

Redacted (AU)

From: Redacted
Sent: Friday, February 19, 2010 6:26 AM
To: Redacted (AU)
Subject: This Constitutes My Formal Complaint
 February 17, 2010

To whom it may concern:

This grievance is in regards to the accounting practices that are currently being done by Ashford University. I am a student with Ashford and have been since July 2007. During my time at Ashford, I have been assigned over 6 different Financial Services representatives (Redacted Redacted etc). In January of 2009 I began receiving a stipend check for excess student loan funds. According to the email communications that I received from Ashford concerning my financial aid, I would receive these stipend checks every 7th and 15th week of enrollment. It has now come to my understanding that the stipend checks were made in error because I was listed as an employee of Ashford as well as student.

During the last year, I have been in contact with at least 3 of the 6 Financial Services Representatives assigned to me and at no time did they **ever** ask or **verify** that I was an employee. Furthermore, I had no idea that I was being listed as an employee or that the stipend funds I was receiving was in fact an error.

In December, I contacted my NEW FSA, Redacted via email to question my financial aid application for the upcoming year and also discuss the stipend checks. After not receiving a reply from her in over a week, I called and spoke with my previous FSA, Redacted (who by the way sent a disbursement check to me in December). Redacted then informs me that Redacted had requested a manager to look at my account because I was coded as an employee and employees received free tuition. After another week, Redacted calls me and instead of explaining the situation, tells me I need to make additional financial arrangements to take care of a \$7,000.00 balance. I explained to her that the error was on Ashford and not on me to which she responds that I can speak to a manager. I then receive a call from my academic adviser stating that future classes are being held because Redacted put a note in my account.

Now, my question is this. With all of the FSA's that have been assigned to me, it is not policy or procedure to verify that a student is an employee? Furthermore, after speaking with numerous FSA's regarding my student loans, would it not prompt them to determine that I was not an employee or even inquire? If I received free tuition by being an employee, why would I apply for student loans? Finally, it needs to be determined which FSA keyed me as an employee and why?

Clearly, the fault of this matter is with Ashford, yet you are asking me to pay back money that was disbursed to you from my loan agency to apply to my tuition. Not only that, but you are asking me to pay back this money in addition to the current student loans? By not scheduling my classes, you are preventing me from completing my degree, which I was scheduled to receive next year.

2/19/2010

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I am also wondering what would have happened if I had not sent Redacted the email. It is not my responsibility to verify the accounting procedures done by Ashford. My responsibility is to apply for financial aid, receive confirmation that I have financial aid, and complete my education with your institution and pay back my financial aid when my degree is complete. It is your responsibility to train your representatives correctly and take accountability for mistakes. Therefore, I am not taking responsibility for this. Again, Ashford University is clearly at fault for this matter and must determine how they will rectify this situation without me being held responsible for this balance.

If additional information is needed, please contact me via email at

Redacted

Sincerely,

Redacted

2/19/2010

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BPI-HELP_00027195

Bridgepoint Education, Inc.
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March 31, 2010

Redacted

Dear *Redacted* :

On February 17, 2010, the Office of Student Grievance Resolution at Ashford University received the grievance you submitted by e-mail message. In your complaint, you allege that:

1. The University inadvertently coded you as an "employee."
2. The University wrongfully administered your Federal Stafford loans.

In your grievance, you state the following as the remedy you seek:

Waiver of the \$7,503.68 balance due.

Findings of Fact

On June 22, 2007, you completed an online application to the University and selected the Bachelor of Arts in Organizational Management as your area of study. You selected financial aid as your primary finance option and cash as your secondary finance option (Attachment A, Finance Options). The online application also detailed the cost of tuition and fees for your degree program (Attachment B, Tuition and Fees). Additionally, you signed an acknowledgement page stating you understood you were financially responsible for full tuition and fee charges related to completed coursework (Attachment C, Acknowledgement Page).

Between July 17, 2007, and August 26, 2008, you attempted eleven courses and successfully completed ten of them. During this time, your cost of tuition and fees totaled \$10,264.00. During this same period, you received \$11,750.00 in financial aid and received an excess funding check for \$19.00.

On October 7, 2008, you began your twelfth course. On or around October 7, 2008, the University inadvertently added you to the University's employee tuition benefit group. This resulted in you receiving the employee tuition waiver between October 7, 2008, and February 2, 2010. During this period, you received \$14,494.18 in excess funding checks.

On February 2, 2010, the University discovered you had been receiving the employee tuition benefit. The University reversed the employee tuition waivers that totaled \$13,264.00. After the University reversed the charges, this resulted in a balance due on your account of \$7,503.68.

By e-mail message on February 24, 2010, you described what you stated was your understanding of payments on your ledger card labeled "Employee Waiver." In the e-mail message, you write that you thought the Employee Waiver was "not applied [as tuition] payment but was waiting for financial aid in order to credit my account."

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Allegation that the University inadvertently coded you as an "employee"

In your grievance, you allege that the University inadvertently coded you as an "employee." The University admits that it inadvertently included you in the employee benefit plan. Despite this, the University asserts that you remain responsible for your tuition and fees. All parties have a duty to mitigate the harm of a mistake. In your instance, you were on notice that there was an issue with your student ledger card. The entries on your student account clearly stated "Employee Waiver" next to credits that covered your tuition. You were aware that you were not an employee of the University. Moreover, you received uncharacteristically large stipend checks that should have alerted you to the fact that something was amiss. You could have disclosed the mistake but failed to do so. Your failure to disclose the issue does not mean that the University does not have a right to charge you for tuition and fees.

Allegation that the University wrongfully administered your Stafford Loans

In your grievance, you allege that the University wrongfully administered your Stafford loans. The University denies this allegation. The University correctly administered your loans. However, being inadvertently included in the employee benefit pool caused you to receive additional stipend checks for which you were ineligible. Federal Stafford loans and Pell Grant funds are to be used for educational purposes only. You received enough financial aid to pay for your tuition and fees. Therefore, the University did not harm you in anyway by sending the excess funds, as long as you return them. Not returning the funds may cause you to be in violation of your obligation to the federal government, if you used the \$14,475.18 in stipend checks for non-educational purposes.

Conclusion

Based on the above-discussed facts, the University admits that you were inadvertently placed in the employee benefit group. However, the University denies that it failed to administer your loans correctly. The University is unaware of any harm being placed in the employee group caused you and maintains that you are financially responsible for the \$7,503.68 balance due on your account. While we regret any inconvenience this situation may have caused, a rare employee benefit billing mislabeling does not absolve you from your financial responsibility pay for the cost of tuition and fees. Should you wish to explore financing options, such as private loans, please contact Financial Services Manager Redacted at (866) 974-5700, extension Redacted or Redacted.

Please know it is always the intention of Ashford University and its employees to provide excellent student services and an excellent learning experience. We wish you all the best in your future endeavors.

Sincerely,

Redacted

Vice President of Student Services

Encls. /3/ Attachment A, Finance Option

Redacted 2 of 3

Attachment B, Tuition and Fees
Attachment C, Acknowledgement Page

** Please note the University's appeal procedure is located at the bottom of page twenty-three of the 2009-10 Academic Catalog. Should you decide to submit an appeal, it must be submitted within twenty (20) business days of receipt of this determination letter to GrievanceAppeal@ashford.edu.*

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