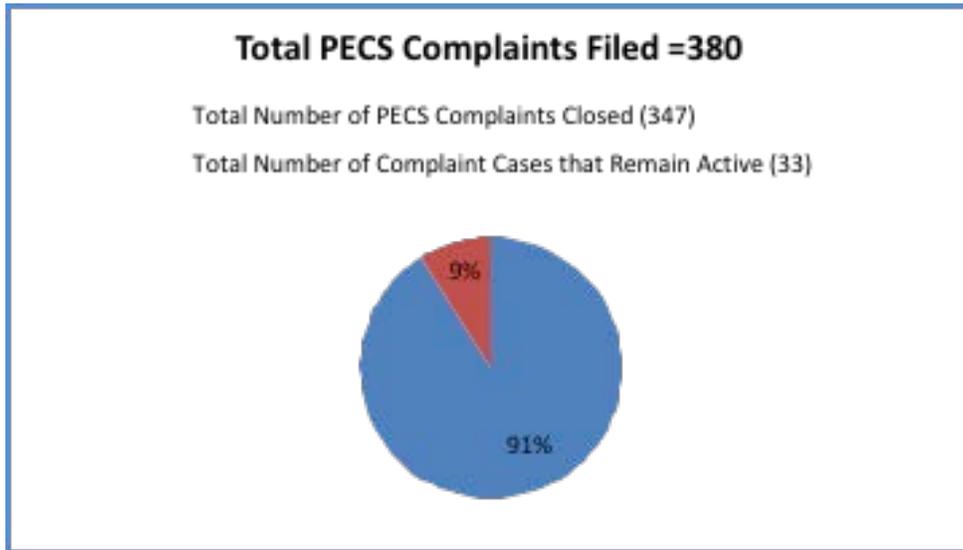


Figure 6

Of the 380 complaints filed in FY14, 347 have been closed. Figure 7 depicts that 217 of the closed cases were considered PoE-related. The 130 Non PoE-related cases were closed in PECS and referred to the respective military Service or MyCAA SECO counselor, as appropriate.

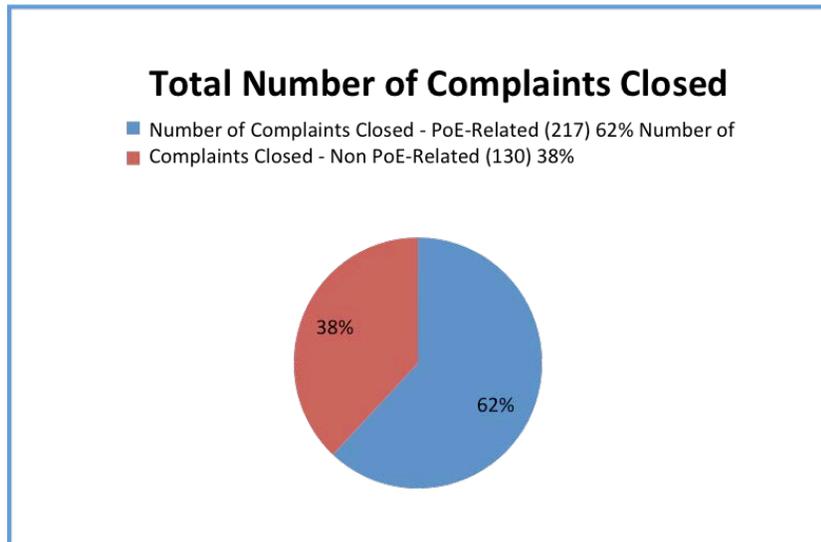


Figure 7

Figure 8 depicts the number of closed PoE-related complaints in percentages and by DoD component (TA and MyCAA).

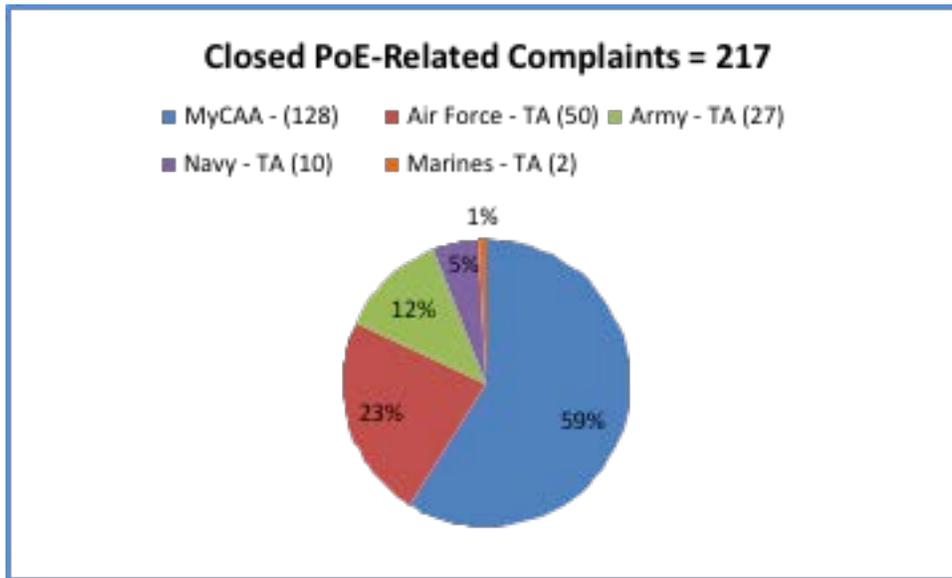


Figure 8

Figure 9 depicts the number of PoE-related cases received by Issue. The PECS complainant has the option of selecting several issues they feel best represent their case at the time the complaint is submitted; therefore, each case can consist of more than one issue.

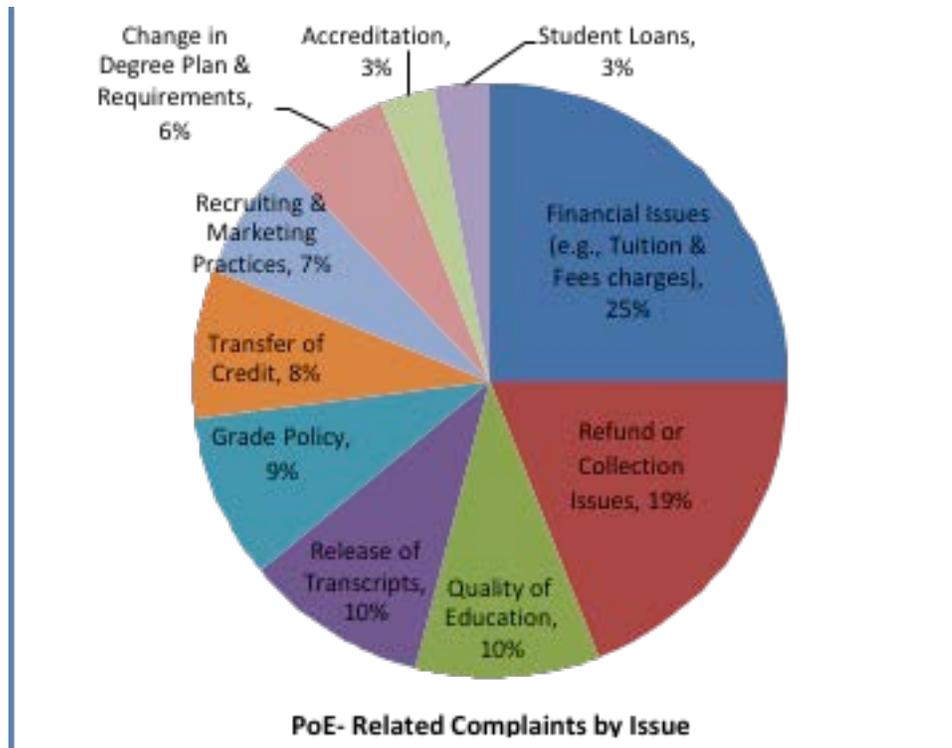


Figure 9

The top five (5) issues reported by TA and MyCAA complainants are reflected in the chart below (Figure 10).

Top 5 Issues by TA and MyCAA Complainants

1. Financial Issues (e.g., tuition and fees charges)
2. Refund or Collection Issues
3. Quality of Education
4. Release of Transcripts
5. Grade Policy

Figure 10

Figure 11 depicts the total number of PoE-related complaints that were filed by institution sector.

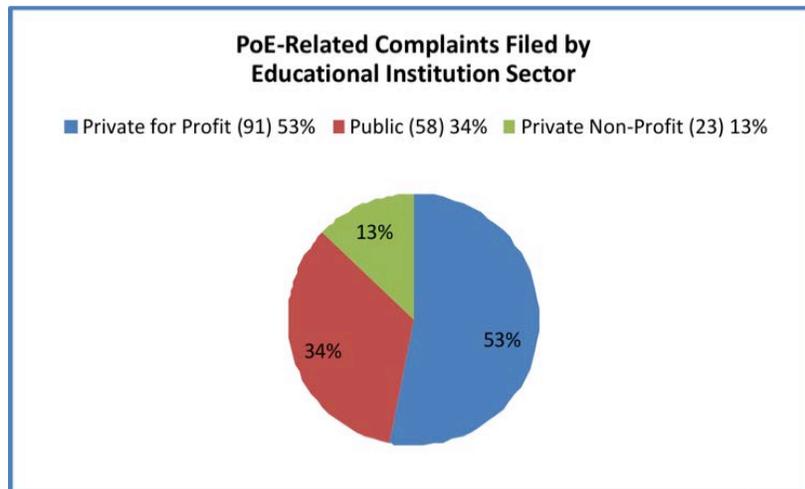


Figure 11

Figure 12 depicts the number of PoE-related cases by educational institution to include complaints that are closed as well as those that remain active. All institutions with at least two complaints are included and institutions with multiple locations/campuses have been combined. The data presented in Figure 12 includes: 1) Active Duty, 2) Reserves, 3) National Guard, and 4) Spouses. *Note: All complaints were filed in Fiscal Year 14; however, some complaints concern courses taken in a prior fiscal year.*

Educational Institution	Type	# of PoE-Related Complaints**	# of Participants
360 Training	Private For-Profit	17	1,591
University of Phoenix *	Private For-Profit	13	12,563
Ashford University *	Private For-Profit	11	18,323
Penn Foster College	Private Non-Profit	9	548
University of Maryland University College (UMUC)*	Public	9	27,588
Career Step	Private For-Profit	8	2,373
Allied Business Schools	Private For-Profit	7	800
American Public University (APU)/ American Military University (AMU)*	Private For-Profit	5	58,576
Animal Behavior College	Private For-Profit	5	854
Auburn OPCE	Public	4	659
Colorado Technical University *	Private For-Profit	4	1,309
Florida Gulf Coast University *	Public	4	25
Kaplan University *	Private For-Profit	4	5,803
Lakewood College	Private Non-Profit	4	447
Central Texas College *	Public	3	16,057
Liberty University *	Private Non-Profit	3	7,729
Trident University International (formerly TUI University) *	Private For-Profit	3	4,798
Allied American University *	Private For-Profit	2	2,277
Bellevue University *	Private Non-Profit	2	797
Care For Life	Private For-Profit	2	52
Columbia College *	Private Non-Profit	2	4,602
Columbia Southern University *	Private For-Profit	2	10,183
Columbus State Community College *	Public	2	55
New Horizon	Private For-Profit	2	10
Pierce College *	Public	2	1,751
South University *	Private For-Profit	2	639
Southwestern College *	Private Non-Profit	2	1,203
University of Oklahoma *	Public	2	1,281

Figure 12

* Institution has a signed Voluntary Education Partnership Memorandum of Understanding with DoD.
 Note --The listing of schools reflected in Figure 12 may or may not support both TA and MyCAA programs;
 therefore, the schools that support the TA program only are noted with an (*).

** The filing of a complaint does not, in itself, prove any wrongdoing by a school.

Limitations

The information discussed within this report is not representative of the entire military TA and SECO (MyCAA) cohorts.

Conclusion

In its first year, the DoD PECS has proven to be an invaluable tool in facilitating oversight of the Military Tuition Assistance and Voluntary Education programs. The DoD PECS serves as a connective conduit into a much larger interagency network which helps to facilitate the monitoring and managing of information concerning postsecondary institutions that provide educational programs and services to military students (i.e., active duty, reserve component, veteran, and military spouses). DoD will continue to use the documented and archived data from the PECS to help fortify its information-sharing capabilities with partner agencies. In the past fiscal year, PECS has been instrumental in helping in instances where postsecondary institutions failed to meet the requirements of the PoE. It is DoD's expectation that the PECS data will continue to inform future educational decisions made by our Service members and spouses.

Information and Questions

- DoD recipients (TA or MyCAA) can obtain additional information concerning the Department of Defense Postsecondary Education Complaint System (PECS) at <http://www.militaryonesource.mil/voluntary-education/complaint>.
- GI Bill recipients (Montgomery or Post-9/11) can provide feedback and direct questions to the Department of Veterans Affairs at <http://www.gibill.va.gov/feedback.asp>.
- Federal financial aid recipients (e.g., Pell grants and federal loans) can provide feedback and direct questions to the Department of Education at Compliancecomplaints@ed.gov.
- Private student loan recipients can direct questions to the Consumer Financial Protection Bureau at <http://www.consumerfinance.gov/complaint>.