

Macias, Wendy

From: Macias, Wendy
Sent: Monday, June 22, 2009 7:38 AM
To: negreg09
Subject: FW: Please enter this into the public record. It is the speech I intend to give plus some supporting documents
Attachments: APOL speech 3.doc; Misc complaints against UOP on consumer affairs.doc; clear deposition from enroll mgr re incentive comp.pdf; 301-29 hiding b4 doe arrived.pdf; toddnelson letter impact shareholders.pdf; 0258-3 4 todd nelson re clc.pdf; Hendor - default aversion program.pdf; qui tam doc april 9 09 see pg 16 dual books 7.pdf; June 1 09 argument about solely.pdf; march 30 hendow 600 pg attachments smoke.pdf; 301-29 mgmt hiding incentive comp info b4 pr.pdf; old sperling deposition.pdf; Enroll director smoke mirror.pdf; Education Industry - IPEDS Graduation Data.xls; epinion neg apol jan 06.doc; lope qui tam.pdf; [REDACTED] testimony.pdf

From: [REDACTED]
Sent: Saturday, June 20, 2009 9:11 AM
To: Macias, Wendy
Subject: Please enter this into the public record. It is the speech I intend to give plus some supporting documents

[REDACTED]
Alternative Research Service, Inc.
[REDACTED]

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ALTERNATIVE RESEARCH SERVICES, INC

[REDACTED] c June 24, 2009

Ladies and Gentlemen:

My name is [REDACTED]. I am a research consultant in the investment industry. I have been following the for-profit education sector for over a decade. Over the many years I have watched the cat and mouse game between the Department of Education and the industry. Sadly, despite claims of being heavily regulated this industry has been largely unregulated under the Bush Administration. With a former APOL lobbyist at the helm of Post-Secondary Education, enforcement was lax despite numerous inspector general reports urging better enforcement. This disservice to tax payers has enriched the managements of the for-profit industry and left in its wake thousands of students who bought into the hopes of a finer future only to be overrun with student debt.

I personally have no investments in the industry. I am here before you today to bring to your attention an issue which has received some press but has yet to be properly addressed by the Department; that is the corruption and chronic misbehavior of the for-profit education industry. There are many issues that the Department needs to address including: transferability of credits, default prevention, graduation rates, and of course, incentive compensation.

Apollo Group, parent company of University of Phoenix, is largest school in the country. In 1998 the company had 71K students. That number grew to 157K in 2002 and is presently 397K.

How is this possible? In FY08 the company spent \$322 million on advertising, most of which was on the internet. At the present rate of growth advertising will likely reach over \$400 million dollars in 2009. The company spent an additional \$385 million in FY08 on enrollment counselor compensation.

In fiscal 2008, 82% of University of Phoenix's \$2.9 billion of revenue came from Title IV programs. And total revenue companywide was \$3.1 billion in fy08. That's nearly \$2.4 billion dollars of taxpayer money flowing through the company. In 2001, with \$770 million of revenue, UOP received only 10% of its revenue from Title IV programs.

[REDACTED] June 24, 2009

Incentive Compensation

Through heavy industry lobbying efforts and a friendly administration, the so called "Safe Harbor" provisions were established that effectively nullified the ban on incentive compensation for enrollment counselors.

This loophole has allowed the industry to bypass the regulation and claim EC's are paid based on factors other than quotas, which testimony from former employees in the qui tam has proven is false. I am including depositions from the qui tam. Hiding behind the word "solely" in the Safe Harbors violates the spirit of the original law. This loophole has created a wave of defaulted debt and the taxpayer bears the burden.

Enrollment counselors are overly incentivized to bring in students with no chance succeeding or paying off loans. There are many, many sad stories I can recount from direct interviews I have conducted with both former UOP students and enrollment counselors documenting the true horrific outcome for unsuspecting students. Similar stories are widely available in public depositions in the qui tam suit against UOP.

In the now famous February 2004 program review of UOP, the author begins, "This report contains a serious finding regarding the school's substantial breach of its fiduciary duty; specifically that the University of Phoenix (UOP) systematically engaged in actions designed to mislead the Department of Education and to evade detection of its improper incentive compensation system..."

The Department interviewed more than 60 present and former enrollment counselors prior to, and after the site visit. Most of the recruiters said that when hired, UOP told them that the job had tremendous financial potential, and that they "could make a lot of money." UOP promised to "double or triple their salary in 3 to 6 months..."

In another deposition an enrollment counselor stated, "A: I was told to enroll students no matter what." ...regardless of qualifications. Another enrollment counselor complained that the potential student was illiterate but was forced to admit that person regardless. The Department must take immediate steps to protect students from predatory marketing practices of this industry.

Buried on its web site, UOP reports a graduation rate of only 9.77%. Is that what the taxpayer deserves? Is this how we want to invest in America's future? That national average graduation rate is closer to 55%.

Refund Calculations

Regarding refunds, in an OIG report dated December 2005, the department found, “UOP applied inappropriate methodologies to determine the “percentage of Title IV aid earned” for calculation...”

“UOP did not have a policy to review the accuracy of payment period end dates for the purpose of calculating Title IV aid.”

“UOP systematically monitored students’ status and progress, readjusting the beginning and ending dates of payment period to accommodate leaves of absence, “no shows”, failed courses or repeat courses. Referring to this process as “remapping”, UOP readjusted payment period end dates and rescheduled second disbursement dates.” – said the IG wrote another report in January 10th 2008.

And the issues at Apollo are proliferating. In November, 2008 Grand Canyon University came public with former APOL president [REDACTED] at the helm. [REDACTED] left Apollo in July of 08. In August of 08, the Office of the Inspector General issued a subpoena related to alleged enrollment practice violations and in September a lawsuit was filed citing enrollment practices. It is rare for a company to go public while under such legal burdens. Grand Canyon’s revenues were up 66% in the March quarter of 09 to \$59 million—not bad for a company whose revenue in 2005 was \$51 million.

Another company Bridgepoint, filled with former UOP employees, came public in April of 2009. They also have OIG audit under way. Their 2007 revenue was \$85 million and \$218 in 2008 and \$84 million alone in the March 09 quarter.

On May 26 2005, [REDACTED] the Inspector General testified in Congress that 74% of their institutional fraud cases involve proprietary schools. “Violations...occur when refunds are not paid timely, when incorrect calculations result in returning insufficient funds, and when institutions fail to pay refunds at all, which is a criminal offense under HEA.”

In March of 2005 the SFA wrote a letter UOP regarding its audit of WIU, a division of Apollo Group. The Department found that 37.5% of refunds were not made within the 30 day legal limitation. They found inaccurate refunds and refunds not paid at all. WIU incorrectly calculated refunds 25% of the time. Many

late funds cite were up to 800 days late. Is this abiding by the spirit of the administrative capability statutes? I think not.

While I understand the Administration's desire to improve access to college, the for-profit model is not an efficient way to achieve that goal. Intel even announced a few years ago they would no longer accept students with a diploma from UOP. One needs look no further than the ripoffreport.com and consumercomplaints.com other web sites where hundreds of complaints from former students can be found. Rather than recount their stories I am entering several into the record.

The Department is ill-prepared through no fault of its own to deal with such ruthless, sophistication and contempt for the law. Current regulations that are obsolete or have been softened by industry lobbying over years need to be improved. I have 3 specific recommendations:

- Incentive compensation for enrollment counselors should be suspended or at the very least based on graduates going out the door not warm bodies coming.
- Move the proposed "3rd default rate" calculation change to apply retroactively not starting with the 2009 cohort but with current default rate data. Starting with the 2006 default rate data the government would better protect itself against default rate manipulation as laid out in detail in the IG's December 2003 report.
- Lower the cohort default rate loss of eligibility threshold from 30% to 15%.

I am submitting my text for the record and would gladly provide supporting documentation for any of the facts referenced in my comments upon request.

<http://www.consumeraffairs.com/search.html?cx=partner-pub-0200629403145096%3Aqt7mbbqybbg&cof=FORID%3A10&ie=ISO-8859-1&q=university+of+phoenix&sa=Search#1151>

Misc complaints against UOP on consumer affairs.com

██████ of Adamstown, MD February 9, 2009

I've been taking classes on and off with the University of Phoenix since 2006. I have two complaints, first lack of communication from academic counselor and issues with how financing is handled. As I am sure many students do, I depend on financial aid. In October of 2008 I had become ill and realized that I needed to take a break from classes. I had placed a call and sent email to my academic counselor informing that I needed to withdraw from the class. I never received a response. Though my professor had granted me additional time to make up class work, it was impossible. Ultimately I failed this class. As you know this affects financial aid.

What was disturbing is that I was moved into the next level of this class when I had not passed the first. I again communicated with my academic counselor, resulting in again no response. I came to learn that I was withdrawn from the class in my 3rd week of class, resulting in payment of both the failed class and partial payment of the class I had requested to be withdrawn from. Not having the money I had to arrange for payments. At the time I was making my last payment I found that now I was owing another 3,555 (refund to lender).

What I don't understand it what I am paying for. Since my withdrawal I had not taken any other classes nor I was I scheduled to take any, as I had an outstanding balance due. UoP doesn't let you move on to the next class if you owe them money. It is my understanding that if there is a 90 day break in attendance, UoP must refund the lender monies advanced. What I don't understand is why they are billing me for money returned for classes that I have and will not be taking . This should only reduce the amount I owe my lender and I should not be owing UoP anything. The last message I received from my financial counselor was that she would need to talk to her manager. I've yet to hear from them. They have been paid for the classes I have taken.

██████ of Raymore, MO February 8, 2009

I transferred to UOP from another college for the online degree option, once this transfer took place I was informed that with my lender and FASFA I would be covered only for 4-6 months to go by attending classes and received a call stating that there was an oversight and I however WAS NOT covered and would have an out of pocket expense. I was then pulled out of classes and had to drop some classes to avoid rising the debt they claimed I owed.

Now to this day I'm still struggling to get answers as to why I am still dealing with a debt why my money has been returned to the lender recently and where the second loan I had to take has gone. UOP claims to have never received it although when contacted the loan company tells me the disbursement was sent out and received by UOP on 11/17/2008. I should have received my degree by now and have been struggling with this and seeking answers more than I have actually attended class at UOP. The initial problem has started a snowball effect for the rest.

The consequences to all of this is that I am no longer considered to be a UOP student and have no degree, but I do however have debt with not only one but now two lenders not to mention UOP. I also have a loan that is lost in transition somewhere with UOP and nobody that will give me answers or assist in resolving my problem in order for me to continue my path and get my degree. I have already spent to much time and money with UOP to start over somewhere else I just need answers and chance to get my degree. ████████

██████ my academic counselor was very generous and helpful with this situation to the best of his

knowledge. At one point and time I had my academic counselor relaying messages to me from my financial counselor, I'm sorry but that is her job not his, hence the job titles!

██████████ of Charlotte, NC February 6, 2009

After completing my AA degree a recruiter called me asking if I would be interested in continuing with the University. I told him yes and we talked over the details of what the university was offering me to attend. I was offered a scholarship of 3,000 for the next two years. I agreed and when it became time to start my classes I was assigned a financial counselor. I reiterated what I was promised by the recruiter. She stated that was only if I was starting within two weeks from my completing the two year degree. The recruiter and I talked several months after completing the two year degree and I informed ██████████ of this. She then told me that she would reapply for the scholarship and I would not be told until the end of my first class.

Five days before the end of my class I started calling and emailing ██████████ and my academic counselor. Finally, at the very last moment ██████████ returned my calls and stated that I was denied any assistance and since I do not have a unsubsidized loan they were not going to even consider me for anything else. This seems ethically wrong in two points. One the lies and the last part where I was not only told no but because I choose not to owe someone interest on a loan that accrues starting immediately (not after graduation), but they would not even try because of that. I pay my bills and owe them nothing, so this is how they treat a cash paying customer!

The company I work for is likely to lay my division off and this degree is becoming more than I can afford. The loss of 6,000 previously offered to me and accepted by me would have to come out of my pocket. Offering a bait and switch is illegal in most states. Now I cannot attend UoP because of this and I will most likely not be able to find another college without major loss of time. Not to mention the sign up costs and books that I was required to buy. This may have cost me getting a replacement job or finding a new job within my existing company. I was lucky to get in the door as a contractor. Now that I am a full time employee I am not qualified to get any of the open job positions because of my lack of a four year degree.

██████████ of Downers Grove, IL January 27, 2009

when I first agreed to enroll in UOP, I didn't have my transcripts from my BS program at CTU because I owed an outstanding balance, however, it was not explained to me that I had to have my transcripts before I got my first financial aid disbursement check. Neither my enrollment counselor nor my financial aid advisor expressed that to me. If I was able to pay this outstanding balance now, I would. I am a single grandparent living alone and I was depending on my loan disbursement to pay for my transcripts and whatever else I needed to assist with my educational needs.

Even my enrollment counselor had me to believe that I could use my first disbursement check to pay the balance from CTU so that my transcripts could be released. He has now since departed from the University. This is now giving me the impression that my enrollment counselor did not care at all about me enrolling and finishing my education at UOP, he just wanted his enrollment bonus. My financial aid advisor ██████████ ██████████ now is telling me after 4 weeks into my second class that they won't release the funds until all documents have been received.

This has put in a very awkward and discouraging position and I am very frustrated about this. I was under the impression that she was here to help me with my financial aid options and whatever she could do to help me, she is not. I have called and left messages for the financial aid manager on 1/12/09 and 1/13/09 and she has not returned my calls. I have e-mailed my financial aid advisor on 1/13/08, Sonja and she has not responded to my e-mail as of this date.

I take my education seriously, and I thought that University of Phoenix mission and purpose was to provide students access to higher education opportunities. ██████████ called me and expressed to me that

everything was taken care with my financial aid and to don't worry about, were her exact words because I had just received a bill from UOP. I am wondering also what happened to the loan disbursement that should have paid for my two classes that I took?

██████████ of Ruston, LA January 26, 2009

I am having trouble receiving a balance that is due to me from my pell grants and loans i'm 18 credits away from obtaining my Associate degree. Please help me anyone I need some kind of advice I 'm considering switching schools.

financial hardship stress

██████████ of Georgetown, KY January 16, 2009

University of Phoenix is okay to deal with but my complaint is due to the financial aid process. I withdrew from the University and transferred to another school in my community. They are holding my aid money until MARCH, not returning it to the Department of Education until then. This has messed me up on my new school as they are unable to use those funds for me. So I either finance privately or just give it up until the next financial aid year starts. I am probably just going to forget about it all at this point. I have not accomplished a thing except getting into debt with the university of phoenix. I have nothing viable to take from the experience, unless regret is viable. I question the validity of U of P before I decided to go and went against my gut instincts. I should have never went there. Everyone makes A's, so honestly how on target can they be?

I have to postpone with my education at this point. I am 48 years old and I seriously doubt if I will continue ever. What is the point of it?

██████████ of Brookeland, TX January 12, 2009

I have taken one block of classes at University of Phoenix. I was told before classes began that I was fully funded for classes by federal grants and loans. Any overage in the funding would be disbursed to me. During the course of my first block of classes my Financial Aid process hit a snag. They needed more information. They were disputing my eligibility suddenly. I sent them what they asked for. Then they needed something else. This has been going on for 12 weeks now. I send them what they say they need... then they turn around and say it's not good enough we need XYZ documentation.

We are now at the point that they want a letter from the IRS or an amended tax return because they are disputing my filing status. There is NO REASON for me to refile my taxes with an amended return. It was filed correctly and properly. I have documentation from a professional tax preparer, WHICH THEY ASKED FOR AND SAID WOULD BE SUFFICIENT, stating same. Suddenly, it isn't good enough and they need more again.

I am currently NOT enrolled in classes. I have been withdrawn from my 2nd block of classes TWICE now because of the almsot 2000.00 balance I am carrying at the University which I REFUSE to pay until this process is completed. (When it is complete the funding SHOULD pay for it supposedly). I'm angry and frustrated that they are dragging this out and playing games with my ability to continue my education. I don't know what to DO at this point because I'm not sure how to go about getting that letter from the IRS and I don't have REASON to file the amended return.

This Financial Aid process is seeming more and more bogus to me. I started to go to a different online University and I'm beginning to wish I had. I do have to say my Intake, Academic and Financial COUNSELORS have been helpful and have tried to help expedite the process as much as THEY can but

apparently the problems I am having are handled by someone other than them. I think UoP needs to take a look at whoever is handling it and fix what's broken.

██████████ of Fontana, CA December 23, 2008

I was looking for some sort of financial aid handbook to read into my issue when I found this site with individuals who were having the same problem as I was with the financial aid department. I received letters from both the loan corp. and the financial aid office at UoP stating my disbursement dates. There were supposed to be two disbursements. The later one was to come on December 15 to cover the approx. 600. balance on my last class.

The disbursement came on time and they did not hesitate to post the money to my account. I was written that any credit was to be sent to me. This is the way it is supposed to work to help with any expenses students may have such as housing. I got a letter in the mail on December 23 that said amount distributed to student 0.00 I spoke with a financial aid counselor who could not really help me because my own counselor is hardly ever available and no one else can seem to deal with her cases.

This fill in counselor told me that they usually hold any last distribution until 29 days after all courses are completed. This does not sound legal and everything they print says that the credits will be given to the student. If I am taking out loans to fund my education and expenses during school, what is the purpose of holding the money until I am done with school. I am in week 2 of my last five week class. I have 3 weeks to go and I need the money that is due to me now, not when they decide they want to give it to me. I am going to call the loan company and get their take on this because it does not seem right. I am also going to call the student aid commission to get further info. It is too bad because I wanted to jump right into my Master program but I will not be doing it at University of Phoenix if I conclude that their practices are not just.

██████████ of Lufkin, TX December 16, 2008

Well I had receive my letter from the University of Phoenix stating my Pell Grant disbursement would be Oct 13 2008. Now here it Dec 16,2008 still haven't received it. My account with them had been sent into recalculations 4 different times every time I called to find out what was going on I got nothing but the run arounds and was told different things over and over. I was told my Disbursement date would be Dec 1, 2008 well when I called to check on that then it was Dec 9, 2008. I was also told way back in Oct and Nov that it was suppose to be disbursed and every time I called to check on it kept getting something different every time.

It should not take more than a few days after it received for them to calculate and do refund check for the amount and get it out in the mail. I have had nothing but pure hell out of the Financial Aid Counselor and get nothing but the run around every time I call or ask anything. I think I will be finding my self another online school to attend to finish out my HCA degree. I am done with the run around with this school. Then My FC told me once the check was cut he was going to see if they could over night to me so I would have it before Christmas. Like that is really going to happen so I am not looking for my refund to get here until Dec 30 or later

██████████ of Telford, PA November 26, 2008

I received a call today from an apparent collector named ██████████ at University of Phoenix. I walked in graduation this past June but had 2 classes to finish. My financial aid rep stated no problem we have all the funds we need for you to finish out. This is not true at all. I still have the 2 classes needed to graduate and they claim I owe them 1500+.

this has limited my career choices, attended the university for over 2 years with 25k in student loans that i have to start paying back soon and dont even have the degree

Read more: http://www.consumeraffairs.com/education/phoenix_aid_p3.html#ixzz0lcgqMWCP&C

██████████ of Rochester, MN June 12, 2009

To Whom It May Concern in the Finance Office of University of Phoenix: It has come to my attention after reviewing my credit report recently that there is an amount due to U of Phoenix for 1,790.00 from November 2004.

I spent a huge amount of time with the Advisor from U of P about what the ██████████ purpose of my degree was and what I truly needed to complete this Bachelor's degree I was pursuing. After being reassured many times that the classes that she gave me to take were correct and necessary, I took one class and then started another one only to find out that they were not the correct classes at all. The degree I was pursuing did not require me to take those classes. So that was a huge waste of my time. I called your campus and explained this to you at that time and told you I did not feel responsible for these charges as I was given wrong instructions and took classes that I did not need but your advisor said I did.

With that, I will not be responsible for paying this stated amount of 1,790.00. It was a huge misrepresentation of U of P and not my intentions to take classes that were not required. I have recently been terminated from my employment and am on permanent disability, and probably will not be returning to work due to a chronic medical condition I have now. So payment isn't even an option at any point. Please have them remove this total from my credit report upon receipt of this letter.

██████████ of Olean, NY June 10, 2009

I filled out a grant application. It said that I was approved for a Pell Grant. I contacted the school and talked with someone about registering. I told them I was eligible for a Pell Grant and needed to know how much a course that I wanted to take would cost me out of pocket. They said my course would be 8350. I was excited that I would only have to make 3000 for a associates degree. They told that I could get a loan for the rest.

I started classes. In my 2nd week they told me that I was ineligible for the grant this but they were looking into more possibilities. I was eligible for it the next year tho. I talked to a few people that I know about this. They told me that they have heard this about them too. They let you start classes thinking that you have help to pay for college and then you dont.

I called today to withdraw after trying to a hold of my counselors. They tell me that I have to pay them 600 for participating in 2 1/2 weeks of classes. No one on the site says that I have to pay that amount if I quit. I contacted the place where my loan is and told them I wanted it canceled. It wasn't suppose to be sent out till after the 15th. To my surprise they tell me it was sent and that I would have to notify the school to send it back. 3 weeks of waiting to find out if I am eligible for other assistance is crazy. They should have told me before I start classes.

██████████ of Houston, TX June 9, 2009

I am a current University of Phoenix student. I am a week away from getting my Associates in Business. I have had minor problems with the University before but was able to resolve the issues satisfactorily until this most recent incident. First I get financial aid (Pell grants and loans) to cover any books and tuition charges from the school. The money goes directly to the school and I receive any balance remaining after the classes and book fees are covered- or so I thought. Recently, I received a bill in the amount of over

1500.00 dollars. Knowing that this had to be some type of error, I went to my online account at the school to see what was what. There, I found a balance of 57.20.

Still confused, I contacted my financial counselor, Chaundra B and asked her to explain what was going on with my account. First she tells me she doesn't know. Then she tells me a day or so later that the last refund check was computer generated and it was supposed to be less 57.20 and that the bill for 1500.00 was to be kept for my records. At this point I am extremely frustrated for a couple of reasons.

First reason, I don't have a job, so money is just not laying around for me to do whatever I need or want to do. The second reason is above all else; my tuition should be paid out of the grants and loans that are applied to my account every quarter. There should not be any computer generated anything. There should be somebody, oh say my financial counselor, who stays abreast of my account situation and applies the funds appropriately. To no avail, this did not occur. So to cut this story short, in order to obtain my Associates and to move on to the Bachelors program, I have to find some way to pay this 57.20 which she now tells me are taxes associated to my move to another state.

██████████ of Grand Prairie, TX May 20, 2009

I came to the university's campus located in dallas with no knowledge of what I was doing or how to go about getting into school. It all started when I explained the the enrollment counselor that I could not afford to pay back loans and I didn't want that option. My fiance and I then sat down with Sean K and began filling paperwork out. I told him that I was pregnant and not working and my only option is to seek grants and scholarships. Once I said I was pregnant he said that qualified me for a full Pella Grant that would cover all of my education needs from books to courses and that I would not have to pay a cent. He said I would een receive excess funds between every 4 blocks to use towards schooling items such as internet bills or a new computer. His exact words were "it's like getting paid to go to school."

I couldn't believe it. I was so happy that I got this grant and had nothing to worry about. Whenever I came across paperwork I didn't understand I asked questions and his exact words were "it's nothing, don't worry about it." He took advantage of me and lied when I questioned. So at this point, I am advised I do have a loan and that I have already occumulated 15000.00 in a student loan that must be paid back.

This is not right. The University of Phoenix's Enrollment department never notified me of a loan or the process of the loan and stated in their so-called notes that they did walk me through it. Well they didn't. They are liars and this has to be stopped. Something has to be done and not just some kind of employee training. I would suggest not applying to this university because no matter who you go through they are all trained to meet a quota and skip the financial part. Someone please help!!

The damage this has done to me as a student is put me in debt if I cannot obtain what I was promised "no cost to me" and is affecting my studying. I have been completely stressed out during my courses and they don't care. Since my degree is already paid for I have no choice but to continue with them and have the choice to leave when I am done which I will do.

██████████ of Nicholasville, KY May 18, 2009

I enroll in this school in 2008 and have had nothing but trouble since day one. I recently withdraw from this school. I email my academic counselor KERA and financial advisory CAESAR telling then I was withdrawn from school because my husband had gotten laid off from his job and that I would be working two jobs just to keep our home from being reprocess and would have no time to attend school then I was told that I would need to pay 3000.00 back to them or they would turn me over to an out side firm to collect the money when I question then about the money I got the run around about how they would have to send 75% of the money back to Salle Mae and that was what I owe for the two classes I never started.

I was told by my financial counselor CAESAR when the school contact me to tell them that I can pay 5.00 a month which sounds a little fishy to me. I have a credit of 1725.00 which they have not send me but they send Sallee mae a refund for 3000.00

██████████ of Las Vegas, NV May 14, 2009

When I first enrolled in this college I was told by financial aid that I would have an excess amount of money returned to me on certain dates and certain amounts, in any case they have kept all the money except two very small disbursements and they told me I had larger amounts coming to me. They lie and say anything to you. They said they would process the amounts for me and it took six weeks for me to become my own payee meanwhile they kept all the money except for thirty-six hundred for three classes with nothing left over for me.

Initially they said I would have four hundred ninety five two times and well over five hundred in may. Well I depended on the money big mistake and almost lost my car and home. I am stuck paying for my classes now and I called her supervisor Kristina and she did not return the calls either. They cant tell me where all the money went to and it does not show where it went either.

I dont refer this college to anyone and I will finish out what I owe and move on to another school at the end of the year. The curriculum is a joke and you dont learn anything they have learning teams and you depend on other students for a grade.

██████████ of Colorado Springs, CO May 15, 2009

I am an active duty military member, currently terminating my enrollment with UofP. I have a credit balance between student loans and my Army TA payments to the tune of nearly 3600.00. I decided to attend nursing school, and let UofP know this. I also told them I need my refund of my credit balance by the end of June (over 45 days away). I am told that they don't even start the refund process until 29 days of no attendance (never mind I told them I wasn't going to be taking any classes) .. I have to do an "exit Interview" first. After this, they say in 2-3 weeks they will issue a check and put it in the mail.

So, basically, they are sitting with my that I should be able to get and use for my nursing classes and don't intend to release it for at least 6-8 weeks, plus mail time and bank holds. The kicker is that they have a statement in the help section of their website stating they no longer even require exit interviews. In addition, they have an electronic form where you give them your bank account information for a refund via electronic transfer (which I did). Now I am told that only applies for the upcoming financial aid year ... not for my balance. In short, they are holding 3500.00 of money I am obligated to pay for while causing me to have to pay out of pocket for my nursing tuition. Way to support students right

██████████ of Dallas, TX May 15, 2009

I am a graduate from the University of Phoenix. I received my BS in Management in 2006. Returning to the campus was not a problem for me at that time. Seemed to be beneficial to return; even with the horror stories from others. I enrolled in the MB program for psychology on-line. My 1st week of attendance I had a problem with my learning team posting on time. Second class, a new issue arrived. I contacted the instructor on issue about the class. He never responded. I talked with the academic advisor stated that I need to drop the class was not comfortable with it. I advised them the course I didn't want I need to go back to the first choice HR. I was told not to drop the class due to financial aide till I was transferred to the HR program on ground. I done so was even advised that I will have none of the 3 or 6 credits already earned transfer. I was alright with that; meaning I will have to attend longer. After all was said and done they couldn't get me from on-line to ground campus. The funds from financial aide was not applied to the classes, sent back as they said minus some fee I still am unsure of. Now I am receiving Apollo Group demand letters for 2004.00 and collection groups.

I tried to just go attend another university and when the excess funds come through for the new school pay on the balance. That didn't work because the new school needs the transcript from my BS to place me in the Masters program. UOP states they are not releasing the transcript as long as I owe the two grand. Now because they didn't handle the funds and class schedule accordingly I can't continue my education. If anyone, know of a possible way that I can force them to release the program that is not with fees owed.

██████████ of wyoming, MI May 13, 2009

I had finished my bachelor's degree in April of 2008 at the university of Phoenix. My last financial aid disbursement was set to be released at the end of April to cover my last class. The unsubsidized and subsidized loans were returned to the lender and a letter was sent to me stating that I owe this money.

I have been told several different reasons as to why these disbursements were returned to the lender including I had received a Perkins Loan that year, I was out of attendance, to not enough credits scheduled (I had already finished my degree!), to unsatisfactory grades (I passed all of my classes!), to finally the last one I requested that the funds be sent back!! What?? I was given an opportunity to get my account cleared to zero if I take my master's degree at UOP!! This sounds to me like bribery!!

I had been dealing with this headache for over a year now and I don't know what else to do I have spoke to several individuals at University of Phoenix, Department of Education, and Sallie Mae (They have their own department that handles only UOP loans). They are holding my transcripts hostage and I was up for a position for the State of Michigan and can not pursue it due to I can not produce my official transcripts. I have my remaining loans in a hardship deferment and can not afford to pay this back right now or as Sallie Mae recommended get a private loan through my bank! It is as if I never went to school! I would appreciate any help to this matter !! Please!!

██████████ of Detroit, MI April 29, 2009

I was a student at, University of Phoenix . The reason why I'm very angry about what happened is basically this! In September of 2008 I had an class HUM 150. During the last two weeks of, class in, Detroit Michigan had two very bad storms in the area! Because of these storms the entire grid the links the University of Phoenix was, down that meant that I couldn't transmit my homework too my teacher on time . This wasn't the problem . Dr. Bowers was under orders from University of Phoenix too, not take the hard- copies from any student or , grade any work that wasn't transmitted threw the University of Phoenix class work system.

However that's not the only problem. They changed my Financial Aid papers. The other problem too the story is this the University of Phoenix financial Aid is holding up the Financial Aid agreement papers because of, some information wasn't given. At this moment I'm trying too, get into the University of Maryland. The University of Maryland needs the information so that I can finish enrolling their.

Read more: http://www.consumeraffairs.com/education/phoenix_aid.html#ixzz0IcgUD0AD&C

██████████ of Port Jervis, NY April 22, 2009

The financial counselor was annoyed that I had elected to manage my own student loan funds. I requested several invoices to send in a check for payment for my upcoming class. I was told to retrieve the information on my student website. I advised the counselor, Tim E, that an invoice to download or the ability to make a payment was not available. He told me that I had to give him my credit card number over the phone or otherwise I would not be able to attend class. I refused and again requested an invoice to be

mail or fax. I told him that according to Federal Guidelines, I had to keep accurate records of my student loan funds.

He insisted that I give him a credit card over the phone. When I refused he locked me out of class. The Financial Manager, [REDACTED] told me in order to receive an invoice I must post attendance in the classroom. I told him I could not post attendance because I have been locked out of class. He said, of course, because I refused to pay for the class. I told him that I need an invoice and a receipt before I pay for class. He said no problem, I can give him my credit card number and he will post the payment as a credit to my account and then at the end of the month I will receive an invoice. I refused. I needed to see what I was paying for. He then said that I will not be able to attend class because he is not allowed to send out invoices.

I have not been allowed to continued my studies unless I blindly give someone a credit card number over the phone.

[REDACTED] of San Diego, CA April 22, 2009

I started at UOP in 2008. I am in my third block of classes. I recieved my 1 disbursement and refund of the remaining amount in December of 2008. My 2nd Disbursement which consist of a Pell Grant and a Student loan was scheduled to be disbursed in April. I got laid off and I am looking for work and I knew that my remaining amount from my disbursement would come in the perfect time to help me. It would have come in time but UOP decided to pay off my classes with my Pell Grant and hold my Stafford Loan.

They claim that my financial Aid is under some type of review and that I may not get my Stafford loan disbursement for possibly 90 days. My account is a credit of 415 which they have not mailed to me as of yet. I owe them nothing. I am only 3 weeks into my 3rd block of classes and my 4th block is already paid for. Considering they posted my Pell Grant I don't see how they can say my financial Aid is being reviewed. It's a crock they are just holding my money.

I called my Lender and was told that nothing is wrong on their part; they mailed my money to the school April 15th and today is April 21st and still has not posted to my account. My financial Aid is in review is all my counselor will say to me. I told her that her other financial aid agent said she needs to file some kind of research request to find out why it's in review and she would not even do that.

She gave me a number to processing and said to call them for answers because it is out of her hand. I called them and was told they have done all the processing they need to do. They said they would document that she said to call them but I needed to call her again to file a information request to find out why my loan is on hold.

Especially since the fact that my pell grant was posted shows that my financial aid is fine. Ironically, when my financial Aid agent sent me the email after I called all day Monday and Tuesday; she accidentally sent me an email intended for someone else that was inquiring about her disbursement being held which leads me to believe that they are not only doing this to me but to many more. I think this is an illegal ploy to hold our disbursements for their own gain. Which is wrong and I really think it is illegal and being done on a grand scale. I just dont know how to find out how many of us this is being done too. If their is a law suit in the making please include me.

[REDACTED] of Shelton, CT March 28, 2009

My daughter was told that because of her age (23) that we had to fill out an application for a PLUS loan, then send a letter stating that we did not want the PLUS loan, which we did. Then we were told a loan was issued in error and that the school would pay it back. We were told the loan was repaid in December by the school. Now I find out there is an outstanding balance of over 1000 plus late fee penaltys.

We are being told by Sallie Mae that we had an outstanding balance of 1212 plus late fees of 315 and that this is going into collection and on my credit report

Ana of Rayville, LA March 25, 2009

University of Phoenix's Financial Aid Counselor returned funds that I borrowed from Sallie Mae without any reason (I fully met the criteria for borrowers) which resulted in a cancellation of my loans with Sallie Mae. When the University of Phoenix first posted the receipt of my loan disbursement, the amounts did not match the amounts that I borrowed and were confirmed by Sallie Mae as being sent to the University. An amount between 100-200 dollars was unaccounted for. Then, University of Phoenix billed me for the full amount I had borrowed because they had returned the majority of it to Sallie Mae. Sallie Mae will not say who they dealt with or their reasons. University of Phoenix says it is Sallie Mae's origination fees that are causing the discrepancy.

I have spent numerous hours on the phone and email trying to straighten this matter out. Now, I am not only unable to continue my education with University of Phoenix until I pay them 6,781.60, but also owe Sallie Mae 3,330. Something isn't adding up and I am not getting the degree I am being asked to pay for.

[REDACTED] of Ferron, UT March 21, 2009

I just want to say I was glad I found your site. All the promises about financial aid that I have seen on your site from former UOP students is exactly what I was told. I read in Business Week the number of lawsuits that this school has had for the same things the folks on your site have spoken about. I was made lots of promises even that I could get almost 2 Masters for the price of one.

Any way you have saved me a lot of money. I do see how they get folks in: They tell you your covered, but the catch is you start classes before your financial is cleared (I was told at least 90 days) so you rack up money and then you don't get the aid they said you get. I was also told that I would get back for supplies, etc. about 2300. They told me my tuition would only be 18,000 for a masters program, but based on their tuition costs posted at their website I was actually looking at 25920 for 36 hours. This also caused some concern for me. I hope that some of these folks who have posted do file suit.

I lucked out. Your site and reading what others have gone through at UOP save me money -- I'm 56 and was going back to school to advance in my company. I'll take my chances on advancement without spending the money especially at UOP. University of Phoenix is extremely unethical. Ironically the first class they signed me up for talks about ethics. They need to take their own classes.

[REDACTED] of Taylorsville, UT February 16, 2009

I have been attending the university since 2004. I have graduated with a BS in Criminal Justice Administration and currently taking my MBA through the university. I certified my financial aid for the academic year I was attending. Now, I had walked in May of 2008 but officially graduated in July of 2008. I started my graduate work right after I finished my undergraduate studies.

Because I started my graduate work within 30 days of finishing my undergraduate work I have to come out of pocket to pay almost 2000 because of some type of overlap in certifying financial aid years. I don't see this as my problem because I took the right steps and asked the right questions. My first question to my financial aid advisor was Will my financial aid continue without having to start paying it back right of way. She had told me that I was ok and everything will be fine. Then I asked her if it is ok if I start my graduate work right after my undergraduate work and she stated there will be no problems.

Well, now we have a problem and she sent it to me in an email and not a professional courtesy to call and set up a meeting. I am prepared to take this all the way to the top of the chain of command in the university's financial aid department. Those of us struggling out here to make it in the world should never give up.

The financial damage is to my family. How do I come up with 2000 in a matter of 2 months. I don't get paid a lot of money as it is. As a the only member in the family working and trying to raise a family of 4 in hard times such as now. They want me to pay out of pocket for something that wasn't my fault. The physical damage was to me when I was alerted of the problem over an email. My stress level had increased and my muscle tension had started all over again. How do I stay in school and keep my family a float in these hard times?

██████████ of Adamstown, MD February 15, 2009

I wanted to provide a follow-up to my experience with UOP's financial aid problem I posted on 2/09/09, so that others don't find themselves in the situation. My financial aid advisor finally called and explained why I owed 3555 to UOP. When I receive a disbursement of financial aid (also known as Stafford Title IV loans), you are awarded the funds in good faith that you will meet the attendance and credit requirements. You have a commitment to stay in class and receive passing grades. When this doesn't happen, per federal guidelines, all of your funds for the second half of your academic year are returned to the lender. Then, based on federal guidelines, a financial aid officer will determine if you have earned any of the financial aid funds and what your balance is, that is due to the school.

Out of four classes, for the second half of the academic year, I had completed one class, receiving a non-passing grade in another class, withdrew from the third class, and did not attend the fourth due to monies owed to UOP. Monies I was not aware I owed. It was determined that I owed 3,555. To my surprise I came learn that the monies I had paid, which I assumed were towards the failed and dropped class was in actuality for tuition that my financial aid had not covered. My classes totaled to 6,480 and financial aid had only covered 4,860. No one had ever bothered telling me this, until I started questioning why I owed 3,555.

For those of us who depend on financial aid to cover the cost of classes, this is something I should have been told. I would have not enrolled if I had known that I would be short 1620 each period of the academic year. So, if you rely fully on financial aid paying for your classes, make sure that everything has been explained to you. I am now left with a 3,555 debt. I am returning back to a traditional school, which offers classes online. UOP won't release my transcripts until I pay the balance off, but it doesn't matter because none of the credits are transferable.

One last thing UOP has its own internal collection agency and the person I spoke with to arrange payments and the person I spoke to was extremely rude. My advise to all ask question, make you keep in touch with your academic counselor and that he/she is communicating back. Most important make you financial aid counselor explain everything to you regarding your financial aid. Don't be surprised as I was.

I've been given only 9 months to pay the balance, which will create a financial hardship. All due to them not informing me properly. I know that eventually I will be paying on my student loans, but I wasn't expecting to be coming out of pocket for expenses I was not made aware of until I decided to withdraw.

██████████ of Los Angeles, CA February 13, 2009

I have enrolled in UOP twice now. I should have graduated three years ago, but due to circumstances beyond my control and a financial aid counselor who failed to submit my leave of absence paperwork I was forced to sit out of school for three more years. After helping several friends get their degrees I decided

to apply for UOP again. I was told that I needed to submit a letter asking for readmittance. After working diligently with counselors, I was admitted back to school. The classes that I took for my major had so much work that it was hard for me to fit it all in including the learning team assignments and work and be a single parent. I spoke with my counselors and told them that the professors changed the requirements for posting online every class, and most of the professors are not even qualified to teach the classes that I was taking.

I also told them that in order to stay in school I needed all the financial aid I could get so I didn't have to come out of pocket. But they make you fill out paperwork that says if financial aid doesn't cover then I am responsible. However I have applied for enough loans through citibank that should have taken me through school. But I didn't know that the school has the right to certify only for what they feel you need.

In the end I dropped out of school again. UOP said I had a shortfall again and I ended up failing a class that had so much work in it that I could keep up. So I left thinking I only owed 1400.00, but I have received a bill saying that I owe 5000.00 So now I have to figure out how to get my transcripts from UOP so that I can finish my degree somewhere else. What a mess. At this rate my son will graduate college before me.

██████████ of Pheonix, AZ February 11, 2009

So I have been attending University of Phoenix since September 2007. I am a single 20 year old mother with a low income job and just trying to make life better for my 1 year old daughter. So I applied information about UOP and immediately I got a call from a recruiter for the college and I was convinced it was right for me. little did I know I was told everything I wanted to hear. I got enrolled filled out the financial aid and for my 20 month program for my associates in business. I was told I qualified for full amounts of financial aid and grants, I told the advisor I could NOT attend if I had to pay one dime, she told me over and over again and re-assured me I would NOT have to pay anything and not have to pay my loans back, financial aid would pick them up.

Now its February and I get a call from my new financial advisor saying my loan amounts are 23,000!!! What to do now they originally assured me that I qualified for everything and the checks I received from them was extra money to use towards school supplies..and when I first received a check from them I called and asked what to do with it they told me to use it for school supplies and once again I asked now I do not have any loans and I will not have to pay anything back, right?? they repeatedly told me everything was covered, I do not have to pay anything back, since I am a single mother.

I do not even make enough to pay this amount back in however many years they want me to I was totally miss lead and now I have realized my cousin went through the same situation. They say the things you want to hear when you are in desperate need of trying to help your life improve.

Now I do not know how I am going to afford anything for my daughter because I have major money to pay back and I will not get a good paying job with my degree because the economy is crap. The only thing happening are people getting laid off.

██████████ of Fenton, MI February 10, 2009

I am a student at UOP and have been for almost one year. I agree with alot of the comments on this page as far as the amount of assignments that are required, the cost of tuition and the finance department. I have been dealing with the finance department for about one month now and I am awaiting disbursement of my funds I have been waiting and dealing with this issue since Jan. 19th 2009. Come to find out that my previous loans were cancelled and I kept telling the school that they were cancelled and they saw on their end they weren't. I then had to call the lender and find out for myself that I had to sign a new MPN.

So today is Feb. 09th and I still have no report as to what is going on w/my money or where it is. I would assume that the monies would be rushed because I have been waiting for OVER ONE MONTH! This

happened in Sept. as well and it seems as though I have to do the work of the finance counselors because they can't do their own freakin' jobs. If I wasn't more than 1/2 way through my program I wouldn't even try to finish, but I am kind of stuck where I am.

They really need to do something with their financial aid department because the counselors can't do their jobs without being watched over like a hawk by the students. Then you goto their supervisors or persons above them and you get ridiculed and reprimanded for doing so. Well wouldn't one think that if they were doing their job that the students would'nt have to do it? I hope this gets resolved soon. I will be posting again with the outcome.

Read more: http://www.consumeraffairs.com/education/phoenix_aid_p2.html#ixzz0IcggWP9j&C

██████████ of Adamstown, MD February 9, 2009

I've been taking classes on and off with the University of Phoenix since 2006. I have two complaints, first lack of communication from academic counselor and issues with how financing is handled. As I am sure many students do, I depend on financial aid. In October of 2008 I had become ill and realized that I needed to take a break from classes. I had placed a call and sent email to my academic counselor informing that I needed to withdraw from the class. I never received a response. Though my professor had granted me additional time to make up class work, it was impossible. Ultimately I failed this class. As you know this affects financial aid.

What was disturbing is that I was moved into the next level of this class when I had not passed the first. I again communicated with my academic counselor, resulting in again no response. I came to learn that I was withdrawn from the class in my 3rd week of class, resulting in payment of both the failed class and partial payment of the class I had requested to be withdrawn from. Not having the money I had to arrange for payments. At the time I was making my last payment I found that now I was owing another 3,555 (refund to lender).

What I don't understand it what I am paying for. Since my withdrawal I had not taken any other classes nor I was I scheduled to take any, as I had an outstanding balance due. UoP doesn't let you move on to the next class if you owe them money. It is my understanding that if there is a 90 day break in attendance, UoP must refund the lender monies advanced. What I don't understand is why they are billing me for money returned for classes that I have and will not be taking . This should only reduce the amount I owe my lender and I should not be owing UoP anything. The last message I received from my financial counselor was that she would need to talk to her manager. I've yet to hear from them. They have been paid for the classes I have taken.

██████████ of Raymore, MO February 8, 2009

I transferred to UOP from another college for the online degree option, once this transfer took place I was informed that with my lender and FASFA I would be covered only for 4-6 months to go by attending classes and received a call stating that there was an oversight and I however WAS NOT covered and would have an out of pocket expense. I was then pulled out of classes and had to drop some classes to avoid rising the debt they claimed I owed.

Now to this day I'm still struggling to get answers as to why I am still dealing with a debt why my money has been returned to the lender recently and where the second loan I had to take has gone. UOP claims to have never received it although when contacted the loan company tells me the disbursement was sent out and received by UOP on 11/17/2008. I should have received my degree by now and have been struggling with this and seeking answers more than I have actually attended class at UOP. The initial problem has

started a snowball effect for the rest.

The consequences to all of this is that I am no longer considered to be a UOP student and have no degree, but I do however have debt with not only one but now two lenders not to mention UOP. I also have a loan that is lost in transition somewhere with UOP and nobody that will give me answers or assist in resolving my problem in order for me to continue my path and get my degree. I have already spent too much time and money with UOP to start over somewhere else I just need answers and chance to get my degree. Don Walford my academic counselor was very generous and helpful with this situation to the best of his knowledge. At one point and time I had my academic counselor relaying messages to me from my financial counselor, I'm sorry but that is her job not his, hence the job titles!

██████████ of Charlotte, NC February 6, 2009

After completing my AA degree a recruiter called me asking if I would be interested in continuing with the University. I told him yes and we talked over the details of what the university was offering me to attend. I was offered a scholarship of 3,000 for the next two years. I agreed and when it became time to start my classes I was assigned a financial counselor. I reiterated what I was promised by the recruiter. She stated that was only if I was starting within two weeks from my completing the two year degree. The recruiter and I talked several months after completing the two year degree and I informed Jaime of this. She then told me that she would reapply for the scholarship and I would not be told until the end of my first class.

Five days before the end of my class I started calling and emailing Jaime and my academic counselor. Finally, at the very last moment Jaime returned my calls and stated that I was denied any assistance and since I do not have an unsubsidized loan they were not going to even consider me for anything else. This seems ethically wrong in two points. One she lies and the last part where I was not only told no but because I choose not to owe someone interest on a loan that accrues starting immediately (not after graduation), but they would not even try because of that. I pay my bills and owe them nothing, so this is how they treat a cash paying customer!

The company I work for is likely to lay my division off and this degree is becoming more than I can afford. The loss of 6,000 previously offered to me and accepted by me would have to come out of my pocket. Offering a bait and switch is illegal in most states. Now I cannot attend UoP because of this and I will most likely not be able to find another college without major loss of time. Not to mention the sign up costs and books that I was required to buy. This may have cost me getting a replacement job or finding a new job within my existing company. I was lucky to get in the door as a contractor. Now that I am a full time employee I am not qualified to get any of the open job positions because of my lack of a four year degree.

██████████ of Downers Grove, IL January 27, 2009

when I first agreed to enroll in UOP, I didn't have my transcripts from my BS program at CTU because I owed an outstanding balance, however, it was not explained to me that I had to have my transcripts before I got my first financial aid disbursement check. Neither my enrollment counselor nor my financial aid advisor expressed that to me. If I was able to pay this outstanding balance now, I would. I am a single grandparent living alone and I was depending on my loan disbursement to pay for my transcripts and whatever else I needed to assist with my educational needs.

Even my enrollment counselor had me to believe that I could use my first disbursement check to pay the balance from CTU so that my transcripts could be released. He has now since departed from the University. This is now giving me the impression that my enrollment counselor did not care at all about me enrolling and finishing my education at UOP, he just wanted his enrollment bonus. My financial aid advisor Sonya Midland now is telling me after 4 weeks into my second class that they won't release the funds until all documents have been received.

This has put in a very awkward and discouraging position and I am very frustrated about this. I was under the impression that she was here to help me with my financial aid options and whatever she could do to help me, she is not. I have called and left messages for the financial aid manager on 1/12/09 and 1/13/09 and she has not returned my calls. I have e-mailed my financial aid advisor on 1/13/08, Sonja and she has not responded to my e-mail as of this date.

I take my education seriously, and I thought that University of Phoenix mission and purpose was to provide students access to higher education opportunities. Sonja called me and expressed to me that everything was taken care with my financial aid and to don't worry about, were her exact words because I had just received a bill from UOP. I am wondering also what happened to the loan disbursement that should have paid for my two classes that I took?

██████████ of Ruston, LA January 26, 2009

I am having trouble receiving a balance that is due to me from my pell grants and loans i'm 18 credits away from obtaining my Associate degree. Please help me anyone I need some kind of advice I'm considering switching schools.

financial hardship stress

██████████ of Georgetown, KY January 16, 2009

University of Phoenix is okay to deal with but my complaint is due to the financial aid process. I withdrew from the University and transferred to another school in my community. They are holding my aid money until MARCH, not returning it to the Department of Education until then. This has messed me up on my new school as they are unable to use those funds for me. So I either finance privately or just give it up until the next financial aid year starts. I am probably just going to forget about it all at this point. I have not accomplished a thing except getting into debt with the university of phoenix. I have nothing viable to take from the experience, unless regret is viable. I question the validity of U of P before I decided to go and went against my gut instincts. I should have never went there. Everyone makes A's, so honestly how on target can they be?

I have to postpone with my education at this point. I am 48 years old and I seriously doubt if I will continue ever. What is the point of it?

██████████ of Brookeland, TX January 12, 2009

I have taken one block of classes at University of Phoenix. I was told before classes began that I was fully funded for classes by federal grants and loans. Any overage in the funding would be disbursed to me. During the course of my first block of classes my Financial Aid process hit a snag. They needed more information. They were disputing my eligibility suddenly. I sent them what they asked for. Then they needed something else. This has been going on for 12 weeks now. I send them what they say they need... then they turn around and say it's not good enough we need XYZ documentation.

We are now at the point that they want a letter from the IRS or an amended tax return because they are disputing my filing status. There is NO REASON for me to refile my taxes with an amended return. It was filed correctly and properly. I have documentation from a professional tax preparer, WHICH THEY ASKED FOR AND SAID WOULD BE SUFFICIENT, stating same. Suddenly, it isn't good enough and they need more again.

I am currently NOT enrolled in classes. I have been withdrawn from my 2nd block of classes TWICE now

because of the almsot 2000.00 balance I am carrying at the University which I REFUSE to pay until this process is completed. (When it is complete the funding SHOULD pay for it supposedly). I'm angry and frustrated that they are dragging this out and playing games with my ability to continue my education. I don't know what to DO at this point because I'm not sure how to go about getting that letter from the IRS and I don't have REASON to file the amended return.

This Financial Aid process is seeming more and more bogus to me. I started to go to a different online University and I'm beginning to wish I had. I do have to say my Intake, Academic and Financial COUNSELORS have been helpful and have tried to help expedite the process as much as THEY can but apparently the problems I am having are handled by someone other than them. I think UoP needs to take a look at whoever is handling it and fix what's broken.

██████████ of Fontana, CA December 23, 2008

I was looking for some sort of financial aid handbook to read into my issue when I found this site with individuals who were having the same problem as I was with the financial aid department. I received letters from both the loan corp. and the financial aid office at UoP stating my disbursement dates. There were supposed to be two disbursements. The later one was to come on December 15 to cover the approx. 600. balance on my last class.

The disbursement came on time and they did not hesitate to post the money to my account. I was written that any credit was to be sent to me. This is the way it is supposed to work to help with any expenses students may have such as housing. I got a letter in the mail on December 23 that said amount distributed to student 0.00 I spoke with a financial aid counselor who could not really help me because my own counselor is hardly ever available and no one else can seem to deal with her cases.

This fill in counselor told me that they usually hold any last distribution until 29 days after all courses are completed. This does not sound legal and everything they print says that the credits will be given to the student. If I am taking out loans to fund my education and expenses during school, what is the purpose of holding the money until I am done with school. I am in week 2 of my last five week class. I have 3 weeks to go and I need the money that is due to me now, not when they decide they want to give it to me. I am going to call the loan company and get their take on this because it does not seem right. I am also going to call the student aid commission to get further info. It is too bad because I wanted to jump right into my Master program but I will not be doing it at University of Phoenix if I conclude that their practices are not just.

██████████ of Lufkin, TX December 16, 2008

Well I had receive my letter from the University of Phoenix stating my Pell Grant disbursement would be Oct 13 2008. Now here it Dec 16,2008 still haven't received it. My account with them had been sent into recalculations 4 different times every time I called to find out what was going on I got nothing but the run arounds and was told different things over and over. I was told my Disbursement date would be Dec 1, 2008 well when I called to check on that then it was Dec 9, 2008. I was also told way back in Oct and Nov that it was suppose to be disbursed and every time I called to check on it kept getting something different every time.

It should not take more than a few days after it received for them to calculate and do refund check for the amount and get it out in the mail. I have had nothing but pure hell out of the Financial Aid Counselor and get nothing but the run around every time I call or ask anything. I think I will be finding my self another online school to attend to finish out my HCA degree. I am done with the run around with this school. Then My FC told me once the check was cut he was going to see if they could over night to me so I would have it before

Christmas. Like that is really going to happen so I am not looking for my refund to get here until Dec 30 or later

[REDACTED] of Telford, PA November 26, 2008

I received a call today from an apparent collector named Kristen at University of Phoenix. I walked in graduation this past June but had 2 classes to finish. My financial aid rep stated no problem we have all the funds we need for you to finish out. This is not true at all. I still have the 2 classes needed to graduate and they claim I owe them 1500+.

this has limited my career choices, attended the university for over 2 years with 25k in student loans that i have to start paying back soon and dont even have the degree

Read more: http://www.consumeraffairs.com/education/phoenix_aid_p3.html#ixzz0lccqMWCP&C

And Ripoffreport.com

University Of Phoenix Charged for class that was cancelled, and they refused to acknowledge the cancellation Phoenix Arizona

Submitted: 6/16/2009 11:59:48 AM

Modified: 6/16/2009 12:00:00 PM



[REDACTED]
After having difficulty with our computers working together, and I had spent several hours with their support people, and they could not figure out what the problem was, and they could not communicate with my computer, I tried to cancel the class, but they would only acknowledge this through my computer, which did not communicate with theirs. After several attempts at calling them, their only answer was to email them. This was in 2005, and they are still on my credit report, even after explaining the problem to them, and writing letters. They did not care that I was unable to complete the class, due to the computer clitches they only wanted to count the entire class after only one week. The admissions people were so interested in getting me registered, they did not bother to mention or investigate whether or not this was a workable alternative to furthering my education

[REDACTED]
Knox, Pennsylvania
U.S.A.

EXHIBIT 3

1 UNITED STATES DISTRICT COURT
2 EASTERN DISTRICT OF CALIFORNIA

3 UNITED STATES OF AMERICA ex rel. [REDACTED]
4 [REDACTED]

5 Plaintiffs,

6 v. [REDACTED]

7 UNIVERSITY OF PHOENIX,

8 Defendant.

9
10 I, [REDACTED] declare:

11 1. I make this Declaration of my own personal knowledge. If called upon to
12 testify, I could and would testify competently to the truth of the matters stated herein.

13 2. I worked at the University of Phoenix ("UOP") from October 2003 to
14 December 2007. During that time, I worked as an Enrollment Counselor, as an Enrollment
15 Manager and as a Director of Enrollment at the online campus.

16 3. During the entire time I was an Enrollment Counselor, my compensation
17 was based just on enrollment numbers. During the entire time I was in management at UOP, both
18 before and after 2005, the compensation of the Enrollment Counselors was based just on
19 enrollment numbers.

20 4. In my experience as a manager, there was no discernible difference in the
21 way the Enrollment Counselors were compensated prior to 2005 as compared to during and after
22 2005.

23 5. As an Enrollment Manager, I provided performance evaluations every six
24 months to Enrollment Counselors based just on their enrollments. Although there were other
25 criteria on which they were to be evaluated, they were meaningless or irrelevant because when I
26 became a manager, my supervisor told me that the review is really just all about the enrollment
27 numbers, and "that was just the way it is."
28

6. As a Director of Enrollment, approximately once a month, I attended director-level meetings. At one of these meetings, at least one Vice President said that UOP was changing the matrix so "no one will ever prove it's based on regs." [REDACTED] told me that the matrix is "all just smoke and mirrors," and "we're flying under the radar."

7. Enrollment also formed the basis for additional Enrollment Counselor compensation or benefits in the form of overtime, prizes, benefits, and/or comp time. For example: about 300 online managers held weekly and monthly contests based on "regs." A "reg" is a student who attends at least one class. In the contest, whoever obtained the most regs in the specified period received overtime pay added into their regular paycheck. [REDACTED] online Vice President, approved the overtime contests run by managers. Even though the contests were technically based on "performance," "performance" was just a code word for regs.

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct and that this Declaration was signed in [REDACTED]

CA, on 8/8, 2008.

[REDACTED]

EXHIBIT 28

IN THE UNITED STATES DISTRICT COURT DISTRICT OF
ARIZONA

IN RE: APOLLO GROUP, INC.)
SECURITIES LITIGATION,)

) LEAD CASE NO.
)

THIS DOCUMENT RELATES TO,)

) CLASS ACTION
)

ALL ACTIONS)
_____)

ORAL VIDEOTAPED DEPOSITION

December 11, 2006

10:20 1 earlier today that your recollection was that
10:20 2 when Mrs. Garcia started as the -- what was it,
10:20 3 the admissions manager of the San Jose campus?

10:20 4 A. Right. Correct.

10:20 5 Q. Do I have her title correct? That that
10:20 6 was the same day that the Department of
10:20 7 Education began its investigation, to your
10:20 8 knowledge?

10:20 9 A. Uh-huh. If I recall --

10:20 10 Q. Am I recalling that correctly?

10:20 11 A. -- it was that same day.

10:20 12 THE REPORTER: I'm sorry. One at a
10:20 13 time, please.

10:21 14 BY [REDACTED]

10:20 15 Q. Okay. Now, what do you recall at the
10:20 16 Department of Education investigation, if
10:21 17 anything?

10:21 18 A. I recall that everybody obviously was
10:21 19 nervous. We all were individually interviewed.
10:21 20 The conversation started with the fact that we
10:21 21 were aware that it was a federal offence to lie
10:21 22 to a government agent. There were boards that
10:21 23 had been up -- they consistently posted our
10:21 24 numbers as to who was the top recruiter, who
10:21 25 had the most applications, who had the most

10:21 1 starts. They were consistently having
10:21 2 contents, and all of that stuff that day came
10:21 3 down. We were looking around like all these
10:21 4 posters were being pulled down and things like.
10:21 5 Q. What do you mean "pulled down"?
10:21 6 A. Off of displays. There was an area
10:21 7 where things would be on display. As I said,
10:21 8 our daily numbers, or this is the local
10:21 9 contest, whether it's to win a cup of coffee
10:21 10 or, you know, a free lunch or, you know, you're
10:21 11 way up on top, Mary, because you are great, but
10:21 12 you are way down here on the bottom of the --
10:21 13 of the -- you know, competing against each
10:21 14 other. And that was a lot of my frustration
10:22 15 there is that we weren't working as a team. It
10:22 16 was more a competition.
10:22 17 Q. Okay. Now, when you say these things
10:22 18 were taken down, were they taken down the --
10:22 19 the same day that the Department of Education
10:22 20 investigation began at San Jose?
10:22 21 A. Yes. Immediately.....
10:22 22 Q. All right. How did you find out that
10:22 23 the Department of Education was going to
10:22 24 conduct an investigation at the San Jose
10:22 25 campus?

EXHIBIT B

EXHIBIT B



APOLLO GROUP, INC.

UNIVERSITY OF PHOENIX
INSTITUTE FOR PROFESSIONAL DEVELOPMENT
COLLEGE FOR FINANCIAL PLANNING
WESTERN INTERNATIONAL UNIVERSITY

February 9, 2004

The Honorable Rod Paige
Secretary of Education
Department of Education
Office of the Secretary
400 Maryland Avenue, SW
Room 7W 301
Washington, DC 20202

Dear Mr. Paige:

I am the Chief Executive Officer of Apollo Group, Inc. ("Apollo"), the parent company of the University of Phoenix ("UOP"). As you may know, UOP is the largest university in the country with more than 200,000 students at 140 locations throughout 29 states, Puerto Rico and Canada, and also have more than 20,000 employees. UOP's most recent cohort default rate was a low 5.8%. I am writing to you on a most urgent matter, highlighting what I believe to be a serious instance of government abuse that, if not addressed and remedied immediately, could cause significant, irreparable and unfair damage to many thousand of Apollo employees, students and shareholders, as well as to the credibility and integrity of the Department of Education (the "Department").

Last Friday, we received an initial Program Review Report (the "Report") relating to the manner in which UOP compensates those employees involved in the recruitment of new students. It would be difficult to describe how irresponsible and outrageous we find the Report. The Report is devoid of any serious factual or legal analysis. Rather, it relies solely on gossip and innuendo. It uses inflammatory language to describe issues that, at most, are in contention between Apollo and the Department. It reads more like a [REDACTED] novel than a serious report by a federal agency. If you read a few pages of the Report, I am confident you will fully understand our concerns in this regard.

The Report is, in my opinion, a biased and unfair indictment of for-profit education. While we have, on occasion, experienced that type of ignorance and prejudice within isolated pockets of the Department, we are pleased that the Department as a whole has never adopted or shared those antiquated views. We certainly hope that this Report does not mean that the Department's views on the need for and value-of for-profit education are changing.

Even more troubling is that much of the Report is taken almost verbatim from a complaint in a *qui tam* action that was filed against UOP several months ago. The Report simply assumes that the baseless allegations made by the whistleblowers in the *qui tam* action are true and incorporates them into the Report. UOP vehemently denies the allegations in the *qui tam* complaint and is prepared to demonstrate that they are untrue to both the court, if that is necessary, and the Department. All it takes for a whistleblower to file a *qui tam* action is a nominal filing fee and finding a lawyer willing to take a flyer on a contingent fee basis.

[REDACTED]

CONFIDENTIAL

APOL 0001275

[REDACTED]

Mr. Rod Paige
February 9, 2004
Page 2

Moreover, UOP questions the motivation of the whistleblowers and their counsel. The whistleblowers are seeking damages of several billions of dollars. Because the Department of Justice properly declined to intervene in the lawsuit, the whistleblowers are entitled a bounty equal to 30 percent of any recovery that is obtained. Thirty percent of \$3 or \$4 billion dollars provides plenty of motivation to paint UOP in is as negative a light as possible, regardless of the facts.

The central premise of the Report is that UOP's compensation system is based "solely" on enrollments, in violation of the Department's controlling regulations. That premise is fundamentally flawed and demonstrably untrue. UOP's compensation system fully complies with the Higher Education Act and the Department's regulations relating to incentive compensation, both of which make clear that the payment of and adjustments to salaries based upon success in securing enrollments are proper provided the salaries and adjustments to salaries are not based "solely" on enrollments. To avoid any confusion regarding what is meant by the term "solely," the Department made quite clear that "solely" means "solely." The Report also ignores the Department's recognition that "by the very job description, a recruiter's job is to recruit."

The Department need look no further than the manner in which one of the whistleblowers was compensated to satisfy itself that UOP considers factors other than enrollment results in setting and adjusting the salaries of its recruiters. A couple of years ago, [REDACTED] would have received a rating of "always exceeds expectations" (the highest rating) if her evaluation was based solely on her enrollment numbers and other quantitative results. Because it was not and also considered qualitative and subjective factors such as judgment, communications, working relationships and customer service, [REDACTED] received a rating of "often exceeds expectations" (the second highest rating).

It is this type of analysis that we would have expected, but is completely lacking, in the Report. Indeed, the Report seeks the information that would facilitate this type of analysis but, inexplicably, it jumps to its conclusions now. We propose that the Department temporarily withdraw the Report, while we work with your people to review and analyze the compensation actions of all of our enrollment counselors (i.e., recruiters) over the past several years. We are confident that a not insignificant number of compensation actions were materially impacted by qualitative, subjective, non-enrollment factors. If our confidence is misplaced, and it turns out that all or virtually all of our salary actions were based "solely" on enrollments, I commit to you that we will alter our compensation system to bring it into compliance and negotiate in good faith with the Department over the consequences of our non-compliance. On the other hand, if this analysis demonstrates that non-enrollment factors do impact our salary actions, I would expect that the Department would withdraw the Report. All I ask is that we let the facts, rather than self-serving allegations and innuendo, form the basis for the Department's actions in this regard, especially in light of the serious impact that action will have on so many people.

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Page 3

The Report's conclusions regarding UOP engaging in "smoke and mirrors" or actions to "evade detection" – conclusions that are taken directly from the *qui tam* complaint – make no sense whatsoever. Why would UOP engage in deceptive practices when it is confident that its system – which properly requires that those employees engaged in recruiting achieve acceptable results – complies with the Department's restrictions on incentive compensation? UOP is proud of its recruiting system and the results that have been generated by that system – both academic and financial – and is anything but defensive about the system or results.

Especially in light of the Computer Learning Center ("CLC") debacle and the serious adverse consequences that ensued, we would have thought that the Department would have exhibited more careful supervision prior to letting its staff issue a report as inflammatory and outrageous as this one. As the Department learned, or should have learned, it is difficult, if not impossible, to undo the damage done by the actions of lower level staff if reports are issued and publicly disclosed. The Department's conduct in the CLC matter and in this case, stands in stark and sad contrast to the manner in which the Department handled similar allegations involving ITT Educational Services, Inc. ("ITT"). In the ITT matter, staff within the Department initially took the position that ITT was in violation of the restrictions on incentive compensation and liable to the Department for an amount in excess of \$4 billion. No report was issued, however, and the Department and ITT worked together to perform the type of analysis outlined above (i.e., an analysis of all salary adjustments for all recruiters and a determination regarding whether those adjustments were based solely on enrollment factors or whether non-enrollment factors influenced the evaluations and adjustments.) Based on that analysis, that matter was settled by ITT making a nominal payment to the Department and the Department essentially agreed that there was no violation. I cannot understand why, in this instance, the Department is reverting back to the CLC model.

Although not a major point, at least in the context of the substance of the Report, we feel ambushed by the conclusions of the Report. During both the informal and formal exit interviews, we were told the only findings of the Program Review related to certain of the gift programs and some concerns regarding the environment at the On-line campus. In fact, we were left with the false sense of security that the Department agreed that our compensation system was in compliance. Had the Department been more forthcoming in the exit interviews, as is required by Department regulation and protocol, we certainly would have raised our concerns about those findings long before the Report was issued.

We believe that the Department should withdraw the Report and reassign personnel and direct them to conduct an independent and objective review of the allegations. As I committed above, we will work with the Department to analyze the salary adjustments relating to each and every recruiter. In addition, it is imperative that the Department take all appropriate actions to insure that the Report not be publicly disclosed, whether by release, FOIA or leak. Release of the Report would significantly, irreparably and unfairly damage UOP and its many thousands of employees, students and shareholders. At this point, we remain willing to work with you, but if

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Mr. Rod Paige
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Page 4

the Report is released and the damage is done, we will have no choice but to vigorously defend ourselves.

Very truly yours,

[REDACTED]

[REDACTED] President and CEO

10764154_1.DOC

cc:

[REDACTED]

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[REDACTED]

Mr. Rod Paige
February 9, 2004
Page 5



CONFIDENTIAL



Macias, Wendy

From: [REDACTED]
Sent: Tuesday, June 23, 2009 1:39 PM
To: Macias, Wendy
Subject: Minor errors
Attachments: HLC codes see transfer credit 51.pdf; APOL completion rate important.doc; 2 sets of books.pdf; UOP grad rates 2006.xls

I made one or two minor errors in my speech yesterday. I said there were hundreds of complaints from students on consumercomplaints.com. That is incorrect. There is no such web page. It is consumeraffairs.com. The other one I mentioned ripoffreports.com is correct. Also, I said there were hundreds of pages of complaints. I meant to say hundreds of complaints. Recall, I already sent 25 pages or so of complaints from students with the correct html address. I referenced a Higher Learning Commission policy toward transfer of credit (attached). If there is anything else I should provide let me know. I referenced several SFA and OIG reports; however, since you have access to all of them I have not included them

From: Macias, Wendy [mailto:Wendy.Macias@ed.gov]
Sent: Monday, June 22, 2009 7:39 AM
To: [REDACTED]
Subject: RE: Please enter this into the public record. It is the speech I intend to give plus some supporting documents

Robert,

Thank you for your submission. It has been received and will be included with all other comments.

Wendy

Wendy Macias
Office of Postsecondary Education
U.S. Department of Education

[REDACTED]

From: [REDACTED]
Sent: Saturday, June 20, 2009 9:11 AM
To: Macias, Wendy
Subject: Please enter this into the public record. It is the speech I intend to give plus some supporting documents

[REDACTED]
Alternative Research Service, Inc.
[REDACTED]

This material has been prepared by Alternative Research Services Inc., a Connecticut-registered Investment Adviser, employing appropriate expertise, and in the belief that it is fair and not misleading. The information upon which this material is based was obtained from sources believed to be reliable, but has not been independently verified. We do not guarantee its accuracy. This information is not to be used as the primary basis of investment decisions. Copying, faxing, replicating, or quoting from this report without the express written consent of Alternative Research Services Inc. is forbidden. This is not an offer or solicitation of an offer to buy or sell any security or investment. Any opinion or estimates constitute our best, and are subject to change without notice. This material is intended for use only by professional or institutional investors and not the general investing public. The firm does not make a market or hold positions in the securities mentioned herein, nor does the firm maintain any investment banking relationships in such securities.

3.8 TRANSFER OF CREDIT (Adopted October 1988, revised February 2001)

Each institution shall determine its own policies and procedures for accepting transfer credits, including credits from accredited and non-accredited institutions, from foreign institutions, and from institutions which grant credit for experiential learning and for non-traditional adult learner programs. An institution's periodic review of its transfer policies and procedures should include evaluation of their clarity to those who administer them, to the students who follow them, and to employers and other stakeholders. It should also include the consistency of their interpretation and application throughout the institution, as well as their responsiveness to new types of learning opportunities outside institutions of higher education.

http://www.phoenix.edu/about_us/regulatory/consumer_information.html#student_completion_rate

Student Completion Rate

In accordance with the Higher Education Act of 1965, each postsecondary educational institution must publish information regarding student completion rates for "first-time" undergraduate students with no prior college experience. The completion rate for "first-time" undergraduate students working toward an associate or baccalaureate degree, who started between 09/01/01 and 08/31/02, was 9.77%. These "first-time" students made up 16.48% of the University's new undergraduate student enrollment for the time period indicated above.

The following represents completion rates for all University of Phoenix degree seeking students who graduated between 9/1/2005 and 8/31/2006.

- 27% - Associate degrees
- 38% - Bachelor degrees
- 60% - Graduate degrees

Associate and Graduate degree students entered school during 09/01/2002 and 08/31/2003

Baccalaureate degree students entered school during 09/01/1999 and 08/31/2000.

Department of Education. [REDACTED] repeatedly emphasizes to the enrollment counselors: "It's all about the numbers. It will always be about the numbers. But we need to show the Department of Education what they want to see."

A. The Separate Enrollment Counselor Personnel Files

To mask its illegal compensation scheme, UOP maintains two separate files on each enrollment counselor. Corporate Enrollment maintains one file, and the local campuses maintain the other file. The Corporate file contains performance reviews showing legitimate qualitative review criteria allegedly used to assess performance. The local campuses maintain the performance reviews actually used to assess performance and determine compensation, based upon illegal quantitative enrollment activities. Only the Corporate Enrollment file is disclosed to the Department of Education.

The Corporate Enrollment file performance reviews allegedly rate counselors based upon qualitative factors. These factors include "job related skills," "working relationships," "customer service," and "supervisory skills." (See Exh. 12, Corporate Performance Reviews of Relator Albertson). UOP, however, does not rate enrollment counselor performance or determine compensation based upon those fake performance reviews.

UOP reviews enrollment counselors on a daily, weekly, monthly, quarterly and annual basis. At these reviews, only quantitative enrollment activities are discussed. There is no discussion or review of the qualitative factors allegedly impacting performance evaluation.

The local campuses maintain the quantitative performance reviews UOP uses to rate performance and determine enrollment counselor compensation, evaluating counselors based upon their enrollment activities. These reviews, establishing counselors' compensation, are based entirely upon the counselors' quantitative enrollment activities set forth above (enrollment numbers, appointments (numbers and outcome), outgoing telephone calls, and leads (generated and outcome)) (See Exh. 11, local campus performance reviews of [REDACTED]).

While some of these forms also contain some qualitative factors, the qualitative factors play no role in determining compensation and are not part of the performance evaluation process.

UOP Campus	Graduation Rates			
	2005 Bachelor's	2005 2 yr (or less) programs	2006 Bachelor's	2006 2 yr (or less) programs
Cleveland	0.0		0.0	
St Louis	0.0		3.0	
San Diego	6.0	1.9	5.0	1.6
Sacramento Valley	7.1	0.0	6.7	7.9
Philadelphia	3.8		6.7	
Bay Area	3.7		6.8	
Hawaii	3.7	11.6	8.9	16.9
Southern California	7.1	0.0	9.7	5.1
Boston			10.0	
Phoenix-Hohokam	8.2	12.9	10.2	10.8
West Florida	4.9	1.0	10.3	4.8
South Florida	5.4	3.8	10.9	1.9
Oklahoma City	8.6	3.0	11.1	4.2
Western Washington	6.7		11.1	
Utah	14.7	10.0	11.8	11.5
Oregon	3.1	6.9	11.9	5.3
West Michigan	7.4		11.9	
Metro Detroit	13.0		11.9	7.0
Southern Arizona	10.3	19.0	11.9	13.1
Central Florida	8.7	1.8	12.9	4.4
Las Vegas	4.7	9.5	12.9	10.5
Central Valley	4.3		13.2	
North Florida	6.3	1.7	13.2	1.9
Maryland	2.9		13.3	
Southern Colorado	1.6	28.6	13.6	16.7
Denver	10.9	5.6	13.8	9.2
Tulsa	10.9	10.3	19.0	4.7
Louisiana	19.6	0.9	22.2	1.1
New Mexico	22.5	7.6	30.3	13.9
Puerto Rico	34.3		59.4	

Northern Nevada			100.0	
Atlanta				
Austin				
Central Massachusetts				
Charlotte				
Cheyenne				
Chicago				
Cincinnati				
Columbus Georgia				
Columbus Ohio				
Dallas Fort Worth				
Des Moines				
Eastern Washington				
Houston Westside				
Idaho				
Indianapolis				
Jersey City				
Kansas City				
Little Rock				
Louisville				
Memphis				
Milwaukee				
Minneapolis/St Paul				
Nashville				
Northern Virginia				
Pittsburgh				
Raleigh				
Richmond				
San Antonio				
Savannah				
Springfield				
Wichita				

Macias, Wendy

From: [REDACTED]
Sent: Tuesday, June 23, 2009 2:35 PM
To: Macias, Wendy
Attachments: page 99 refunds 2 years late.pdf; page 100 2 years late.pdf; page 90 25% error rate refund calc.pdf; page 89 3 out of 8 refunds late.pdf; page 66 64% error rate refunds.pdf; dumb as doornail.pdf

Sorry to keep sending documents your way but it is important to back up what I said

From: [REDACTED]
Sent: Tuesday, June 23, 2009 1:39 PM
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Subject: Minor errors

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Wendy Macias
Office of Postsecondary Education
U.S. Department of Education
[REDACTED]

From: [REDACTED]
Sent: Saturday, June 20, 2009 9:11 AM
To: Macias, Wendy
Subject: Please enter this into the public record. It is the speech I intend to give plus some supporting documents

[REDACTED]
Alternative Research Service, Inc.
[REDACTED]

This material has been prepared by Alternative Research Services Inc., a Connecticut-registered Investment Adviser, employing appropriate expertise, and in the belief that it is fair and not misleading. The information

upon which this material is based was obtained from sources believed to be reliable, but has not been independently verified. We do not guarantee its accuracy. This information is not to be used as the primary basis of investment decisions. Copying, faxing, replicating, or quoting from this report without the express written consent of Alternative Research Services Inc. is forbidden. This is not an offer or solicitation of an offer to buy or sell any security or investment. Any opinion or estimates constitute our best, and are subject to change without notice. This material is intended for use only by professional or institutional investors and not the general investing public. The firm does not make a market or hold positions in the securities mentioned herein, nor does the firm maintain any investment banking relationships in such securities.

Macias, Wendy

From: Macias, Wendy
Sent: Wednesday, June 24, 2009 1:57 PM
To: negreg09
Subject: FW:
Attachments: page 99 refunds 2 years late.pdf; page 100 2 years late.pdf; page 90 25% error rate refund calc.pdf; page 89 3 out of 8 refunds late.pdf; page 66 64% error rate refunds.pdf; dumb as doornail.pdf

From: [REDACTED]
Sent: Tuesday, June 23, 2009 2:35 PM
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[REDACTED]

Thank you for your submission. It has been received and will be included with all other comments.

Wendy

Wendy Macias
Office of Postsecondary Education
U.S. Department of Education
[REDACTED]

From: [REDACTED]
Sent: Saturday, June 20, 2009 9:11 AM
To: Macias, Wendy
Subject: Please enter this into the public record. It is the speech I intend to give plus some supporting documents

[REDACTED]
Alternative Research Service, Inc.
[REDACTED]

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FFEL INTEREST CALCULATION WORKSHEET
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School Name:

WIU 2005

LATE REFUNDS OF FEDERAL FAMILY EDUCATION LOANS
INTEREST AND SPECIAL ALLOWANCE DUE DEPARTMENT OF EDUCATION

LATE REFUNDS

Total: (to ED)	\$8,696.76
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Total: (to Lender)	\$28,161.54
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Student Name	Refund Amount	Program	Withdrawal Date	Refund Due Date	Date Paid	Days Late	DSA Factor	Amount Due to Department	Amount to Lender
(b)(6)	\$1,874.00	Unsubsidized	8/27/2003	9/28/2003	2/28/2005	521	0.0000273	26.65	213.62
	\$1,027.00	Unsubsidized	4/2/2003	5/2/2003	2/28/2005	688	0.0000273	18.73	150.31
	\$281.00	Unsubsidized	1/14/2003	2/13/2003	2/28/2005	746	0.0000273	5.93	47.58
	\$1,940.00	Unsubsidized	12/22/2003	1/21/2004	3/1/2004	40	0.0000273	2.12	17.00
	\$834.00	Stafford	12/22/2003	1/21/2004	3/1/2004	40	0.000247	8.23	
	\$1,679.00	Unsubsidized	8/27/2003	9/28/2003	2/28/2005	521	0.0000273	23.88	191.68
	\$2,565.00	Unsubsidized	11/26/2002	12/25/2002	1/7/2003	13	0.0000273	0.91	7.31
	\$1,252.00	Stafford	11/5/2002	12/5/2002	2/28/2005	816	0.000247	252.34	
	\$3,446.00	Stafford	11/19/2002	12/19/2002	2/28/2005	802	0.000247	682.63	
	\$313.00	Unsubsidized	7/3/2003	8/2/2003	2/28/2005	575	0.0000273	4.92	39.50
	\$1,832.00	Unsubsidized	4/24/2003	5/24/2003	2/28/2005	646	0.0000273	32.31	258.30
	\$1,898.00	Unsubsidized	10/8/2003	11/7/2003	2/28/2005	479	0.0000273	24.82	199.19
	\$1,051.00	Stafford	8/26/2003	7/26/2003	2/28/2005	583	0.000247	151.35	
	\$1,940.00	Unsubsidized	8/26/2003	7/26/2003	2/28/2005	583	0.0000273	30.88	247.81
	\$1,823.00	Unsubsidized	4/2/2003	5/2/2003	2/28/2005	668	0.0000273	33.24	268.81
	\$728.00	Unsubsidized	10/8/2003	11/7/2003	1/24/2003	27	0.0000273	0.54	4.31
	\$4,690.00	Unsubsidized	3/5/2003	4/4/2003	2/28/2005	696	0.0000273	68.92	713.67
	\$628.00	Stafford	1/14/2003	2/13/2003	2/28/2005	746	0.000247	115.72	
	\$97.00	Unsubsidized	12/5/2002	1/4/2003	2/28/2005	788	0.0000273	2.08	16.70

(b)(6)

\$2,680.00	Stafford	12/6/2002	1/4/2003	2/28/2005	786	0.000247	520.30	
\$972.00	Stafford	6/28/2003	7/28/2003	2/28/2005	583	0.000247	139.97	
\$588.00	Stafford	6/4/2003	7/4/2003	2/28/2005	605	0.000247	87.87	
\$2,425.00	Unsubsidized	6/4/2003	7/4/2003	2/28/2005	605	0.0000273	40.05	321.45
\$1,975.00	Stafford	12/11/2002	1/10/2003	2/28/2005	780	0.000247	380.50	
\$2,425.00	Unsubsidized	12/11/2002	1/10/2003	2/28/2005	780	0.0000273	51.64	414.43
\$2,185.00	Unsubsidized	9/24/2003	10/24/2003	12/11/2003	48	0.0000273	2.86	22.98
\$1,758.00	Unsubsidized	11/12/2003	12/12/2003	8/20/2004	252	0.0000273	12.09	97.06
\$1,800.00	Unsubsidized	2/8/2003	3/8/2003	3/18/2003	11	0.0000273	0.54	4.34
\$68.00	Unsubsidized	2/8/2003	3/8/2003	2/28/2005	723	0.0000273	1.34	10.77
\$118.00	Unsubsidized	7/2/2003	8/1/2003	2/28/2005	577	0.0000273	1.86	14.82
\$2,025.00	Unsubsidized	12/22/2003	1/21/2004	2/28/2005	404	0.0000273	22.33	178.25
\$2,174.00	Unsubsidized	5/13/2003	6/12/2003	2/28/2005	627	0.0000273	37.21	298.85
\$763.00	Unsubsidized	5/13/2003	6/12/2003	7/1/2003	19	0.0000273	0.40	3.18
\$1,676.00	Stafford	6/30/2003	7/30/2003	2/28/2005	579	0.000247	239.69	
\$1,836.00	Unsubsidized	7/21/2003	8/20/2003	2/28/2005	558	0.0000273	27.97	224.47
\$1,817.00	Unsubsidized	1/8/2003	2/7/2003	4/4/2003	58	0.0000273	2.47	19.84
\$488.00	Unsubsidized	1/8/2003	2/7/2003	2/28/2005	752	0.0000273	10.04	80.57
\$1,236.00	Unsubsidized	12/30/2002	1/29/2003	2/28/2005	761	0.0000273	25.88	206.08
\$1,940.00	Unsubsidized	5/14/2003	6/13/2003	2/28/2005	626	0.0000273	33.15	268.08
\$879.00	Stafford	5/14/2003	6/13/2003	2/28/2005	626	0.000247	135.91	
\$1,741.00	Unsubsidized	4/16/2003	5/16/2003	2/28/2005	654	0.0000273	31.08	249.47
\$1,940.00	Unsubsidized	5/1/2003	5/31/2003	2/28/2005	639	0.0000273	33.84	271.61
\$1,267.00	Stafford	6/1/2003	5/31/2003	2/28/2005	639	0.000247	198.40	
\$1,890.00	Unsubsidized	11/25/2002	12/25/2002	2/28/2005	796	0.0000273	36.73	294.74
\$1,713.00	Unsubsidized	1/14/2003	2/13/2003	2/28/2005	748	0.0000273	34.89	278.99
\$2,181.00	Unsubsidized	4/30/2003	5/30/2003	3/11/2004	286	0.0000273	17.03	136.67
\$1,216.00	Unsubsidized	11/19/2002	12/19/2002	2/28/2005	802	0.0000273	28.62	213.67
\$1,343.00	Unsubsidized	9/4/2003	10/4/2003	2/28/2005	513	0.0000273	18.81	150.85
\$73.00	Unsubsidized	6/17/2003	7/17/2003	2/28/2005	592	0.0000273	1.18	9.47
\$392.00	Stafford	6/5/2003	7/5/2003	2/28/2005	604	0.000247	58.46	
\$326.00	Unsubsidized	12/9/2002	1/8/2003	2/28/2005	762	0.0000273	6.96	55.89
\$572.00	Unsubsidized	2/3/2004	3/4/2004	2/28/2005	361	0.0000273	5.64	45.24
\$1,940.00	Unsubsidized	12/2/2002	1/1/2003	2/28/2005	769	0.0000273	41.79	335.37
\$162.00	Stafford	12/2/2002	1/1/2003	2/28/2005	769	0.000247	31.57	
\$2,143.00	Unsubsidized	6/8/2003	6/8/2003	2/28/2005	631	0.0000273	36.92	298.27

**AUDIT FINDING #03-5: INCORRECT RETURN OF TITLE IV
CALCULATION** [Audit Report, Page 26]

The auditor noted that 2 out of 8 Title IV refunds in their sample were not properly calculated as the student's percentage of attendance was incorrect.

Auditor's Recommendation: The auditor recommended that the University review each calculation to determine that proper inputs were used in calculating the percentage of completion in the Return of Title IV Funds calculation.

Institution's Response: The institution responded that during the year the institution had implemented enhancements to the student attendance tracking process and believed the issues noted by the auditor were rare occurrences, but would strive to improve the process with further automation. Additionally, the institution stated that it would implement a quality review process within their refund process to ensure accurate calculations of refunds.

**FINAL AUDIT DETERMINATIONS FOR FINDINGS #03-02, #03-03, #03-04 and
#03-5:**

34 CFR Part 668 Student Assistance General Provisions; Section 668.22 Treatment of Title IV Funds When a Student Withdraws, Code of Federal Regulations

- 34 CFR 668.22(a) (j) General Provisions Regulations
- 34 CFR 668.171(b)(4)(i) General Provisions Regulations
- 34 CFR 668.173 General Provisions Regulations

When a recipient of Title IV grant or loan assistance withdraws from an institution during a payment period or period of enrollment in which the recipient began attendance, the institution must determine the amount of Title IV grant or loan assistance (not including Federal Work Study or the non-Federal share of FSEOG awards if an institution meets its FSEOG matching share by the individual recipient method or the aggregate method) that the student earned as of the student's withdrawal date.

If the total amount of Title IV grant or loan assistance, or both, that the student earned is less than the amount of Title IV grant or loan assistance that was disbursed to the student or on behalf of the student in the case of a PLUS loan, as of the date of the institution's determination that the student withdrew, the difference between these amounts must be returned to the Title IV programs. No additional disbursements may be made to the student for the payment period or period of enrollment.

Audit Findings #03-2, #03-3, #03-4 and #03-5 have been combined as they all relate to Title IV refund deficiencies.

AUDIT FINDING #03-2: **LATE REFUNDS**
[Audit Report, Page 23]

The auditor noted that 3 out of 8 Title IV refunds in their sample were not returned within 30 days of the date of determination.

Auditor's Recommendation: The auditor recommended that the University review its files on a weekly basis and determine if students had withdrawn or dropped and to determine if funds needed to be refunded to students or lending institutions.

Institution's Response: The institution responded that a report of students that were "Out of Attendance" had been run twice per month. After reviewing the process, the institution began running these reports on a weekly basis to ensure timely processing of refunds.

AUDIT FINDING #03-3: **INACCURATE RETURN TO TITLE IV FUNDS**
[Audit Report, Page 24]

The auditor noted that the amount of 1 out of 8 Title IV refunds in their sample was incorrect and as a result \$1,515 due to the student was incorrectly refunded to the lender.

Auditor's Recommendation: The auditor recommended that the institution review all funds to assure they are appropriately issued.

Institution's Response: The institution reevaluated its procedures and will implement a quality review process to ensure funds are being returned to the proper recipient in a timely manner.

AUDIT FINDING #03-4: **UNPAID/LATE RETURN TO TITLE IV FUNDS**
[Audit Report, Page 25]

The auditor noted that 1 of 8 Title IV refunds was unpaid.

Auditor's Recommendation: The auditor noted that one refund was unpaid and that there were questioned costs of \$876.

Institution's Response: The institution will run its "Out of Attendance" report more frequently to determine when refunds are due.

AUDIT FINDING/ADDITIONAL INFORMATION REQUIRED

AUDIT FINDING #04-1 ENSURE TIMELY REFUND OF TITLE IV FUNDS (Audit Report, Page 19)

From a sample of 75 students, the auditor noted 11 students that had refunds. From these the auditor noted seven instances in which the Title IV refund was not returned timely. This is a 64% materially significant error rate.

In response to our PADL, dated May 18, 2005, the institution submitted the results of its file review on July 15, 2005. The file review, which included the entire universe of financial aid recipients who withdrew from September 1, 2003 through August 31, 2004 identified refunds that were not paid or paid late.

The Department has concluded that the Date of Determination used for the file review was incorrect, so the following additional information is required.

For those students whose refunds were paid late and whose Date of Determination is greater than 29 days from the Last Date of Attendance, please provide the **corrected Date of Determination and the number of days difference between the corrected Date of Determination and the erroneous Date of Determination (previously used in the first file review)** along with the following information:

- 1) Name
- 2) Social Security Number
- 3) Period of Enrollment (Beginning and Ending Term Dates)
- 4) Documented Last Date of Attendance
- 5) Date Institution Determined Student's Withdrawal
- 6) Refund Amount(s), the date(s) paid, and to which Program(s) (for refunds already paid)
- 7) Number of days late the refund was paid
- 8) Total Unpaid Refunds, if any (Amount and Title IV Program)

The institution must send these documents, along **with attestation from the auditor** as to the accuracy of the information, to our office **within 30 days from the date of this letter.**

Additionally, the institution must provide its revised or newly implemented procedures to address the specific deficiencies noted in this finding. The institution should submit these procedures as part of its response to this letter.

12:06 1 were students that could not be, I didn't think would
12:06 2 be successful and I enrolled them when it was against
12:06 3 my better judgement because I was forced to.

12:07 4 Q So?

12:07 5 A I guess that was really vague.

12:07 6 Q We'll go back.

12:07 7 THE WITNESS: I'm playing with the bottle.

12:07 8 Q When you say someone who you didn't think
12:07 9 would be successful, what do you mean?

12:07 10 A An example, I had a student, let's refer to
12:07 11 him as dumb as a doornail. He really was dumb as a
12:07 12 doornail. He had, uh, a degree from Brooks College,
12:07 13 therefore, he was eligible to enroll. And wanted to
12:07 14 enroll. And I said to my manager, there is no way this
12:07 15 guy -- he cannot write a paragraph. He cannot add two
12:07 16 and two and get four. And my manager told me enroll
12:08 17 him; it's not our call to say who has a right to an
12:08 18 education. As a consequence, he started, he went to
12:08 19 the first night, he knew he was in deep doo doo, and
12:08 20 dropped. He never should have been there.

12:08 21 Q So once he dropped, did you still receive
12:08 22 credit for that enrollment?

12:08 23 A I don't remember.

12:08 24 Q So you may not have?

12:08 25 A I think he dropped late enough that I got the