



Department of Justice

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Alta Colleges to Pay U.S. \$7 Million to Resolve False Claims Act Allegations

WASHINGTON -- Alta Colleges Inc. and its wholly-owned collegiate schools in Texas have agreed to pay the United States \$7 million to resolve allegations under the False Claims Act that the Texas schools submitted false claims for federal student aid funds, the Justice Department announced today.

For a college to qualify to receive federal student aid, one requirement is that it meet applicable state licensing requirements. The United States alleged that Alta's Texas colleges obtained the requisite state licenses by misrepresenting to the state licensing agency that they complied with state job-placement reporting requirements and that their interior design programs complied with requirements for a professional license.

"This settlement demonstrates the government's commitment to enforcing the compliance standards required of colleges participating in the federal student aid program," said Michael F. Hertz, Acting Assistant Attorney General of the Civil Division of the Department of Justice.

Alta Colleges, which is headquartered in Denver, has over 12,000 students at 19 campuses in California, Colorado, Georgia, Illinois, Texas and Virginia.

The civil settlement agreement released today resolves certain allegations that were originally filed in a federal lawsuit brought by whistleblowers under the federal False Claims Act. The False Claims Act permits private citizens to bring lawsuits on behalf of the United States and to share in any recovery. Under the settlement, the whistleblowers who initiated the lawsuit will receive \$1.19 million.

This matter was investigated by the U.S. Department of Education. The settlement was the result of a coordinated effort among the Civil Division of the Department of Justice and the U.S. Attorney's Office for the Northern District of Texas.

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