

# NEWS RELEASE

Attorney General Edmund G. Brown Jr.  
California Department of Justice  
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FOR IMMEDIATE RELEASE

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## **Brown Reaches Multi-Million Settlement With Corinthian Vocational School**

LOS ANGELES—California Attorney General Edmund G. Brown Jr. today announced that Corinthian Schools, Inc. and Titan Schools, Inc. will pay \$6.5 million, including \$5.8 million in consumer restitution, to settle a lawsuit alleging that the for-profit vocational operator engaged in false advertising and unlawful business practices by presenting inaccurate salary and employment information to students.

According to the complaint, Corinthian students pay between \$7,000 and \$27,000 for vocational courses, which typically take from six months to one year to complete. Corinthian allegedly overstated the percentage of its students who obtained employment from these courses, inflated starting salary information, and used these misrepresentations to convince potential students to enroll. Students wound up paying tuition fees through a combination of government grants, taxpayer-subsidized loans, and private loans arranged by Corinthian.

California Attorney General Brown said: “Corinthian students fully expected that their tuition payments would result in the glowing job opportunities the company promised. Unfortunately, their hopes were dashed as many of the students ended up unemployed and deep in debt. This groundbreaking settlement provides a measure of justice and fair restitution to these students. It also commits Corinthian to reforming its practices for the future.”

The complaint alleges that Corinthian engaged in additional unfair, unlawful or fraudulent business acts and practices, including falsifying records provided to the government, offering vocational programs that did not meet the minimum standards for course completion or subsequent employment, and using provisions in settlement agreements that bar former students from revealing anything about their disputes with Corinthian to government authorities.

Brown submitted the settlement today in Los Angeles County Superior Court, along with the lawsuit it resolves. The settlement, pending judicial approval, provides for a total of \$5.8 million in restitution to students, of which \$1.5 million is for debt cancellation and \$4.3 million is in the form of refunds to former students. The settlement also provides for a payment of \$700,000 in civil penalties.

Aside from monetary payments, the settlement requires that Corinthian cease offering a total of 11 substandard programs, including the Pharmacy Technician and Medical Lab Assistant Programs, at various campuses in Anaheim, City of Industry, Gardena, Los Angeles, Ontario, San Bernardino, San Francisco and San Jose. The settlement also enjoins Corinthian from engaging in any of the unlawful business practices alleged in the complaint.

Corinthian, one of the nation's largest for-profit vocational school chains, offers vocational courses in job occupations such as dental assisting, massage therapy, and medical assisting to thousands of students at its 14 California campuses of Bryman College, Everest College, and National Institute of Technology.

There are approximately 400,000 vocational school students in California. In 1989, the state established a regulatory agency to maintain oversight of vocational schools, today known as the California Bureau of Postsecondary and Vocational Education. This regulation was established, in part, as a response to a rising number questionable vocational schools and "diploma mills," notorious for pumping out graduates with little education and massive tuition debt.

Consumers who believe they have been victimized by a vocational school can register a complaint by contacting the Public Inquiry Unit of the Attorney General's Office at [www.ag.ca.gov/consumers](http://www.ag.ca.gov/consumers), or by calling (800) 952-5225.

The complaint is attached. The judgment will be posted here when signed by the court.

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