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Macias, Wendy

From: [REDACTED]
Sent: Monday, June 22, 2009 9:30 PM
To: negreg09
Subject: Dept. of Education Hearings Concerning For-Profit Insititutions
Attachments: DOE Hearings.docx

Ms. Macias,

Attached please find a statement I would like to submit concerning the Department of Education's hearings on for-profit educational institutions. Living in Indiana and being out of work did not allow me to attend one of the hearings. I wish I could have attended, but it was not financially feasible at this time.

I worked for the Apollo Group from May 2005 thru January 2009 until I resigned because of workplace bullying and psychological violence I endured from my immediate supervisors for most of my tenure. Aside from the horrific workplace bullying tactics demonstrated by my supervisors, I experienced and witnessed some unethical HR practices as well as possible unethical accounting practices. After corporate HR investigated my allegations, I was told it was my word against my supervisor's and that I could return to work. I expressed my dire concern over being retaliated against by my supervisors and corporate HR stated they could not protect me from such retaliation, so I had no option but to resign. Corporate advised me that they were aware of other issues regarding my supervisors and that an investigation would continue. That's the last I heard. I've yet to find another job, but when it comes to ethical practices, I am willing to lay my job on the line for ethical standards; unfortunately, I paid and continue to pay a huge price for working hard & being honest.

Details of my experiences related to possible corrupt accounting practices and concerns I had associated with Title IV funding are included in my attached statement. I can assure you if the DOE were to talk to other Apollo Group employees working at Indiana Wesleyan University, they too would express rather questionable Title IV practices...if they were allowed to due so.

Please contact me if you need supplemental information. I am very concerned about submitting this document because of retaliation from Apollo or my supervisors; therefore, I request confidentially as much as possible. I cannot afford to have them give me a detrimental job reference because I need a job desperately.

Sincere regards,

[REDACTED]

June 22, 2009

Wendy Macias,
U.S. Department of Education
1990 K Street, NW., Room 8017
Washington, DC 20006

RE: Department of Education – Negotiated Rulemaking Committee Statement

Dear Ms. Macias:

It is my understanding that the Department of Education (DOE) is holding public hearings to learn more about potential Title IV regulatory concerns related to for-profit educational institutions voiced from former student/employees or the public. Unfortunately, I am unable to be present during one of the formal hearings, so I wish to express my concerns as contained herein from my experiences as a former industry employee.

I resigned recently from the Apollo Group, Inc. and its subsidiary organization, the Institute for Professional Development (IPD), both of Phoenix, Arizona because of unethical human resource (HR) and possible accounting practices demonstrated by our site directors. Apollo Group, Inc. is the contractual entity congruent with Indiana Wesleyan University (IWU), Marion, Indiana – a Christ-centered university. Please understand that I wish not to defame the integrity of Indiana Wesleyan University of what I deem as an exceptional university, nor do I wish to voice slander against the Apollo Group, its subsidiary IPD, or the site directors. Although I am extremely distraught by the life-altering events surrounding my problematic resignation from Apollo Group, my statement is only to disclose some formidable activities demonstrated by site directors that I found rather unsettling and perhaps noncompliant to DOE Title IV regulatory eligibility standards.

First, the environment I experienced was laced with workplace bullying attempts to sanction a high-pressure environment in order to produce. Site director's high expectations were debauched based upon their like/dislike for an employee. If they liked an employee, expectations held moderated standards. If disliked, expectations and workload was magnified to a point of intimidating failure; certain employee successes were often discounted or ignored completely.

Second, there was also a high-pressure stance in relation to student enrollment. Many times, students would voice concern over how enrollment counselors seem to pressure students into enrolling. It was not uncommon for a student to begin a program without completing required financial aid documents entirely or accurately. Some needed to complete certain sections of his/her FAFSA, others needed entrance counseling forms, and others still needed to supply proper tax-related documents. Missing documents became problematic both for the LEAP accounting office and for IWU's Financial Aid department. Some students complied promptly; others procrastinated for one reason or another. Missing/incomplete paperwork issues prompted delays in the Financial Aid office related to timely Title IV funding. For the LEAP accounting office, paperwork issues typically affected accounts receivable issues with students especially when a student was allowed to start a class/program, then weeks later had to be removed for missing/incomplete paperwork or non-payment. Such occurrences were frequent and students who were expecting to receive financial aid funding became angry when they learned that Title IV funds were not disbursed and owed the University for tuition and book charges. Students were

relying on Title IV funds to cover their education costs and some could not afford to pay. Subsequently, those who failed to pay were referred to an outside collection agency after exhausting collection efforts and were not allowed to register for other coursework until the past due balance was resolved. Several students across all programs complained about feeling as if they were "herded" or "forced" into enrolling into IWU's LEAP program; some students claimed the enrollment process was so swift they did not have adequate time to complete required documents let alone have time to consider such a life-balanced commitment.

In addition, because of the nature of the LEAP program, students are allowed to drop/add classes because of varying life-balance issues, which I find highly commendable. Unexpected issues in life do occur and students do need that added peace of mind flexibility. However, except for month-end enrollment reconciliations it would be hard to concretely state exact enrollment statistics because of the sheer number of students making coursework changes at any given point. Indiana Wesleyan's financial aid department had a tough time keeping up with all of the recalculations. Students would receive their funds, drop from class, FA would perform the financial aid recalculation, and if funds were already disbursed to students, they may end up owing the Apollo Group, who is acting on behalf of IWU. I also know that the accounts receivable account escalated tremendously because students were getting their financial aid, then dropping out of classes. I recall speaking with several students who were constantly calling to see when their FA would arrive; most were anxiously awaiting their student loan disbursement because that is what he/she was living on. LEAP accounting would process refunds, however, policy mandated students were only allowed available funds through either the end of loan period or up through the next scheduled disbursement if said funds were available; that mandate was being followed.

Aside from the workplace-bullying environment, both site directors were very stringent micromanagers. The directors mandated supervisors to provide them with the slightest of details. Both site directors mandated that all reports, employee performance evaluations, corrective actions, etc. go through them before submitting to corporate. Some supervisors were required to complete and submit to corporate certain financial and enrollment analysis reports. One fact I found troubling was the fact that I was required to complete a monthly financial analysis report for corporate; however, the site directors would not grant me complete access to all of the reports I felt was needed to provide a thorough analysis. When my analysis failed to meet site director's standards, I was reprimanded on several occasions. Multiple requests I submitted to the directors to be granted access to the much needed reports was denied; therefore, was forced to provide analysis at the best of my ability, which never met the director's standards. Each month, I tried diligently to improve my analysis of each report facet based upon the information I was given or allowed to have access. Strange as it was, I do not recall corporate office ever complaining to me that my analysis was unacceptable; it was always unacceptable to the directors. Their actions were very troubling to me and I could not ever pinpoint their purpose for withholding report access. To this day, I cannot eliminate my gut feeling that perhaps there were some unethical activities at hand with the directors that a complete analysis might unveil.

In closing, I believe the DOE should implement measures for-profit entities like Apollo Group who collaborate with universities like Indiana Wesleyan to ensure site directors are reporting enrollment and financial data accurately and ethically. I believe standards are already in place, but whether they are being followed by for-profit institutions with utmost integrity is anyone's guess. Further, I believe strict enforcement should be placed on students in regards when they should be allowed to take loan funds off their account as well as ensuring required financial aid documentation is one-hundred percent complete and accurate before starting a program. This would help eliminate placing financial hardships

upon students. Typically, LEAP accounting did strive to keep enough funds on a student's account to cover current and future tuition/book charges either through the student's end of loan period or through the next disbursement date. However, because so many students were changing coursework so frequently, it was difficult to monitor funds with utmost confidence.

Since resigning from my position with Apollo Group, I have been without a job and diligently searching for employment with a reputable organization. I am sickened by having to lose my job because of my employer's workplace bullying tactics. I share this information with extreme reluctance fearing retribution from the site directors, Apollo Group, or the Institute for Professional Development. However, I do believe in being ethical and standing up for what is right. I hope the DOE does review and modify regulatory matters for the protection of not only government funds, but for students, and outstanding institutions like Indiana Wesleyan University. If you need further elaboration concerning my statement, please feel free to contact me. I have provided my contact information below. Please keep my contact information private to protect me from legal retribution from the Apollo Group and entities described herein.

Thank you,

[REDACTED]

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