



# OFFICE OF THE ATTORNEY GENERAL

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## **NEVADA ATTORNEY GENERAL MASTO ANNOUNCES GIBILL.COM WILL BE TURNED OVER TO VETERANS AFFAIRS**

*Settlement With 20 Attorneys General Includes \$2.5 Million to States*

**Las Vegas, NV** – Attorney General Catherine Cortez Masto announced today that GIBill.com will be turned over to the Department of Veterans Affairs and \$2.5 million will be paid to states as part of a consumer protection settlement with 20 state Attorneys General.

“This company purposefully deceived veterans into believing it was an official government site,” said Masto. “No one should be deceived into selecting a school because of deceptive practices. Our settlement is a step to help ensure veterans will no longer be deceived by this company.”

The states alleged that the owner of GIBill.com, QuinStreet, Inc. violated the states’ consumer protection laws in the course of operating websites that generate leads primarily for the for-profit education industry. The states reported that several of the company’s sites targeting military servicemembers, including GIBill.com, were deceptive and misleading in giving the appearance that the sites were operated, owned or endorsed by the U.S. government or military.

The states found that the sites were misleading in giving the impression that the schools listed as “eligible GI Bill schools” were the only schools at which the veterans’ benefits could be utilized. In fact, the list only consisted of QuinStreet clients, which were primarily for-profit colleges. Consumer advocates and state Attorneys General have seen for-profit colleges intensify their recruitment of veterans since 2008 when Congress enacted the Post 9/11 GI Bill making billions of dollars in educational benefits available for veterans and their families. According to a February 2011 General Accounting Office report, \$9 billion in educational benefits were provided to service members and veterans in Fiscal Year 2010. Of 20 for-profit colleges analyzed by the U.S. Senate HELP Committee, total military educational benefits increased from \$66.6 million in 2006 to a projected \$521.2 million in 2010. That is an increase of 683 percent. Part of the reason why military members are attractive to for-profit colleges is because their benefits do not count toward

the proprietary colleges' cap on federal Department of Education funding. The law says for-profit colleges must get 10 percent of their funding from other sources besides federal student loans or Pell Grants, but with the GI Bill loophole, they can secure 100 percent of their funding from the federal government. And, for every veteran they sign up, they can recruit nine more equivalent students who have federal student loans or grants.

"I applaud the state Attorneys General for the settlement announced today to protect servicemembers from misleading and deceptive websites that target their GI Bill benefits. These new consumer protections will help ensure that veterans looking online to learn more about the GI Bill will find accurate information about the benefits they have earned through their service and sacrifices for our country," said Holly Petraeus, assistant director for Servicemember Affairs at the Consumer Financial Protection Bureau.

As part of the settlement, QuinStreet will relinquish ownership and control of the domain GIBill.com to the Department of Veterans Affairs, which will utilize the domain to promote the GI Bill program and educate servicemembers about the benefits available to them under the program. QuinStreet will also shut down and cease to use any domain names that include the term "GI Bill." As part of the agreement, QuinStreet will pay the states a total of \$2.5 million to settle the consumer protection claims.

#### **Other terms of the settlement**

- The Twitter, Facebook, and other social media accounts associated with GIBill.com will be shutdown.
- All QuinStreet military-related sites will have unavoidable, clear and conspicuous disclosures adjacent to the website logo and website name that clarify the site is not owned or operated by the U.S. government.
- Disclosures that the schools listed on the sites are not the only schools that accept GIBill benefits, and links to the VA's page that provides a complete list.
- All of QuinStreet's education-related websites will have disclosures that clarify that schools responsive to a consumers' search are advertisers or pay to appear on the sites.
- QuinStreet will no longer be able to make any claims that the information presented on the site is "neutral" or "unbiased" or that schools are "top" or "best" unless the information comes from an independent source.
- All QuinStreet education-related sites must have an "About us" page and an FAQ page that clearly explains the site is owned by QuinStreet and contains identifying information about the company and its business operations.
- Notice and opportunity for QuinStreet to remedy any discovered future violations to the satisfaction of the state Attorneys General.

Attorneys General will monitor sites owned by the company going forward to ensure compliance with the settlement. The effort was led by Kentucky Attorney General Jack Conway. The case was handled by JoAnn Gibbs, Senior Deputy Attorney General, Bureau of Consumer Protection.

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