

CLIENT ALERT

DOJ Sets FCA Sights on Private-Sector Colleges

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On August 30, the Justice Department intervened and filed an FCA complaint against ATI Enterprises, Inc., which operates private-sector colleges, alleging that ATI knowingly misrepresented its job placement statistics to maintain its state licensure and, thus, its eligibility for federal financial aid, knowingly enrolled under-qualified students, and fraudulently kept students enrolled despite insufficient attendance and poor grades. DOJ's announcement follows other recent high profile cases in the higher education arena, including US ex rel. Oberg v. Ky. Higher Educ. in June (in which the Fourth Circuit considered whether corporate entities created by states to provide higher education financing, accused of making false claims to DOE, were "persons" subject to FCA liability) and Cuccinelli v. Univ. of Va. in March (in which the Virginia Supreme Court held that UVA was not a "person" or "corporation" under the Virginia state-equivalent FCA). For more information, please contact the professional(s) listed below, or your regular Crowell & Moring contact.

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