

Dear Senator Harkin,

4/20/11

I worked 18 months at the University of Phoenix as an Academic Counselor. The company's gigantic appetite for increased profits has come at a huge cost to many students. I have witnessed a total disregard for the moral and financial well being of many UOPX students. This company is hiding under the veil of serving the underserved, while back handing the government purse strings and getting filthy rich. The University of Phoenix is compromising the integrity of post secondary academia and undermining the purpose of education. This country has gone to great length to insure that all Americans have a fair and equitable right to quality education. These rights are being violated by the University of Phoenix.

I have watched the extensive media/print coverage of for-profit colleges and can say with confidence that many of the illegal and unethical abuses that have been exposed, seem to be a necessary function of a profitable proprietary college. I am also confident that absent many of the illegal and unethical behaviors, for-profit colleges would not be able to maintain their current financial strength. I believe this is why the government has seen such a huge push back from the for-profit industry. If the industry goes legit – the industry will be devastated. A perfect example of this would be the huge downturn in enrollment at UOPX. A few weeks before I left the company, enrollment counselors were advised that the university would no longer be keeping track of enrollment numbers. This meant that enrollment counselors would no longer be compensated for the amount of students that they enrolled. The immediate result of this policy change was a 50% increase in non-work related Internet usage by enrollment counselors and a steep decline in work productivity and enrollment efforts.

I have listed some additional concerns that should be investigated. These are concerns that have received little or no attention in the recent months. I hope these concerns will expose more of the questionable practices of the University of Phoenix.

- The inception of Axia College to shift enrollment from Western International University to avoid loss of Title IV funding due to unacceptable default rates. It is illegal to shift ownership or start a new business in order to manipulate default rates. Keep an eye on WIU new advertising push as Axia College default rates continue to rise.

- Academic Counselors were compensated directly for the amount of students they were able to retain. Retention includes re-enrolling student, which is a violation of Title IV funding, very similar to enrollment advisors illegal compensation. Retention numbers were not placed on performance evaluations in order to hide from any government oversight. Instead the university placed misleading “phrases” on the evaluation, which would later be decoded orally by management.

- False and misleading advertising. As of date of this letter – you can go to the Axia College website – under the heading “Learn more about Axia College” you will see a man wearing medical scrubs and a stethoscope – underneath the picture you will see “program outcomes.” A prospective student would see that picture and think that Axia College offers a degree to become perhaps a nurse or certified nursing assistant – or any typical healthcare position that requires scrubs and a stethoscope. The only problem with this advertising is that Axia College does NOT offer any degree that would require the use of medical scrubs and a stethoscope. Axia only offers healthcare administration degrees - a degree typically used for clerical work in a healthcare setting. This manipulating advertising leads to the typical “bait and switch” scenario that I routinely heard enrollment counselors use on prospective students wanting to pursue a career as a nurse or a certified nursing assistant. During the phone conversations, students would not be immediately told that Axia College did not offer any type of nursing program that would lead to certification. Instead, the enrollment counselor would go into detail about how hard it is to become a nurse and how big the waiting list is and that they should consider getting a healthcare administration degree to get their foot in the door in a healthcare environment. Students would also be told that they could take their prerequisites at Axia College to meet other nursing school requirements. Of course the enrollment counselor knew that getting a healthcare administration degree would not get a student any closer to becoming a nurse. They also knew that many of the prerequisites could not be done at Axia College – biology and chemistry classes with labs can not be done online and those classes are prerequisites for most, if not all nursing programs that I am aware of. Enrollment counselors would also sell students on the growth of the healthcare sector and opportunity for many good paying healthcare jobs. They failed to inform the students that the healthcare administration degree led to clerical employment that often didn’t require a college degree and mostly paid less than \$10/hr. To sum it up – a prospective student calls Axia College to learn about becoming a nurse or certified nursing assistant and within a matter of minutes is led down a path that leads to a \$23,000 associates degree that might land the student a \$10/hr job that doesn’t require any degree. I heard these types of conversations on a daily basis.

- The graduation rates were NEVER properly disclosed to prospective students. The reason the numbers were never properly disclosed is because nobody knew the actual true graduation rates. Management was not able or willing to disclose such information to the frontline employees. I have heard numbers ranging from 65% to as low as 2%. If you go to the University of Phoenix website and click on Academic Annual Report you will be directed to a page that lists 6 different categories. You will notice the category titled – “completion rates.” Why are they using completion rates instead of graduation rates? Click on the link and you will find out why. There is information defining “completion rate” and why UOPX uses it instead of graduation rate. Then click on – view charts. Notice how UOPX compares their COMPLETION rates with the GRADUATION rates presented by the IPEDS. The comparison is manipulative and violates the integrity of the information. This was done to confuse students and to paint a better picture of graduation rates for UOPX.

- FYS – First Year Sequence – I have wrote extensively about the many flaws of this policy. I have submitted the report to your investigation team. The report has also been seen by Arizona State Attorney General – DOE - Higher Learning Commission – and UOPX upper management, including the president of the university. I have emails and voicemails documenting all who has seen my report and/or are aware of my concerns presented within the report. To this date nothing has been done to fix any of my concerns presented. Because no action has been taken, students continue to lose quality transferable credits - incur more unnecessary debt - have extended graduation dates and are being placed in the wrong course “track” – thus undermining the fundamental purpose of FYS.

- Curriculum design is developed with non-traditional course abbreviation, numbering and description. Although, I am not aware of the official reason that UOPX uses such an atypical format. I am aware of the impact this system has on the transferability of UOPX credits. It makes it very hard for students to transfer their credits. For example, the 2 English requirements for any associates degree at Axia College are COM/150 and COM/220. Traditionally these classes would be called Eng/101 and Eng/102. In a traditional college the abbreviations COM would most resemble COMM (communication) classes - but they are not communication classes – they are English classes. I believe this unusual system of description is part of the reason UOPX credits are often not accepted at traditional schools. There is no logical academic reason for this dysfunctional system. The only reasonable assumption for its design is to discourage students from transferring out of UOPX because many of their credits will not transfer with them.

- UOPX recently initiated a free course (UNIV/100 for Axia College) to help give prospective students the experience of attending UOPX. The purpose was to help let the student decide whether or not they are prepared to accept the “rigors” of college without having to actually pay for a class. There are few problems with this concept. The course does not address academic ability. This means a student can literally turn in an assignment that is completely incoherent and it will not impact the student’s admission into the college. In fact, during a conference on UNIV/100, an associate director made it very clear that this course has NOTHING to do with academic ability. Another issue is that participation requirements actually fall short of the credit bearing class requirements. In short students are not getting a really good look at whether they are a good fit for the “rigors” of college. The final issue with UNIV/100 is that the course can be bypassed by students claiming 24 or more previous college credits. These credits are self disclosed and require no verification. So, if an enrollment counselor has a prospective student that does not want to take the free course. The counselor will tell the student to put 24 credits on the admission application to avoid the class. Make no mistake about it - this free course is an extremely waterdown and ineffective way of determining whether a student is actually prepared for the requirements of college. This is just any attempt to placate the government.

If this course were developed with an “academic logic,” the course would have all the same requirements as a credit bearing class, including a letter grade or pass/fail. The obvious reason this is not done is because of the potential negative impact on enrollment numbers.

- Tuition talk – students were often deceived when it came to the actual cost of attending UOPX. A wide spread deception that I heard from enrollment counselors was not explaining the difference between an academic year and a calendar year. For instance, an enrollment counselor would first say it takes 4 years to get your bachelors degree and it costs \$10000 a year for tuition. So a student would assume that total tuition would cost \$40000. In fact an academic year is shorter than a calendar year and is measured in credits. Each academic year is 24 credits. The bachelor degree is 120 credits. This means it actually takes 5 academic years to graduate. This means the true cost of tuition is not \$40000 but in fact is \$50000. I heard this type of manipulative talk on a daily basis. Another selling point that always annoyed me was when enrollment counselors would use Pell Grants to help entice prospective students to enroll.

- Students gaming the system – this concern has to do with the manipulation and fraud on behalf of the student. Please become familiar with term “pell runner.” This is when a student signs up for class with the intention of dropping out after they receive their pell/loan money. Pell running is something that is rampant in the online environment. The reason for this is because of the amount of assistance that for-profit enrollment counselors provide and the anonymity provided by the online environment – everything could be done by phone or Internet. I can only imagine the amount of money this is costing the government. There needs to be reconsideration on how Pell Grants are awarded. Talk about wasteful spending... My suggestion would be to get rid of Pell Grants completely and replace it with a “loan forgiving” program. Give semester to semester loans. If a student does not maintain at least a 2.0 GPA then place them on academic and financial aid probation and give them one additional semester to bring their GPA back up to a 2.0. If they are not able to bring their grades up they are no longer eligible for financial aid until they pay back what they have already borrowed. If a student maintains a 2.0 GPA or higher they will continue to get loans until they graduate. When they graduate the government will forgive a percentage of the loan depending on their final GPA. For instance if a student maintained a 3.5 or higher GPA you would forgive 60% of the loan. If another student maintained a 3.0 to 3.4 GPA you would forgive 50%... and so on. This would stop people from gaming the system – reward people for accelerating academically – and save the government tons of money.

I hope I have provided some additional insight to assist you in your efforts to regulate the University of Phoenix and all other predatory for-profit colleges.

Stop this nonsense!

Patrick Walsh