

From: Antal Desai [adesai@cpmg-inc.com]
Sent: Thursday, April 08, 2010 5:00 PM
To: Manheimer, Ann
Subject: quotes with school names attached
Attachments: Document841.doc

Hi Ann,

Please see attached.

"There're a significant percentage of my clients who have had some kind of interaction with these schools. They've defaulted on loans, so they can't go on to a real college or university. We've found that these defaults are one of the major factors that stop people from becoming stable renters. They've defaulted, so their credit scores are ruined when the landlord runs a check. The defaults can paint an untrue picture of someone and their ability to be a good tenant. These schools don't care if they educate people or not, they just want to collect the money, collect the debt. There's really no light at the end of this tunnel... For the homeless person, there is no alternative after one of these schools. You cannot retrain. You cannot get more education. Even the working poor, when they get laid off and they're foreclosed on, they can try to retrain themselves. This option is closed to those who have been at one of these schools." Case Manager, Homeless Shelter, 9/2009, Washington

"I have several clients with Drake College in their background... There are numerous homeless people who've gone to this school here in New Jersey. The school tells people with nothing that they can get \$700 to live on while they're going to their school. That's a lot to someone who has absolutely nothing... Quite a few of my folks have gone to these schools. They've come back to me in worse shape than they were before because they still don't have a job and now they have big debt." Case Worker, Homeless Shelter, 9/2009, New Jersey, Drake College has 2 locations in 1 U.S. state.

"...those schools will call us repeatedly. Over and over. They know this is a shelter. I even get on the phone and I tell them this is a shelter, and that they should stop calling. I tell them not to call at all. It's hideous... I see it because it's my phone number the recruiters are calling. I tell them not to call. There's also that fee too, and I tell them our women have no money whatsoever. So we try to stop it, is what I'm saying, to try to protect our women... our population is vulnerable..." Case Worker, Homeless Women's Shelter, 2/2010, Southeastern U.S. state

"I know it happens. How this happens is what goes on here. The job posting websites like Craigslist or whatever... have something that's posted as a money-paying job. When you click on the link or whatever, it asks for your contact information. But then when the job seeker is contacted, it's from those schools. Guys look at job posting, then they click on the link and they get contacted by the schools! "We'll get you this loan and we'll get you a job." It's kind of deceptive. Then the calls never end, asking if they want training... This stuff is posted as a job, then you get calls from these schools offering loans. My guys say, "I don't want the loan. I don't want the money." So I have to get on the phone too and say, "No, they don't want the loan and please stop bugging them and stop calling" ...so they're calling the shelter. (Clients) come in to me saying, "I don't know why I'm getting these calls." We couldn't figure out why this kept happening. I only figured it out by trial and error. Finally, I went to the job posting, clicked on the link, and put in my contact info to see if this is what was happening to my guys. Yep. Sure enough, it was... They're desperate." Program Manager, Homeless Shelter, 8/2009, Ohio

"Our clients don't have Internet here, so they go to the library. Some men and women look for job listings online. Then what happens is our clients get lots of calls from these schools... It happens to the people who are reaching out, pushing for change. They're looking for something better and they get snagged by this... The smarter clients have it figured out, but the less smart folks get bombarded with these calls. So, what I do is tell people at our weekly evening meetings not to fall for these schools. I've been here for 10 years, and I've seen it all. It happened to a 63 year-old woman who was chronically homeless and just a really, really lonely, lonely woman. It was relentless. Relentless." Operations Manager, Homeless Shelter, 9/2009, California

"Clients go on the Internet looking for jobs and somehow they wind up getting calls from those schools." Case Worker, Homeless Shelter, 1/2010, West Virginia

"One girl enrolled. No way could she go to school – she did not have the mental capacity. So, of course, she dropped out. She moved away (too) ... I see a lot of literature come in here from those schools. I think they call here too." Shelter Staffer, 9/2009, Connecticut

"I've been getting strange emails from colleges I've never heard of. They're coming to me but they're for (homeless) clients. The guys may have used my email address when they were first setting things up ... they may have applied to something not real on Craigslist ... and now these schools are on them ... These schools hound guys. We tell them they're calling a homeless shelter to get them to stop calling. Now that I think of it, I had a guy interested in going to truck driving school. That school sent reps down here from an hour and a half away. And they wouldn't let me stay in the room when they pitched this homeless guy at a shelter who has no money. And he didn't even speak English very well." Case Manager, Homeless Shelter, 9/2009, Connecticut

"Yes, they do recruit our people! I came here (northeastern state) from (southeastern state) where this was a big problem. These schools register kids, fake GEDs, then give them a certificate or degree. Generally the school promises to help the kids get a GED, but they don't. These are kids that can't even read ... The sales pitches these places put out are excellent. You can't counter them very well. It's crazy, because we offer GED services here, on site, for free. And we do free CNA (certified nurse assistant) courses on site. But the marketing is good at these schools. Plus, they tell them they can get extra money, living money to spend ... The federal government investigated this in (major U.S. city) in 2007 and closed some of them down. Then they just reopened and no one is doing anything about it ... It's half my kids, it's half my kids ... Those schools used to actually have the gall to come in here to talk to our kids, until we figured it out and said, 'No way!'" Case Worker, Homeless Youth Shelter, 9/2009

"There's been some activity like this here. I know one of those colleges is actively looking for students. They charge a premium. If people enroll, they pay big money to get a CNA certificate/degree. You know, nursing homes used to train people on that for free a few days a month. You don't need an expensive degree to work for minimum wage... We do transitional housing and long term outreach, and there'll be an individual we want to work with that has a lot of potential...but then we find out they went to one of those schools for a few days for something like plumbing or electrical, and they have huge bad debts outstanding. It stops them from going forward. You can't do anything with a credit record like that. And they can't get more education." Director, Homeless Shelter, 8/2009, Connecticut

"Absolutely, yes, those schools do market to our (homeless) clients... We get endless calls from sales reps. It happens with one person, and it'll spread to others." Director, Homeless Shelter, 9/2009, New Hampshire

"Yes, we definitely see it. Kids come in saying, "We want to go to school." And they spend \$20,000 to get an A.A. (associates). They think they're going to go to school and make \$20,000. These schools are very expensive and the credits don't transfer. I know the story." Director, Homeless Youth Shelter, 9/2009

Question – I understand that some of these schools actively recruit new students from among the homeless. Answer – *"They sure do! Even though we're a domestic violence and sexual abuse service, our outreach office also deals with the mainstream disadvantaged. They've tried to get in to recruit people, but my executive director won't let them in. It's possible they may still recruit, but not actively on-premises anymore."* Program Director, Homeless Women/Youth Shelter, 8/2009, Southwestern U.S. state

"Unfortunately, we have a lot of these schools here focused on health care and other fields that are commonly seen as a way to a better life. Some of these schools admit people without GEDs, and then they expect them to complete their GED while going through their program too. If the (homeless) women finish the

program but haven't done their GED, then the school won't issue them a certificate. So they violate rules regarding GEDs and high school diplomas. The problem is so bad here that we've had to set up a deal with a community college counselor to talk to our people first. But the sales pitches that these tech schools put out are excellent and our women are sold lock-tight. We here, and the staff at the community college, are just not able to undo that sales job... The high debt load our clients have after attending these schools keeps them from getting more education and it prevents them from attaining financial stability... This is a conversation I have with my case manager at least twice a month. It's a big challenge for us. These schools cripple people... We've determined, from our point-of-view, it's better to have someone without a high school diploma. If they don't have a high school diploma, then we can insure that they get a legitimate GED prep program, and then we stand a chance of directing them to a legitimate community college or training program." Question – This problem is so bad that you have to hope homeless women coming to the shelter haven't yet finished high school? *"Yes. There's no way out once you're in this trap. And we can't outsell these schools."* Director, Homeless Women/Youth Shelter, 8/2009, Southwestern U.S. state

"They taught all of it out of a book, but they didn't teach very much... I only gave three shots during classes. During the externship I was expected to do all these things, but the school hadn't taught me how to do them... [Externship staff] looked at me like I was an idiot. They laughed at me. At the end of the externship someone asked me, 'Why don't you just go to work at a gas station?'... I was humiliated... MedVance needs to keep their part of the deal. I kept my grades up and did my best. I got high grades, but I can't find a job?... My father is disabled and my mother is a homemaker... This is the worst mistake of my life. And now I'm in debt too." Homeless Male #68, 12/2009, Ohio, MedVance Institute has 10 locations in 4 U.S. states.

Question – Did you go on to get more education anywhere else? Answer – *"No. I was so disappointed... that I didn't even try... I owe \$10,000. Where am I going*

to get \$10,000? Watch out for those student loans. They'll tell you about grants first, but you'll wind up grabbing a student loan on your way out the door... You need to get reporters on this issue. A lot of people have been taken advantage of by these schools, comed. It's like a child being molested. You don't talk about it because you're ashamed." Homeless Male #26, 10/2009, Connecticut

"They really wanted me to enroll. Do they get paid for me or something?... I asked the teacher for help, but I couldn't get any help. I was told to ask the students sitting around me for help... so I finally dropped out... The staff told me, 'You know, you're going to get paid for going to school. You'll get that disbursement check.' It was going to be \$3,800, but I didn't care about the disbursement. I was interested in the education. I wanted the degree... They started talking about something called 'Pell jumpers.' Have you heard of this?" Homeless Male #62, 12/2009, Ohio. University of Phoenix has 73 campuses in 41 U.S. states & operates online nationwide

Question – Have you gone on for more education anywhere else? Answer – *"No. It was a bad experience for me. I put it in my mind to not go to a school again. I didn't gain any knowledge. It was a real bad experience... I don't know if I'm better off or worse off. I was doing the same kind of work before and the same kind of work after. Security work... It's a terrible thing. So many have bad feelings about trade schools because of these sort of places. So many have been burned."* Homeless Male #10, 9/2009, Ohio

"Trade schools, those private schools... they're a rip off. They don't work with you. You can't get a job after going to a trade school. They don't help you find a job. Other people I know couldn't get help either." Homeless Woman #17, 10/2009, Southwestern U.S. state. Brookline College has 4 campuses in 1 U.S. state.

Question – Have you gone on for more education anywhere else? Answer – *"No, this was a bad experience. This pretty much destroyed my attitude toward higher*

education.” Homeless Male #56, 12/2009, Ohio, Kaplan Inc. has 71 schools in 20 U.S. states & operates online nationwide.

“I was naïve. I didn’t know anything at the time, but when I got out and learned a little, I could see that they taught us on old equipment. They taught us on pneumatic equipment (compressed-air powered), not electronic equipment.

Question – So that would have been perfect if you needed to repair HVAC equipment built in the 1940s/1950s? Answer – *“Right! Exactly right!... (and) the teachers didn’t speak English.”* Homeless Male #6, 9/2009, Ohio

“Because I could get government assistance, I thought the sales pitch had to be honest... If you go to one of these schools, this may be your last student loan, and this may be the only school you’re ever going to go to.” Homeless Male #69, 12/2009, Ohio

“I took their test and scored well on it, so I enrolled. Now, was it the art of persuasion or was it coercion? I don’t know, but I enrolled.” Homeless Male #76, 12/2009, Texas

“I didn’t want to take out student loans, but they said anywhere I went I’d have to take out loans. I wanted an education, so I did it. I took out the loans... Teachers would just tell you to go check online. No explanations or examples of how to do things were given. It was like, ‘Here’s the information, you go figure it out.’”
Homeless Male #1, 9/2009, Ohio, Bryant & Stratton College has 15 campuses in 4 U.S. states.

“I’m trying to better myself. I’m trying to get an education to get a job to be self-sufficient and repay the loans. But it is so hard to go to school from the shelter. It’s so hard, and life keeps coming at me.” Homeless Male #2, Ohio, 9/2009, Bryant & Stratton College has 15 campuses in 4 U.S. states.

"Yes, I went to one. These schools are a scam, but other ladies here haven't figured it out. We have to keep our voices down. Some of them are going to these schools, and I don't want any trouble." Homeless Woman #8, 10/2009, Northeastern U.S. state

"The recruiting process was a crock of shit. I feel duped. I wanted to do the three-month CNA (certified nurse assistant) program but the school said I couldn't get financial aid for that, so I'd have to do the PCT (patient care tech) program which was 7 months long. On the first day of classes they told me it was a 9-month program... They said if you ever need help, we really try to help... we pull together... but after I started classes I was having problems covering the bus fare. It's \$12 for a (weekly) pass. I went to them asking for help or ideas. They were able to come up with \$3 bucks, so I've had to sell food stamps to raise bus fare... I've never been to school before, so I don't know if \$16,000 is high or not... Oh yes, they know I'm homeless." Homeless Male #15, 10/2009, Arizona

Question – You mean you were filling out job applications at every store in the shopping center and just stumbled in to this place not knowing it was a school?

Answer – *"Yes, I was looking for a job, walked in, and they signed me up... I didn't choose the school. It was just there. They sat me down and showed me information on the school. They applied me for the FAFSA and showed I'd be eligible for 60% grants."* Homeless Woman #18, 10/2009, Southwestern U.S. state

"They had so many TV ads, I figured they had to be reputable because you have to pay for TV time. So they must have lots of students – turned out they were duping everyone... The curriculum was so outdated it was like ancient Babylonian... like Sanskrit. It was like we were studying by lanterns and using sundials." Homeless Male #13, 9/2009, Ohio

"Don't get me wrong, but when I went to Brookline College, it looked like the prison bus had just made a drop off... They were just trying to get my money – it

was like they were trying to sell me a car. I wanted good teachers and a better life...At Apollo College the equipment had to be fixed and cleaned a lot. That's handy for me because if I'm in a dentist's office where the equipment is broken or needs cleaning, I'll know how to do that." Homeless Woman #14, 10/2009, Southwestern U.S. state, Brookline College has 4 campuses in 1 U.S. state, Apollo College has 10 campuses in 6 U.S. states, Apollo College's parent company, DeVry Inc., has 113 campuses in 28 U.S. states & operates online nationwide.

"The teaching was bad...The work wasn't all real challenging... tests were easy because the answers could be found later on in the test." Homeless Woman #12, 10/2009, Southwestern U.S. state, Pima Medical Institute has 11 campuses in 7 U.S. states.

"I dropped out after a month because I was homeless and living in the subway, so going to school was very difficult... homelessness led me to drop out... I was getting a \$100 refund every two weeks and I was going to pay the school \$100 a month. I needed \$25/week to get back and forth to school." Homeless Man #50, 12/2009, Ohio, Kaplan Inc. has 71 schools in 20 U.S. states & operates online nationwide.

"Hello. We spoke a week or so ago at the shelter ...I'm enrolling at Chancellor University next week and I was wondering if there is anything you can do for me in the way of assisting me with bus fare?" Homeless Man #50, 1/2010, Ohio

"I started at Bradford Hall this month for medical billing/coding... It costs \$16,000. I think my student loans are around \$7,000, I'm not sure... Yes, I would recommend the school and, in fact, I have to other women here at the shelter... I received an incentive payment for recommending it." Homeless Woman #7, 10/2009, Northeastern U.S. state, Bradford Hall Career Institute has 7 locations in 3 U.S. states.

"The entrance exam was so simple a stuffed animal could take it and pass... I was excited like crazy to be able to get into this college, and the government was going to pay for it. I thought it was heaven-sent to do something with my life, when I'd failed so many times before... These schools destroyed more in my life

than they built. I got all the positive out of it that I could, but my life was more destroyed by it...I didn't understand how I could have just one instructor for all of my classes. Every single class, it was the same guy...I tried to transfer later to [community college and 4-year public university], but none of the credits would transfer... So I gave up on getting more education, and I just stuck with simple little jobs. I mean simple jobs... My self-esteem has really been hurt by this... but I can say today that to be able to go back to school was priceless, a true privilege. If only I'd gone to a real school where I could have kept going and the credits would have transferred... It killed my credit... Anything I get is taken to pay on a debt that I'll never be able to pay off."

Question – Were you promised something that wasn't delivered? Answer – *"The ability to better myself with more education... I'll never be able to get more education. I don't have enough money to repay the student loan. So, my life is halted. I have the clarity of mind and more sanity now than ever, with all the drugs and alcohol being over. I'd love to go back to school. But I can't because they'd turn me down."* Homeless Male #81, who received a certificate for being the most enthusiastic member of his FP class, 10/2009, Ohio.