

Dear Senator Harkin,

This letter has been written to provide you with a summary of my history and experience as an employee at ITT Technical Institute.

To provide you with a little background, when I applied at ITT Tech I was contacted and invited to a group interview. During the first interview a large group of applicants were explained the compensation plan and given a "career ladder" which were the representative potential position promotion steps and associated salary ranges based upon "starts"-students who start school. The entry level position was Representative and progressed Senior 1, to Senior 2, master 1, Master 2 and Master 3.

The Director of Recruitment (DOR) who conducted the group interview stated that the ITT Tech compensation plan provided salary increases "similar to commission". As of 2004, ITT's performance evaluation process allowed for promotion from Representative to Master 3 one year or less. I found the compensation plan intriguing, so I accepted an employment offer as a Representative. As a result of recruitment success, I was promoted to Master 3 within 7 months and my salary increased by approximately \$28,000.

Within approximately 18 months I was promoted to Manager of Recruitment because management wanted me to train other representatives to produce at my level of previous success. Among other duties, I trained new representatives and evaluated them and other representatives with respect to their conduct and performance with prospective students. If the representative did not "close" the deal and have the prospective student apply for admission, my responsibility was to attempt to close the deal for the representative.

Subsequently, I was quickly promoted to DOR and worked at 2 different campuses between 2008 and 2011. As DOR, among other duties, I continued to train, sit in on interviews with representatives and their prospects and perform the annual performance evaluation "PP&E" for recruitment representatives. The PP&E was comprised of 4 variables, two of which were "New Starts and Conversions Rate". These two components comprise 70% of the evaluation. Conversion rate, in essence, is a function of starts. It measures how effectively a representative manages company developed inquiries (advertising) by putting prospects in school. The remainder of the evaluation (30%) was "Customer Service" and "Compliance and Commitment".

Through my experience performing the "PP&E" evaluations, it quickly became clear to me that evaluations were solely based on the number of starting students recruited and very little, if anything, to do with any of the other factors. Phrases such as "asses in classes" and "kiss them and sit them" were common amongst DOR's within the district. Starts were hard numbers that could be evaluated objectively. The other variables of the representatives' evaluation were in contrast subjective measurements and determined by the DOR and Campus Director.

Through my experiences at both campuses, I learned very quickly that the



two "subjective" measurements were simply a function of starts as well. In San Dimas, the Campus Director, Maria Amat, stated to me that if a representative cannot meet their start goals, then they are obviously not providing quality customer service to enough prospects in order to convince them to start school. In addition, she stated that a representative obviously has little or no commitment to their jobs or they would have closed more company developed leads by being better sales people.

When I was working at the San Bernardino campus as DOR in 2009, the San Dimas campus missed a year of their campus start goals and the Campus Director had her entire representative group demoted. I was transferred to San Dimas shortly thereafter and representative morale was very low. Their salary decreases in some instances were near or above \$30,000.

When a representative is placed on a disciplinary action "Letter of concern" or "Letter of Warning", no mention is made of their "Customer Service and Compliance and Commitment" variables of the PP&E; the letters identify deficiencies in activities that relate to student applications.

The meetings which I led with the representative team consisted of having them "commit" to individual start goals for the quarter and how they were to achieve them though the number of applications there would bring in for the week. We then met, sometimes daily, to determine how well they were progressing. At times it was mandated though corporate to hold daily 2:00 "stand up" meetings to further review their numbers.

Once a week or more, the representatives met individually with me, the Director Maria Amat, and the Director of Finance. These meetings consisted of further reviewing progress of production. The representatives often referred to these meetings as "beat down meetings" because of the tone when production was not meeting a representative's weekly commitment. It was common practice during representative meetings for representatives to be humiliated and/or threatened with disciplinary action, including termination. I recall in one email Maria Amat sent to me, she stated that "I will have their heads on a platter" if production goals were not met.

In October 2009, I wrote up a BEST OF THE BEST (BOB) submission to ITT headquarters that included the "Pain Funnel" and "Pain Puzzle" and how proper usage of this tool can bring a prospect to their "inner child", an emotional place intended to have the prospect say "yes I will enroll". Although Mr. Modany stated in his 02/11/2011 press release that "those documents were not authorized for use in accordance with the company's practices and procedures" and "the conduct suggested in those documents is completely unacceptable and contrary to the standards we set", this is simply not true. These tools were taught to representatives as effective techniques to get prospective students to attend ITT.

All BOB's are evaluated at the HQ level and in my experience, higher level executives evaluate the submissions. The awards are presented to campus directors personally by Mr.



Modany at an annual Director meeting called CMM in November. I find it difficult to believe that upper management could not know that ITT employees were using the "Pain Funnel" and "Pain Puzzle" tools when these items were put up for consideration for a company "best practice" award 2 years prior. In addition, despite the widespread use of the tools, I was never notified that this was against company policy or "completely unacceptable and contrary to standards we set".

Notably, I have email communications that indicate, amongst other things, that:

- A. ITT Tech paid for my attendance at Sandler training where I was introduced to the pain funnel;
- B. Company policies related to ad control and the consequences of using unauthorized materials;
- C. I did district training at meetings on the "pain funnel" a number of occasions subsequent to the BOB submission to HQ. One district training meeting was held in early January 2010 and the agenda was approved by the district manager, Nader Mojtabai, as new representatives were invited and other managers participated as well.

In addition, at quarterly district meetings I did pain funnel training for nearly every top recruitment representative, financial aid coordinator, dean, instructor, department chairs, all functional managers, all college directors and the district manager for the entire Southern California District, the largest district in the country. The presentation material was also given out to over 100 ITT Tech employees throughout every department in the district.

I won a BOB that same year and the San Dimas campus received the BOB award for a poster I designed called "Who's Who from your High School". I did not follow proper advertising control channels, another company policy that yet again was accepted at the HQ level. Some would consider the poster that I created a deceptive recruitment tactic however it was effective gaining exposure of our campus through high school counselors. The body of the poster listed names of graduates of ITT Tech, the high school they previously attended and their position title. I obviously ignored all the students from particular high schools that dropped out, did not get jobs, or had secured employment but their job title was not particularly impressive.

On numerous occasions I questioned policy violations and was subsequently demoted out of management to a campus significantly further than my San Dimas commute.. I particularly questioned these violations on the Tuesday before my demotion on Friday of the same week. Mysteriously, the district manager showed up at the campus on Friday and I was told that I was to be a representative in Corona, California and starting in 1 week. I advised that I never requested this change and asked why it was happening. They told me it was for "operational purposes" and because I was a good DOR that I was being demoted to a representative again. In

the past, I have participated in this tactic and it is management's way to avoid termination when they don't have adequate documentation to justify their decisions.

Please feel free to contact me if you have any questions or concerns.

Sincerely,

A handwritten signature in black ink that reads "Laura Brozek". The signature is written in a cursive style with a long, sweeping underline.

Laura Brozek