

Texas Workforce Commission

A Member of Texas Workforce Solutions

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Larry E. Temple
Executive Director

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Dear School Director:

Career schools and colleges in Texas have much to contribute to the education of Texans and, in turn, the economic development of our state. Success in this endeavor requires that all Texas schools and their staff be accountable for maintaining the highest ethical standards in all aspects of their operations. Achieving this goal requires that all school staff are completely trained and understand their responsibilities and limitations.

Recently, significant student recruiting violations were discovered at three licensed career schools in Texas as the result of a secret shopper investigation. Actions uncovered by the investigation—some caught on hidden cameras—were violations of Texas law and rule. Many were also identified as potential violations of federal law and regulation and of accreditation standards.

The Texas Workforce Commission (TWC) is highly concerned about these findings and is taking action with regard to specific schools in Texas found to have engaged in practices that violate Texas law and rule. Additionally, TWC is reviewing its current regulatory approach to student recruitment and is likely to make enhancements to strengthen school requirements and enforcement actions for all schools.

TWC calls upon all licensed Texas career schools to reflect carefully on the student recruiting violations discovered in the secret shopper investigation and review their own school's practices in light of these findings. The key student recruiting violations discovered, with the applicable Texas Administrative Code sections violated, include the following:

- **Representatives answered questions about financial aid rather than referring them to appropriate staff.**

§807.52(2) A representative shall refer questions about financial aid and entrance testing to the appropriate school officials.

§807.53(c)(4) A representative shall not advise students about financial aid, other than informing the students of the general availability of financial aid.

- **Representative would not allow the applicant to speak with a financial aid representative until he enrolled.**

§807.53(c)(7) A representative shall not engage in acts or practices that have a tendency to intimidate or coerce a prospective student into accepting an enrollment.

§807.52(2) A representative shall refer questions about financial aid and entrance testing to the appropriate school officials.

- **Representative failed to give the actual, total program cost.**

§807.52(1) A representative shall have sufficient knowledge of the school to provide complete and accurate information regarding the school to prospective students.

§807.53(c)(7) A representative shall not engage in acts or practices that have a tendency to mislead a prospective student into accepting an enrollment.

§807.193(b)(2) Requires that the school shall furnish a schedule of tuition, fees, and other charges prior to enrollment.

- **Representative told applicant that monthly loan repayment would be lower than it actually would be.**

§807.52(2) A representative shall refer questions about financial aid and entrance testing to the appropriate school officials.

§807.53(c)(4) A representative shall not advise students about financial aid, other than informing the students of the general availability of financial aid.

§807.53(c)(7) A representative shall not engage in acts or practices that have a tendency to mislead a prospective student into accepting an enrollment.

- **Representative would not disclose the graduation rate.**

§807.52(1) A representative shall have sufficient knowledge of the school to provide complete and accurate information regarding the school to prospective students.

§807.53(c)(5) A representative shall not give misleading information about any aspect of the school's completion or employment rates.

§807.53(c)(7) A representative shall not engage in acts or practices that have a tendency to mislead a prospective student into accepting an enrollment.

§807.193(b) This section requires that prior to enrollment a representative must provide all relevant school policy, regulations, and information—including program-specific graduation rates—to the prospective student. Form PS-005, Receipt of Enrollment Policies, contains a complete list of the information that a representative is required to provide.

- **Representative misrepresented the length of time it would take to complete the program.**

§807.52(1) A representative shall have sufficient knowledge of the school to provide complete and accurate information regarding the school to prospective students.

§807.53(c)(7) A representative shall not engage in acts or practices that have a tendency to mislead a prospective student into accepting an enrollment.

- **Representative guaranteed the applicant that getting a degree would increase his salary.**

§807.53(c)(5) A representative shall not give false, misleading, or deceptive information about any aspect of the school's operation, programs, completion or employment rates, examination success rates, job placement, or salary potential.

§807.53(c)(7) A representative shall not engage in acts or practices that have a tendency to mislead a prospective student into accepting an enrollment.

- **Representatives coached prospective students to make false statements in order to qualify for financial aid.**

§807.53(c)(7) A representative shall not engage in acts or practices that have a tendency to mislead or coerce a prospective student into accepting an enrollment.

§807.52(2) A representative shall refer questions about financial aid and entrance testing to the appropriate school officials.

§807.53(c)(4) A representative shall not advise students about financial aid, other than informing the students of the general availability of financial aid.

Please remember that §807.51(b) requires that:

“A representative shall be of good reputation and under the control of the school and is deemed to be the agent of the school. The school is responsible for any representations or misrepresentations, expressed or implied, made by the representative.”

The definition of “good reputation” precludes acts of fraud, deceptive trade practices, and convictions or repeated rule violations associated with operation of a career school [§807.2(16)].

When a representative fails to comply with statute and rule, the school may be liable for full refunds of tuition and fees, and for any penalties. Further, based on the actions of representatives, TWC can place restrictions on the school’s Certificate of Approval—or revoke or deny the certificate.

TWC is committed to fostering education options for Texans by administering a transparent and fair regulatory framework for career schools. Together, we share a responsibility to ensure Texas career schools and colleges live up to a high standard of ethics in marketing and delivering education and training to Texans.

Should you have any questions or ideas to share with TWC on this matter, I welcome your input.

Sincerely,

Catherine Bingle

Catherine Bingle, Director
Career Schools and Colleges