



May 19, 2022

Mr. George Burnett  
President  
University of Phoenix  
4035 South Riverpoint Parkway  
Phoenix, AZ 85040

Sent via email to  
[george.burnett@phoenix.edu](mailto:george.burnett@phoenix.edu)

OPE ID: 02098800

Dear Mr. Burnett:

On February 8, 2022, the University of Phoenix (“UOP”) submitted an electronic application to update the officials/directors of the institution, among other things. The application reported that you are now the president of UOP. The Department has begun its review of the application and has determined that UOP must provide additional information regarding this update.

According to the Department’s records, you were the Chief Executive Officer (“CEO”) of Westwood College (“Westwood”) from 2006 until 2011. To date, the Department has approved borrower defense to repayment (“borrower defense”) claims for students who attended Westwood in the amount of approximately \$130 million. The Department approved these discharges based on its determination that during the period from 2002 through 2015, Westwood made substantial misrepresentations to students about graduates’ likely employment prospects, and also about students’ ability to transfer credits at the Westwood campuses. The Department has published the findings it has made thus far on its Borrower Defense Update webpage, <https://studentaid.gov/announcements-events/borrower-defense-update>. The webpage contains links to the following documents: Westwood College Borrower Defense Executive Summary (Enclosure A), Westwood Borrower Defense Executive Summary-Employment Prospects Representations (Enclosure B), Statement of Facts Memo (Part 1) (Enclosure C), and Statement of Facts Memo (Part 2) (Enclosure D).

The Department notes that Westwood signed program participation agreements (“PPAs”) with the Department stating that the institution would comply with all Title IV, HEA program requirements, as well as any conditions specified by the Department in the PPA. 20 U.S.C. § 1094(a)(1); *see generally* 34 C.F.R. § 668.14. By entering into a PPA with the Department, Westwood, and its officers, accepted the responsibility to act as fiduciaries in the administration of the Title IV, HEA programs. *See* 34 C.F.R. § 668.82(a). In the capacity of a fiduciary, an institution, and its officers, are subject to the highest standard of care and diligence in administering those programs and in accounting to the Department for the funds received under those programs. 34 C.F.R. § 668.82(b).

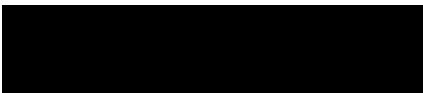
The Department also notes that during the period that you were CEO, Westwood’s income was derived mainly from Title IV, HEA program funds, and that Westwood’s continued participation

in those programs was essential to its ability to continue to operate. It was therefore incumbent upon you, as CEO of Westwood, to keep informed of Westwood's corporate activities as they related to the Title IV, HEA programs; to exercise reasonable control over your corporate subordinates regarding the administration of those programs; and to seek out and remedy violations of the statutes and regulations governing the Title IV, HEA programs, whenever or wherever they might occur.

The Title IV, HEA regulations specifically prohibit substantial misrepresentations regarding the nature of an institution's educational program, its financial charges, or the employability of its graduates. *See* 34 C.F.R. Part 668, Subpart F. Violations of the regulations governing substantial misrepresentations are particularly serious violations of the institution's fiduciary duty, given that they may result in the Department's imposition of an emergency action upon the institution under 34 C.F.R. § 668.83(c)(2)(ii)(A); initiation of a termination action with regard to the institution's eligibility to participate in the Title IV, HEA programs under 34 C.F.R. § 668.86(a)(1)(ii)(A); revocation of the institution's PPA under 34 C.F.R. § 668.13(d); denial of the institution's recertification application under 34 C.F.R. § 668.13(b); or the initiation of a fine action under 34 C.F.R. § 668.84(a)(1)(ii). *See also* 20 U.S.C. § 1094(c)(3)(A), (B). Further, substantial misrepresentations may also constitute violations of state consumer fraud laws, resulting in complaints filed by States' Attorneys General against the institution, as in fact happened in the case of Westwood. Therefore, Westwood's compliance with the Title IV, HEA program regulations regarding substantial misrepresentation, particularly with regard to its advertisements and its policies and procedures regarding student recruitment, would necessarily have been of major importance to Westwood and therefore to you as CEO of the institution.

Pursuant to its review of UOP's application, the Department therefore requests that you answer the attached Questions (Enclosure E) in writing, and attest to the answers with the following language: "I hereby certify that the foregoing is true to the best of my personal knowledge and information." Please send the answers to me at [Michael.Frola@ed.gov](mailto:Michael.Frola@ed.gov) and Jane Eldred at [Jane.Eldred@ed.gov](mailto:Jane.Eldred@ed.gov) via email by two weeks from the date of this letter. If you have any questions, please contact Jane Eldred at [Jane.Eldred@ed.gov](mailto:Jane.Eldred@ed.gov).

Sincerely,



Michael Frola  
Division Chief  
Multi-Regional and Foreign Schools

Enclosures

Cc: Srinu Medi, Senior Vice President & General Counsel,   
Celestino Fernández, Ph.D. – Chair, Independent Board of Trustees,  
