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**Macias, Wendy**

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**From:** [REDACTED]  
**Sent:** Sunday, June 21, 2009 10:15 PM  
**To:** negreg09  
**Subject:** Corinthian Colleges Inc. Practices Statement  
**Attachments:** CCI DOE LTR.doc

To Whom It May Concern:

Please see Attachment. This is my statement of the facts as I know them to be during my employment with Corinthian Colleges Inc.

My employment date was from [REDACTED]. If you have any further questions please contact me at the information listed below.

Regards,

[REDACTED]  
[REDACTED]  
[REDACTED]

Wendy Macias  
US Department of Education  
1990 K Street NW  
Room #8017  
Washington, DC 20006

June 19, 2009

Dear Ms: Macias:

My Name is [REDACTED] I was hired by Corinthian Colleges Inc. (CCI) through a temporary agency, Core Staff Services with the understanding that upon successful completion of 90 days I would be a direct full time hire. My employment dates were 3-5-07 through 9-21-07. I worked in the financial services department call center as a collections agent for delinquent student loans. My direct Supervisor was [REDACTED] his Supervisor was the Financial Call Center [REDACTED] his direct Manager was [REDACTED]

I received a month of intense training on collection techniques and was expected to collect a certain amount each and every month \$30,000 through a variety of payment options. IE: credit cards, checks, cash payments, third party vendor loan pay offs, established monthly payment plans, and settlements in full payment. If we reached our established goals we received incentives such as cash bonuses, gift cards, sporting event tickets, free lunches or day off with pay. If we did not meet our goals we were threatened with disciplinary action and possible job loss.

The schools that I collected on were Everest in the following locations: Skokie, Detroit, North Aurora, Colorado, Austin, Fort Worth, Oakland, Long Beach, West Los Angeles, Hayward, San Bernardino and San Francisco. In the seven months that I worked for CCI one of my schools went through three presidents.

[REDACTED] president refused to assist with any collection efforts. Such as pulling students out of class for not payment or sending any students to outside collection agencies. One student was allowed to graduate without making any payments whatsoever. She had an outstanding debt of over \$10,000.00. When I called [REDACTED] students to try to collect, they just laughed and said "I don't have to pay anything and I will be allowed to graduate". I brought this situation to my manager's attention and he called the schools president and had a "talk with him": I was included in the conference call and the schools president said he would get after the worst offenders and send them to the outside collection agency that CCI used. Subsequently, nothing changed.

Another school that I had trouble collecting on was Oakland. According to what I was told by my supervisor and manager, technically I wasn't collecting on this school. They had their own way of collecting payments from their students

and I was just supposed to call them and gently remind them to send their payments in by the end of the month. It turns out that the students were sending their payments to the National Loan Servicing Center (NLSC), located in Tarzana, CA, a vendor that CCI had a contract with.

Another problem school was Hayward. They had a Surgical Tech program that couldn't place students because they weren't properly taught the complete curriculum to obtain gainful employment. Thus, the Surgical Tech students sued CCI and I was told not to call any of them. However, I did inadvertently call some of them because their accounts weren't properly coded in the computer system. When I did accidentally speak to them I got an ear full. They said that when they were recruited as students they were promised gainful employment with a minimum starting salary upon successful completion of the program. They said the school promised to place them with perspective employers. Then the students didn't receive all that much help from the school with regard to job placement. Employers refused to hire them and when the students asked why the employers said their training was substandard.

The Hayward school did have other students that I collected on and when I had trouble collecting on students I called my reps at the school level. At this school my contact was [REDACTED] I would normally call for things like incomplete or unreadable documentation found in the computers database and could he please pull the file and tell me what additional info they had that might be useful or could they possibly pull the student from class for a little chat. When I asked [REDACTED] this he said that the school was undergoing renovations and the files for all the students had been moved somewhere else and no one knew the location of the student files because the person that moved them no longer worked for the school. I asked to speak to the schools president and [REDACTED] said that wouldn't help either because the president was new.

I can't remember which school this particular student attended but she was a drop and had an outstanding debt of \$6000.00. This student had no intentions of returning to the school to complete the program. She had a language barrier problem and spoke with a very thick accent. So much so that I couldn't understand her. I had to speak to her interpreter. In order for the students to drop the program they had to go into the schools academic office and complete the drop paperwork so that they would no longer be charged for class participation and supplies. In this students case she did sign a document which I had her fax to me. The document I received did in fact state that the student agreed to the outstanding balance of \$6000.00 and that it would be repaid in a timely manner. When I explained this to her interpreter the student was adamant that she thought it meant that she owed no money at all and would not be completing the curriculum. At this point I got the schools new president involved. I explained to him about the extreme language and understanding barrier and that the student claimed that she was basically forced to sign this document or incur further charges. Unfortunately the individual at the school level that the

student dealt with no longer worked there. The president agreed to have a meeting with the student and make the final decision weather to collect the outstanding debt or not. I told him to make sure that the student brought her interpreter with her. In the end the president decided to write off the balance. The student was extremely happy about the outcome. My manager however, was not.

When I spoke to my colleagues at the school level that I worked with it was routinely said that they also had goals they were expected to meet each and every month or face the consequences. These goals included admissions numbers. I asked if they were rewarded if their goals were met or exceeded they said; "Yes, but you didn't hear that from me". Another routine occurrence that my manager did was shift good paying schools to other collectors with low collection numbers to boost their numbers so that they would not be disciplined, and the good collectors had to work the bad schools. My manager, [REDACTED] had two favorite female employees that dressed very provocatively and could do anything they wanted while all the other employees were held to very rigid standards and had to pick up the slack.

While I was still employed with CCI, California State Attorney General [REDACTED] sued for, among other things, misrepresentation. Because of the suit I could no longer collect any monies from any California school. These schools were the bulk of my portfolio. I was given a few bad schools to replace them. Thus, my collection numbers plummeted and I kept being called into the office to discuss my poor performance. My defense was that my entire collection portfolio disappeared and that they gave me very few schools to work with that had any good info to them for me to work with.

While I worked at CCI I also heard that the State's Attorney's General of Florida and New York also had lawsuits pending against CCI. In my daily conversations with students of these schools, they routinely complained that they were told something completely different then what I was currently telling them. Such as, if they dropped the curriculum they owed no money for the amount of school taken to the drop point. Another big complaint I routinely heard from the students was the extremely high school employee turn over rate. After I explained the reality to the students, they went into the office to talk to whomever told them they owed no money, the employee no longer worked for the school. The person that was there now claimed ignorance. Another big complaint I heard was schools refused to refund dropped students book or scrub costs. One student tried to return unopened books that were still cellophane wrapped and the school refused. I called the school bookstore and found out that the books were still being used for the course but the school's policy was no refunds. The student's book costs were over \$1400.00.

Also, during this time CCI narrowed our collection options. We were no longer allowed to get loan payoffs through CLC or Sallie Mae. We were also no

longer allowed to put the students on payment plans through NLSC. This was done as a cost savings measure for CCI because we paid the loan set up fees for these companies. The costs were not passed on to the student. This was an incentive to the student to sign up for these plans. Thus, the only three payment options left for the collectors to use were credit cards, checks, or cash payments, but cash payments were done at the school level, not at the corporate level. Another thing that was implemented before I left was the student packaging procedure. If a prospective student showed any interest in the school and came to the campus for an orientation and tour, if they filled out a prospective interests sheet which included the student's full name, date of birth, address, and phone number, he or she was considered completely packaged without any financials at all. I asked [REDACTED] how he expected us to collect any money on those students and his answer was; "Don't ask me, ask [REDACTED]"

During my entire employment with CCI, they said I was doing a great job and they intended to bring me on board full time. I even filled out most of the paperwork. They kept stalling and said that they had to settle all three lawsuits first and then bring my employment up for a board vote. At 8:40 pm on Friday 9-21-2007, Core Staff Services called me at home and said my assignment had come to an end after seven months of employment. This was a complete shock to me because [REDACTED] my manager, had stood in my cubicle that very day at 3:30 pm and explained what he wanted me to do when I got to work the following Monday.

Regards,

[REDACTED]  
[REDACTED]