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Los Angeles Film School Accused by Former Execs of Massive Scam Involving Fake Jobs for Graduates

By [Gene Maddaus](#) ▾





Courtesy LAFS

Two former executives at the [Los Angeles Film School](#) allege in a lawsuit that the school has operated a massive student loan scam for years that involves arranging for thousands of fake job placements for its graduates.

The executives also claim that the school, located on Sunset Boulevard in Hollywood, lied to the Department of Education during a 2017 audit in an effort to cover up the fraud.

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Dave Phillips, the school's former VP of career development, and Ben Chaib, the former VP of admissions, filed a whistleblower lawsuit against the school in 2024. The suit, unsealed earlier this year, alleges that "nearly all" of the tens of millions of dollars the school receives each year from federal student aid programs is the result of fraud.

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The suit accuses the school of "hoodwinking" thousands of students with false claims about graduates' prospects for employment.

The school offers two- and four-year degrees in film and music production, animation and other fields, with tuition ranging from \$40,000 to \$80,000 per program, according to its website.

According to the suit, Phillips "observed the vast majority of LAFS graduates were not able to obtain entry level positions." The lawsuit quotes an internal agenda stating that most graduates "report a yearly income of 0-\$5,000 in their field of study."

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LAFS receives about \$85 million per year in federal assistance, of which about \$60 million comes from student loans, the suit states. Another \$19 million comes in veterans' education grants.

The school is owned by James "Bill" Heavener, the CEO, and three partners, who also own and control Full Sail University in Winter Park, Fla. Like LAFS, Full Sail also offers online and in-person instruction in entertainment production and related fields. According to the complaint, Full Sail receives \$377 million per year in federal assistance.

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The two former executives allege in the lawsuit that LAFS and Full Sail engaged in fraud in order to meet a key accreditation benchmark — namely, that at least 70% of graduates are able to find work in their field. If they failed to maintain their accreditation, the schools risked losing eligibility for federal student aid.

The complaint alleges that LAFS executives estimated that, at best, 20% of graduates would be able to find work on their own, and so for the remaining 50%, they had to “engineer the gigs.”

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According to the complaint, LAFS paid Ivar Music Group and other entities nearly \$1 million from 2010-17 to “hire” its graduates for two-day jobs. The suit alleges that LAFS controlled who would be hired, when they would work and how much they would be paid.

The suit states that the two schools “self-financed thousands of temporary employment opportunities for their graduates through schemes with non-profits and paid-off vendors to give the false impression to incoming students and federal regulators that their graduates were gainfully employed.”

The Los Angeles Film School is expected to file a motion to dismiss the complaint on Oct. 1. In a joint statement of the case filed last week, the school’s attorneys denied the claims, saying that Phillips and Chaib are attempting “to resuscitate time-barred and erroneous allegations, which were already thoroughly investigated and settled by the Department of Education.”

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The whistleblower complaint alleges that in addition to arranging for fake jobs, LAFS also illegally tied compensation for its sales team to student enrollment.

The suit further alleges that LAFS executives lied to Department of Education auditors by denying the existence of the incentive compensation system and failing to disclose the link to Ivar Music Group.

In the statement filed last week, LAFS says that the Department of Education conducted a “comprehensive investigation” into the allegations from 2017-2020, resulting in the settlement.

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The Accrediting Commission of Career Schools and Colleges last renewed the school’s accreditation in 2023 for a five-year period. The ACCSC did not respond to a request for comment.

Phillips, a former William Morris agent, was a vice president in charge of job placement at LAFS, as well as an adviser to the board. Chaib was recruited to work for the school after working in admissions at other for-profit colleges, including Heald College and the University of Phoenix. Each worked at LAFS for 12 years and were members of the top-level executive team.

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Phillips left the school in 2022. According to a suit the school filed against him, his contract was not renewed. The school alleged in the lawsuit that Phillips’ counsel later sent LAFS a demand letter that included quotations from his conversations with Heavener and Tammy Elliott, the school’s president. Heavener and Elliott sued, alleging that Phillips had invaded their privacy by secretly recording them. That suit was later dismissed.

According to the filing made last week, the school reached a settlement with Phillips in 2023. A separate settlement was reached with Chaib in 2021. LAFS alleges that both released their claims against the school at that time, but are now engaged in “a campaign to extract additional money.”

Phillips and Chaib filed the whistleblower lawsuit in June 2024, seeking to recover fraudulently obtained student aid funds on behalf of the U.S. government. Private individuals who help bring such misconduct to light can reap 25-30% of any recovery.

The U.S. Department of Justice opted not to get involved in the case last May, leading to the suit being unsealed.

An attorney for the school, Mazda Antia, declined to comment to *Variety*.

The federal government issued a series of regulations in the 2010s to crack down on for-profit colleges, and state and federal investigations led to the closures of Corinthian Colleges – the owner of Heald College – and ITT Technical Institute.

In 2009, the University of Phoenix paid \$67.5 million to settle a whistleblower action brought by two former employees. The case involved allegations of incentive-based compensation for recruiting students. The two former employees were awarded \$19 million.

The Department of Education fined Heald College in the amount of \$29.7 million in 2015, after determining that the school had lied about its job placement statistics.

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