

Federal Trade Commission Files Lawsuit Against Grand Canyon University



Recently, the U.S. Federal Trade Commission (FTC) has taken legal action against Grand Canyon University, citing concerns about deceptive advertising, illegal telemarketing, and the institution's misrepresentation as a nonprofit entity. The regulatory body filed a formal complaint in the U.S. District Court for the District of Arizona, naming Grand Canyon Education Inc (GCE), its CEO, and the university as defendants.

Deceptive Practices in Doctoral Programs

The FTC alleges that Grand Canyon University misled prospective doctoral students regarding the cost and course requirements of its postgraduate programs. Additionally, the university is accused of falsely presenting itself as a nonprofit organization. The commission contends that these actions were coupled with deceptive and abusive telemarketing practices, as outlined in an official statement.

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Financial Ties and Profit Motive

According to the FTC, despite presenting itself as a nonprofit, the university has been operated for the profit of Grand Canyon Education Inc. and its stockholders. The commission reveals that the university allocates a substantial portion of its revenue, precisely 60%, to GCE. In regulatory filings, GCE describes the university as a "partner."

University's Response and Denial

Grand Canyon University, based in Arizona, has vehemently denied the allegations, characterizing them as "unsubstantiated." The institution will undertake all necessary measures to challenge and disprove the accusations. The university expressed bewilderment at the federal government's decision to target a Christian university, emphasizing its positive contributions to addressing significant issues in higher education.

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Education Department Imposes Fine

This legal action follows a significant development where the U.S. Education Department imposed a substantial \$37.7 million fine on Grand Canyon University. The fine was levied due to the university's alleged misrepresentation of the costs associated with its doctoral programs. According to CNBC, fewer than 2% of the school's doctoral program graduates completed their program within the advertised price. Furthermore, nearly 78% of these students reportedly took five or more continuation courses.

As the legal proceedings unfold, Grand Canyon University finds itself at the center of scrutiny, facing allegations beyond financial misrepresentation, including deceptive marketing practices and misrepresentation of its nonprofit status. The outcome of this lawsuit could have far-reaching implications for the university's standing and the broader landscape of for-profit educational institutions.

Don't be a silent ninja! Let us know your thoughts in the comment section below.