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STATE BOARD OF CAREER COLLEGES AND SCHOOLS

Redacted by HELP Committee

January 27, 2009

Redacted - Business Sensitive

Dear Redacted - Business Sensitive

This letter is in response to the concern you filed regarding ITT Technical Institute ("ITT"). In your complaint, you voiced concern over your financial obligation and in particular the Montgomery GI Bill funding you thought you would be receiving. The Board initiated an investigation into this matter and reviewed all of the financial documents involved in your enrollment. In response to the Board's request for information, ITT submitted the attached response to the concerns you raised.

The documentation submitted by ITT shows that you completed one term with the school and withdrew late in the second term. When a student withdraws from school, the school is required to calculate a tuition refund in accordance with Ohio Revised Code § 3332-1-10 and the school may also be required to calculate a refund of federal loan money in accordance with applicable federal regulations. According to the refund calculations, your total financial obligation to the school for those two terms equaled \$10,709.68. This tuition charge was financed through two loans for your education, one for \$5,760.80 and one for \$4,417.00. In addition to the loans that were used to pay your tuition costs, it appears that between March 2007 and July 2007, you received a total of six payments for veteran's education benefits in accordance with the Montgomery GI Bill to subsidize your tuition costs, totaling \$6,808.33.

For students who receive Montgomery GI Bill funding, it is standard procedure for a school to set up loans or other funding mechanisms for a student before they begin classes. This is due to the fact that the GI Bill funds are dispersed directly to the student after the student has already begun classes. The school cannot control whether the student uses that money to reduce their student loan obligations or whether it is used for other purposes. As such, the loans that you applied for while you were enrolled at ITT were properly attributed to your tuition charges and it was within your discretion to use your GI Bill funds to reduce your loan obligations. There is no evidence that ITT is in violation of any law or rule under the jurisdiction of this Board.

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ITT-00007708

ITT Educational Services, Inc.
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Finally, I would also note that ITT has served 155 veterans during the last two years and during a visit to the school in December, the State Approving Agency for Veterans Training conducted a review of the ITT's administration of veteran's benefits and nothing out of the ordinary was noted.

ITT has offered to meet with you and your mother and assist you in exploring any deferment or forbearance options you may have with your lenders. If you wish to accept their offer, you may contact Redacted by HELP Committee School Director, to set up an appointment.

Sincerely,
Redacted by HELP Committee

Investigator

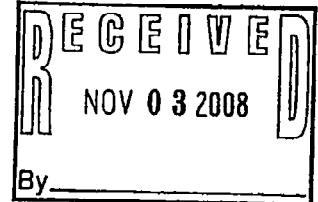
cc: Redacted by HELP Committee ITT Technical Institute ✓
Redacted by HELP Committee Senator Sherrod Brown's Office



ITT Technical Institute
ITT Educational Services, Inc.

October 29, 2008

Redacted by HELP Committee
Ms.
Investigator
State Board of Career Colleges and Schools
35 East Gay Street, Suite 403
Columbus, OH 43215-3138



Re: [Redacted - Business Sensitive]

Dear Ms. [Redacted by HELP]

I am writing in response to your October 9, 2008 correspondence in relation to a complaint filed by a former student of our institution, [Redacted - Business Sensitive]. I appreciate you providing me the opportunity to review and respond to [Redacted - Business Sensitive]'s complaint.

As evidenced by the documentation [Redacted - Business Sensitive] provided to your office, I have previously reviewed [Redacted - Business Sensitive] claims and provided him with a response. My prior response is the August 15, 2008 letter he included in his package to you. Since receiving your correspondence, I have again reviewed this matter and cannot substantiate [Redacted - Business Sensitive] claims that a member of our campus made misrepresentations to him.

Enrollment and Financial Aid

In November 2006, [Redacted - Business Sensitive] enrolled in our campus's Information Technology – Computer Network Systems associate of applied science degree program. As requested, I have enclosed a copy of [Redacted - Business Sensitive] Enrollment Agreement [Redacted - Business Sensitive] completed the December 2006 Quarter and then withdrew late in the March 2007 Quarter. It was not until his August 4, 2008 letter to our campus, which was over a year after his withdrawal from school, that I became aware of [Redacted - Business Sensitive] claims.

In enrolling at our campus [Redacted - Business Sensitive] met with Representative [Redacted by HELP Committee] and Financial Aid Administrator [Redacted by HELP Committee] Mr. [Redacted by HELP Committee] would have discussed available programs of study and other aspects of our campus with [Redacted - Business Sensitive] Ms. [Redacted by HELP] would have assisted [Redacted - Business Sensitive] in exploring his financial aid options and completing required paperwork and applications. As Mr. [Redacted - Business Sensitive] references an African-American woman, I believe he must be referring to Ms. [Redacted by HELP]

Upon receiving an August 4, 2008 letter from [Redacted - Business Sensitive], I discussed his claims with Ms. [Redacted by HELP] Ms. [Redacted by HELP] stated she made no such statements to [Redacted - Business Sensitive]. Further, she could not recall anything unusual from her meeting with [Redacted - Business Sensitive] which could have led to such a discussion about VA benefits paying for his schooling. Rather, Ms. [Redacted by HELP] assisted [Redacted - Business Sensitive] in packaging his financial aid for his desired enrollment at our campus.

As I stated in my letter [Redacted - Business Sensitive] our campus does not make any representation or promise of aid that a student will receive. Such determinations are made by the agency providing the aid.



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Telephone: (513) 531-8300 Facsimile: (513) 531-8368

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The assistance provided is outlined in the Financial Assistance section of campus's Catalog which states in pertinent part:

The school may, from time to time, provide the student with (I) information on federal, state and other student financial aid for which he or she may apply to receive and/or (II) estimates of the amount of federal, state and other student financial aid for which he or she may qualify, but: (a) the federal, state and other authorities, and not the school, determine the student's eligibility for any federal, state or other student financial aid; (b) the federal, state and other authorities, and not the school, determine the amount of any federal, state or other student financial aid the student may receive; (c) the student, and not the school, is responsible for applying for any federal, state or other student financial aid; and (d) the student, and not the school, is responsible for determining when and where to apply for any federal, state or other financial aid.

In meeting with ^{Redacted - Business Sensitive} Ms. ^{Redacted by HE} assisted ^{Redacted - Business Sensitive} in completing any required applications for Federal Financial Aid, such as Subsidized and Unsubsidized Stafford Loans, and for private loans. The estimated funding for his first three academic quarters of schooling was described in his Cost Summary and Payment Addendum (CSPA). I have enclosed a copy of ^{Redacted - Business Sensitive} CSPA along with his entire finance file for your review. As seen in the CSPA, ^{Redacted - Business Sensitive} there is no expectation of a branch of the military or Department of Veterans Affairs (VA) paying for Mr. ^{Redacted by HE}'s schooling. Further, as evidenced in the enclosed documentation, ^{Redacted - Business Sensitive} executed applications and promissory notes related to the loans he did receive as outlined under the CSPA.

Mr. ^{Redacted by HE}'s Charges and Funding

You have requested documentation related to the funding ^{Redacted - Business Sensitive} did receive. As to this request, I have enclosed a copy of ^{Redacted - Business Sensitive}'s Student Financial History. This document provides a detailed breakout of ^{Redacted - Business Sensitive} charges and funding related to his enrollment. As was stated in his CSPA, ^{Redacted - Business Sensitive} enrollment was funded through Subsidized and Unsubsidized Stafford Loans and a private loan which is noted as CALP loan on both the CSPA and Student Financial History. CALP stands for College Advantage Loan Program.

Veterans' Benefits

In your letter, you have asked how veterans' benefits are explained to potential students. Our campus does offer programs which are approved by the VA and allow eligible veteran students enrolled in those programs to receive VA benefits. A Financial Aid Administrator (FAA) may become aware that a student may be eligible for VA benefits while assisting the student through the financial aid process.

For example, a student completes a Student Profile relating to whether he or she is a Dependent or Independent student. In the Student Profile, the student is asked if he or she is a veteran of the U.S. Armed Forces and if he or she is on active duty in the U.S. Armed Forces for purposes other than training. Also, ^{Redacted - Business Sensitive} referenced a FAFSA form. The FAFSA is the Free Application for Federal Student Aid. A student completes a FAFSA in relation to the process of applying for

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Federal Financial Aid, such as Subsidized and Unsubsidized Stafford Loans. Within the FAFSA, a student is again asked if he or she is a veteran of the U.S. Armed Forces.

Should a student have a question about VA benefits, the FAA will typically provide an answer if known or refer the student to resources from the VA such as 1-888-GIBILL1 or www.GIBILL.va.gov. Also, the FAA may assist the student in completing an application for VA benefits. However, as stated above, it is the student's responsibility to complete any application and submit it to the VA. A copy of [Redacted - Business Sensitive] Application for VA Education Benefits is included in the enclosed documentation. As evidenced by the application, [Redacted - Business Sensitive] applied for benefits under the Montgomery GI Bill.

In having programs approved for VA benefits, our campus has certifying officials established who perform certain functions related to VA benefits. These functions include providing information to the VA on the enrollment status of student approved by the VA to receive benefits. As part of this function, our campus periodically receives notices of payments by the VA to our students under the Montgomery GI Bill. These payments are made directly to the students and not our campus. Our records indicate [Redacted - Business Sensitive] received benefits from the VA totaling at least \$6,808.

Refund Calculation

Next, you also requested a copy of [Redacted - Business Sensitive]'s refund calculation. I have included [Redacted - Business Sensitive] Student Drop Refund Calculation worksheet with the enclosed finance file. As stated in his Enrollment Agreement, the applicable refund to which [Redacted - Business Sensitive] is entitled depends upon the calendar week in the program course during which the student withdraws.

As stated previously, [Redacted - Business Sensitive] completed the December 2006 Quarter. As such, he was appropriately charged the full tuition. During the March 2007 Quarter, he withdrew from our campus. For each course in which he was enrolled during the March 2007 Quarter, Mr. [Redacted by HELF] last day of attendance was as follows:

<u>Course</u>	<u>Start Date</u>	<u>Last Day of Attendance</u>
GE127 College Mathematics I	March 12, 2007	April 23, 2007
IT103 Operating Systems	March 13, 2007	May 8, 2007
IT104 Introduction to Computer Programming	March 15, 2007	May 3, 2007

As evidenced above, his last dates of attendance in the three courses were all after the third calendar week. As such, [Redacted - Business Sensitive] was obligated for the full cost of each program course and any related fees. For the two academic quarters in which he was enrolled, [Redacted - Business Sensitive] total charges were \$10,709.68 as outlined in the enclosed Student Financial History.

Again, I appreciate you providing me the opportunity to respond to [Redacted - Business Sensitive] Complaint. However, as evidenced by the information summarized above, the facts do not substantiate that our campus misrepresented the funding for [Redacted - Business Sensitive] enrollment. [Redacted - Business Sensitive]'s expected funding was clearly outlined in the CSPA and other finance documents he executed.

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To assist [Redacted - Business Sensitive] and his mother, I and my Director of Finance would be more than willing to meet with them to explore and assist with any deferment or forbearance options they may have with their lender(s). However, the granting of any such option would be in the sole discretion of the lender(s).

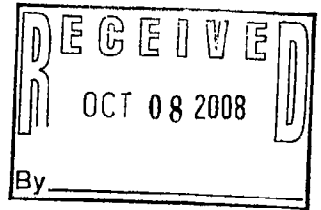
ITT Technical Institute does not prey upon returning soldiers as has been alleged. We recognize the sacrifices that veterans such as [Redacted - Business Sensitive] have made in serving in the U.S. Armed Forces. In fact, ITT Technical Institute offers the Daniel P. Weadock Military Grant for eligible students. As described in the school's Catalog, the Daniel P. Weadock Military Grant provides for a 10% reduction of tuition for qualifying students. [Redacted - Business Sensitive] total tuition for the March 2007 Quarter was reduced as a result of the Daniel P. Weadock Military Grant. The total tuition discount for that academic quarter was \$510.00.

Should you have any questions or require any further information, please do not hesitate to contact me.

Sincerely,
Redacted by HELP Committee

Director
ITT Technical Institute - Norwood

Enclosures



10/4/08

Dear ^{Redacted by HELP Committee}

Normally, a 26-year-old man doesn't need his mom advocating for him. But this is anything but a normal situation.

I expected my son ^{Redacted - Business Sensitive} be changed by his tour of duty in Iraq. But I could not have been prepared for the reality of those changes.

^{Redacted by HI} Ms. my son struggles on a daily basis with symptoms from PTSD (Post Traumatic Stress Disorder) and TBI (Traumatic Brain Injury). He suffers from bouts of depression, anxiety, headaches, nightmares, vision problems, mental confusion, insomnia, and many other symptoms. You have to pretty much "bottom-line" your conversations with him. He can't mentally process a lot of details. If you continue with your details, he is done with the conversation, unless you can return to a quick "bottom-line." It is my belief that the ITT Rep. may have quickly figured this out and taken advantage of the opportunity.

I remember when he called me from ITT because I was on my way out to an important occasion. He said the Rep. told him he needed a co-signor just so he could start school immediately, but not to worry about it, because the military was going to pay for everything, even give him money to live on and pay his expenses. He sounded so hopeful, something I hadn't heard from him since before the war. It was really hard for him to admit he couldn't continue going to school. He said, he just couldn't retain the material. It became too stressful for him to continue.

^{Redacted - Business Sensitive} is a proud, young man. He is not looking for pity or charity. He is embarrassed that he believed what he was told by the ITT Rep. He could hardly come around me when he found out Sallie Mae was calling me for payment of his loan. Veterans with PTSD commonly isolate themselves from family and friends. This made it even worse.

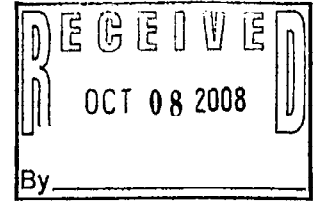
As a mother and a human-being, I am outraged that this kind of predatory lending tactic is used on anyone, but especially on an American soldier who gave everything he had and almost lost his life many times, and who continues to suffer.

I will pursue this, on my son's behalf, until someone listens and forgives these loans.

Thank you for all of your effort, it is very much appreciated.

^{Redacted - Business Sensitive}
Cathy Duncan

Redacted - Business Sensitive



10/4/08

Dear [Redacted by HELP Committee]

Thank you for inquiring into this matter of injustice. The following is [Redacted - Business Sensitive] account of his ITT enrollment experience as transcribed by me, [Redacted - Business Sensitive] his mother.

I can't remember the ITT Reps. name, only that she was an African-American woman. I told the Rep. I wanted to go to school, but the reason I couldn't go to school full-time was that I needed to work to pay for rent, food, bills, etc. She told me the Army would pay for the schooling and give me money to pay my expenses if I went to ITT full-time. And that she would run all of the paperwork through the school. She mentioned something about FASFA (federal aid for soldiers?). I promise you my complete understanding after talking with her was that, as a veteran, I could go to school full-time and receive expense money from the Army. So much so that, when the Rep. told me I needed a co-signor to be able to start school immediately, I called my mom, with the Rep. sitting right there, and told my mom that I needed her to co-sign so I could start school immediately. Because the Rep told me it would take a while to get the military funding. And the Rep. told me not to worry about it, that the loans would be paid for by the military. Now, the Rep was sitting right there, hearing me tell my mom what I believed to be the way it was, and the Rep. never once said, "No, I'm afraid you misunderstood," or anything like that. Why not?

So, when I received one check for approx. \$1400. and another a little over a month later for approx. \$1000., I assumed that that was the living expense money the Rep told me that I would be getting. I didn't receive any more checks, which I didn't question, because I quit school. I mentally couldn't do it because of the Post Traumatic Stress Disorder symptoms from Iraq.

And now I find out that I have a private and a federal loan through Sallie Mae. The private loan is apparently the one with my mom as co-signor. The loan amount is \$6805 at 13.250% interest for a total of \$9095!!!! (copy attached). I don't have a copy of the federal loan, but it is for about the same amount!

I went to ITT for approx. three months. The Rep. told me she would run all of the paperwork through and that I wouldn't have to do anything but go to school. I can't believe that I go to Iraq to fight for my country. I was almost killed several times and witnessed unspeakable horrors, causing me to continue to struggle mentally and physically. Only to be taken advantage of by an institution that presented itself as "veteran friendly", while deceiving me into a financial situation that only causes me more stress. Why would I take out loans, I don't even have a car or my own place to live?!

I really do appreciate you looking into this. My hope is that you can have these loans dismissed.

Thank you,

[Redacted signature box]
[Redacted - Business Sensitive]



ITT Technical Institute
ITT Educational Services, Inc.

August 15, 2008

*Mailed
8/15/08*

Redacted - Business Sensitive

Re: ITT Technical Institute - Norwood

Redacted - Business Sensitive

I am writing in response to your August 4, 2008 correspondence. I appreciate you bringing your concerns related to your enrollment at our campus to my attention. I am sorry to hear of your difficulties following your service in our nation's military. However, after reviewing the available information, the facts do not substantiate the refund or waiver of the tuition and fees related to your enrollment in the Information Technology – Computer Network Systems program.

In your letter, you claim you were told that the military would pay for your schooling. This statement cannot be substantiated. While our institution assists students in seeking financial aid for which he or she may qualify, we do not represent to a student that he or she will have their education paid for by a particular entity.

The Catalog you received at the time you enrolled at our campus outlined this further. Specifically, the Financial Assistance section of the Catalog states in pertinent part:

The school may, from time to time, provide the student with (I) information on federal, state and other student financial aid for which he or she may apply to receive and/or (II) estimates of the amount of federal, state and other student financial aid for which he or she may qualify, but: (a) the federal, state and other authorities, and not the school, determine the student's eligibility for any federal, state or other student financial aid; (b) the federal, state and other authorities, and not the school, determine the amount of any federal, state or other student financial aid the student may receive....

As this language states, the school makes no representation or promise of aid which a student will receive. Rather, such a final determination is that of the agency providing the aid. In speaking with the Financial Aid Administrator (FAA) who assisted you, the FAA does not recall any discussions that the military would be paying the full cost of your education. Rather, in assisting you with the financial aid process, there were discussions pertaining to your possible eligibility to receive benefits from the Veterans Administration (VA).



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Telephone: (513) 531-8300 Facsimile: (513) 531-8368

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ITT-00007734

August 15, 2008

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For your information, I have enclosed a copy of your Enrollment Agreement and related Cost Summary and Payment Addendum (CSPA). The CSPA provides an outline of the expected cost and funding for your first three quarters of attendance at the campus. Further, our records also indicate that you did apply for VA benefits. Any such benefits would have been paid directly by the VA to you. Our school does not receive these funds on your behalf.

Again, I appreciate you bringing your concerns to my attention for review and response. While I sympathize with the circumstances you have endured since leaving the military, I must review each matter based upon its own merits. In this instance, the facts do not substantiate a refund or waiver of tuition and fees.

If you have any questions or wish to provide any further information, please do not hesitate to contact me.

Sincerely,

Redacted by HELP Committee

Director
ITT Technical Institute - Norwood

Enclosures

August 4, 2008

Redacted - Business Sensitive

ITT Technical Institute
Redacted by HELP Committee
Director
4750 Wesley Avenue
Norwood, OH 45212

Redacted by HELP Co
Dear Mr.

My name Redacted - Business Sensitive write this letter to you with the hope that you will be able to help me. I Redacted - Business Sensitive Veteran who was honorably discharged from the United States Army, diagnosed with Post Traumatic Stress Disorder. For that reason, I have had to ask my mother to help me write this letter, as I am unable to do so, on my own.

After coming home from the war in 2004, I struggled to fit back in to society. I have tremendous anxiety doing the smallest of tasks. All I want is to be able to live a life doing something I enjoy and can do well and make an honest living.

That desire led me to your school in 2006. I was hopeful when your representative gave the impression that the Norwood Campus was "veteran friendly". I felt like I was finally going to be able to start over and really do something with my life, in spite of the trauma I had suffered in Iraq.

The ITT Representative I met with told me that the military would pay for my schooling. But, since it takes awhile to get the money from the military, I should get the loan now, so I can start classes immediately. I also would need a co-signor, but none of this money would come due to me, it would be paid for by the military.

I asked my mom to co-sign, with the understanding that this was just a technicality, so I could start school immediately. My mom only did so, with this understanding, so that I could start classes since she knew how hard I had been struggling since the war.

I went to your campus for about three months and I really tried as hard as I could. With the PTSD, I just couldn't do the work. It wasn't easy for me to give up. It was really hard. Mr. Redacted by HELP Co I thought if I really tried, I could do it. But being in Iraq really effected my ability to concentrate, more so than I knew.

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ITT-00007744

ITT Educational Services, Inc.
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Then a few months later, I got bills from Sallie Mae saying I owe money for two loans! A federal and a private loan! What!? I was told I would never see a bill. Now, I'm not only trying to get my life back, but also have the added weight of two student loans that I can't even begin to pay for. I also have a lot of guilt, because I can't pay the loans, my mom is being harassed by Sallie Mae. I can hardly go around my mom because of this. She did this on the word I was given by the ITT Rep. that I would never see a bill for this. I called your financial department and was blown off and basically told that that's the way it was and there was nothing they could do.

Mr. ^{Redacted by HELP Ct} I feel this is an injustice. I came so close several times to losing my life in Iraq protecting my country. My injuries are not visible to the naked eye, but they are just as real. Me and my family have already paid, and are still paying, a high enough price. Your corporate philosophy stated on your web site is: "Long-term integrity is worth far more than short-term profit."

I believe my case is a perfect opportunity for this philosophy to be more than just words.

Thank You

Redacted - Business Sensitive

NOTE: ^{Redacted by HELP Committee} I am **Redacted - Business Sensitive** For many people, this war is an abstract sound-bite on the evening news. But for our family, it continues to be very real. We almost lost ^{Redacted - Business Sensitive} several times, and those are only the incidents he was able to tell us about. He came home from Iraq a very different young man. As a mother, it has been, and still is, painful to watch my son try to climb his way out of a mental and emotional hell. There is no quick fix. I believe, he will get better and find his way, with time and much support. I am working to get ^{Redacted - Business Sensitive} in a PTSD in-patient program with the VA Hospital. He is having such a hard time that he said "He is tired and just wants to die." I will not have my energies divided between disputing these loans and getting him the help he needs to save his life. As he said, the weight of these student loans only adds to his struggle. He wouldn't have taken these loans if he thought he had to pay them. He knew he couldn't.

He feels so bad about Sallie Mae hassling me for payment of his loan, that he can't pay, that he will hardly come around me. I feel like I'm losing my son all over again. Our family continues to pay very close to the "ultimate price." Enough is enough. We hope your attention to this unfortunate situation will be one of integrity.

We are working with Senator Sherrod Brown's office to find justice for ^{Redacted by HELP} by getting these loans forgiven. We owe him that much.

Therefore, we ask for the loans to be forgiven by ITT and for you to contact Sallie Mae to stop the harassing phone calls and cancel the debt.

Thank You

Redacted - Business Sensitive