

MORE TROUBLE FOR EDUCATION MANAGEMENT CORPORATION,
ARGOSY UNIVERSITY, AND THE ART INSTITUTE AS UNITED STATES
AND INDIVIDUAL STATES FILE \$11 BILLION FRAUD LAWSUIT

Education Management Corporation (EDMC), the nation's second largest for profit college chain, and its subsidiary college campuses, were sued by the Department of Justice, the states of California, Florida, Illinois, Indiana, Massachusetts, Minnesota, Montana, New Jersey, New Mexico, New York and Tennessee and the District of Columbia. Argosy University Dallas and the Art Institutes of Dallas, Ft. Worth, Houston and Houston-North were among the numerous campuses specifically named in the lawsuit.

The lawsuit alleges that the for-profit campuses used improper recruitment practices to obtain more than \$11 billion in federal student aid. The Complaint states that the college campuses paid admissions recruiters based on how many students they enrolled. Colleges that receive federal aid are prohibited from paying recruiters incentives based on enrollment because it could cause a college to register unqualified students. In fact, the lawsuit alleges that the campuses had a "boiler-room style sales culture" which encourages recruiters to use high-pressure sales tactics and inflate claims about career placement to increase enrollment numbers. The recruiters were instructed "to enroll applicants regardless of their qualifications, including applicants who are unable to write coherently, applicants who appear to be under the influence of drugs, and applicants for EDMC's online program who do not own computers" according to the Complaint.

This lawsuit is just the newest in a long line of lawsuits against EDMC and its subsidiary campuses. The Law Office of Julie Johnson, PLLC already represents numerous students in their legal claims against Argosy University Dallas as well as other for-profit colleges. See [Texas College Sued By Students For Misrepresenting That It Would Become Accredited](#). Unfortunately many for-profit colleges make misrepresentations to students on a variety of subjects such as career placement, transferability of college credits, and accreditation and leave students with substantial student loans that are difficult or impossible to pay upon graduation.

If you believe you have a claim against a for-profit college you should immediately contact a lawyer that practices in school fraud cases. The Law Office of Julie Johnson, PLLC often represents students in Texas Deceptive Trade Practices and Consumer Protection Act, fraud, and breach of contract cases against for-profit colleges such as Argosy University. To contact the Law Office of Julie Johnson, PLLC please call (214-290-8001) or send an [email](#).