



Bob Ferguson  
**ATTORNEY GENERAL OF WASHINGTON**  
1125 Washington Street SE • PO Box 40100 • Olympia WA 98504-0100

November 21, 2016

The Honorable Ted Mitchell  
Under Secretary of Education  
U.S. Department of Education  
P.O. Box 429060  
San Francisco, CA 94142  
[FSAOperations@ed.gov](mailto:FSAOperations@ed.gov)

**RE: Court Reporting Institute, Inc. d/b/a CRI Career Training  
Borrower Defense to Repayment Pursuant to 34 C.F.R. § 685.206(c) for Former Students**

Dear Under Secretary Mitchell:

I write to request that the U.S. Department of Education (“Department”) discharge all federal student loans incurred by students to attend the court reporting program offered by Court Reporting Institute, Inc. d/b/a CRI Career Training (“CRI”) at its Seattle and Tacoma, Washington locations pursuant to the Department’s Borrower Defense to Repayment regulations. Those regulations provide, at 34 C.F.R. § 685.206(c)(1), that “the borrower may assert as a defense against repayment, any act or omission of the school attended by the student that would give rise to a cause of action against the school under applicable State law.”

The attached memorandum and exhibits establish that despite repeated investigations conducted, findings made, and reforms mandated by Washington’s Workforce Training and Education Coordinating Board, CRI induced students to enroll and finance their educations with student loans by systematically misrepresenting CRI’s (a) educational practices, (b) instructor qualifications, (c) graduation rates, and (d) employment prospects, and (e) the amount of federal financial aid available. These misrepresentations give rise to state law causes of action under Washington’s Consumer Protection Act, RCW 19.86, and common law fraud that meet the standard of 34 C.F.R. § 685.206(c)(1). I therefore request that the Department take the following actions with respect to federal student loans taken out by each and every former CRI court reporting student in Washington:

- Discharge any and all outstanding federal student loans (34 C.F.R. § 685.206(c)(2));
- Reimburse each student “for amounts paid toward the loan[s] voluntarily or through enforced collection” (34 C.F.R. § 685.206(c)(2)(i));
- Reinstate, if applicable, each student’s eligibility to receive Title IV assistance (34 C.F.R. § 685.206(c)(2)(i)); and
- Provide updates to consumer reporting agencies to which adverse reports regarding each student’s loan(s) have been made (34 C.F.R. § 685.206(c)(2)(iii)).

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Due to the systematic widespread nature of CRI's misrepresentations, I ask that the Department exercise its discretion and grant group relief to all CRI court reporting students who attended CRI's Seattle and Tacoma campuses. Finally, to the extent that any former CRI students' loans were issued under the Federal Family Education Loan Program, rather than the Direct Loan program, I ask that the Department exercise its discretion to determine that any non-Direct loans are eligible for discharge under the Defense to Repayment process because such non-Direct loans could be made eligible through the simple expedient of consolidating them into a new Direct loan.

Thank you for your prompt attention to this matter. If you have questions, please contact Assistant Attorney General Benjamin Roesch at (206) 389-2105 or via email at [benjaminr@atg.wa.gov](mailto:benjaminr@atg.wa.gov).

Sincerely,

A handwritten signature in black ink that reads "Bob Ferguson". The signature is written in a cursive style with a long, sweeping underline.

BOB FERGUSON  
Washington State Attorney General

RWF/jlg

Attachments

cc: The Honorable Patty Murray  
Washington Workforce Training and Education Coordinating Board  
California Attorney General's Office  
Idaho Attorney General's Office