

United States Senate

WASHINGTON, DC 20510-4704

December 7, 2016

The Honorable John B. King, Jr.
Secretary of Education
400 Maryland Avenue, S.W.
Washington, DC 20202

Dear Secretary King:

Thank you for your commitment to providing debt relief for students who have been the victims of unfair and abusive practices by institutions of higher education. I deeply appreciate the work that your agency has done over the past few years to develop stronger protections for student loan borrowers. Unfortunately, far too many students throughout our country who were simply trying to secure a higher education and a good job have been cheated and lied to by predatory schools that promised to help them.

I would like to bring your attention to the deceptive actions of the Court Reporting Institute, Inc. ("CRI"), and request that you provide full and immediate loan discharge to every student that enrolled in the company's court reporting programs at its Seattle and Tacoma locations. CRI was opened in 1988 under the pretense of providing stenographic training to students looking to launch a career in transcription. Instead, as detailed in a November 21, 2016 letter from Washington State Attorney General Bob Ferguson to the U.S. Department of Education ("the Department"), this vocational school induced students to enroll and finance their educations with extraordinary levels of debt by systematically misrepresenting its educational practices, instructor qualifications, graduation rates, and employment prospects. These students are entitled to full student loan debt relief under the "borrower defense to repayment" regulations found in 34 C.F.R. § 685.206.

Despite numerous student complaints, agency findings, and demands for reform of CRI's fraudulent practices by the Workforce Training and Education Coordinating Board ("Workforce Board")—which oversees vocational and technical schools in Washington—the company repeatedly failed to clean up its act. This fraudulent behavior is well documented. As established in Attorney General Ferguson's letter, CRI's misrepresentations give rise to state law causes of action under Washington's Consumer Protection Act, RCW 19.86, and common law fraud.

I am particularly troubled by the evidence presented that the company repeatedly provided extremely misleading information to students about the time necessary to complete their program and job placement rates. The company represented that the average time to completion for the court reporting programs was two to three years, and its own course catalogs claimed job placement rates for graduates of an astounding 100 percent. However, the Workforce Board's examination of student records over a three-year period revealed that just 6 percent of students exiting CRI's court reporting programs left as graduates—the rest dropped out—and only 1.7

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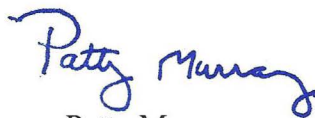
percent found meaningful and relevant employment as court reporters within nine months. CRI also employed unqualified individuals to each critical court reporting classes, and many students reported that they were essentially self-taught. On the basis of this information, the Workforce Board determined that CRI had engaged in unfair and deceptive business practices that violate Washington state law. Had CRI communicated its shockingly low job placement rates, the actual time to completion, or the quality of education offered, no reasonable student would have enrolled in CRI's court reporting program.

CRI closed its doors in late August 2006 in the face of overwhelming student complaints, adverse regulatory findings, and negative press. According to bankruptcy court records, CRI had a gross income of \$3.2 million the year before its collapse, and paid its owner nearly half a million dollars in the nine months leading up to the school's closure. The students who attended CRI's court reporting program, however, never received relief on their fraudulently-issued federal student loan debt.

Due to the widespread and well-documented nature of the company's misrepresentations, and clear violations of Washington state law, I ask that the Department exercise its authority to grant group relief to all CRI students who attended its Seattle and Tacoma locations. According to information from your staff provided to my office on July 7, 2016, nearly a decade after the school closed, 335 former CRI students from the Seattle campus alone are still working to pay back outstanding federal student loan debt.

We can never fully remedy the harm done to students through shattered dreams and lost time, but we can support students who have been repeatedly misled and exploited by bad actors. I urge the Department to provide full and immediate relief for all former CRI court reporting students. Thank you for the Department's record of standing up for students to ensure they get the relief they deserve. I will do everything I can to ensure that our students continue to be protected now and in the future.

Sincerely,



Patty Murray
United States Senator