

July 2, 2013

U.S. Senate Committee on Appropriations
Defense Subcommittee
Room S128, The Capitol
Washington, D.C., 20510

Chairman Durbin and Ranking Member Cochran,

My name is Lucas Janchenko and I am reaching out to you to share some of my experiences as an admissions advisor with DeVry University-Online from 2007 until 2011. I am not sure how many advisors have come forth to give you experiences from “behind the headset”, but I wanted to make sure that you had as many examples as possible so you can figure out a proper path forward when dealing with regulation and sanctions for the for-profit college industry.

In 2007, I was hired along with roughly 15 other advisors after a group interview. The recruiter that I had been working with said that the position was marketed as an “inside sales role for a fortune 1000 company”. As that was the case, I sold myself as a salesman. During the group interview, roughly 30 of us were asked to explain why we wanted to work for DeVry in the role. Many people said that they wanted to help people get into college or help students navigate the minefield that is college. These answers were very noble; my answer was different. “I want to make money for the company and myself”, I told them. Many people laughed, but what I found is that most of the people who had given a more “noble” answer were not given the position. In fact, my first director of admissions said the fact that I wanted to make money was the reason they hired me. “We are a business”, she told me, “We need to push revenue at all times. That mentality is important.”

Unlike many others on my team, I was never under the misconception that we were there specifically in order to help students achieve goals. I knew what the position was and, though I was never very proud of it, it paid the bills and paid them well. For the first year or so, I was able to use my judgment to find qualified students with real potential in college who could benefit by getting specific degrees at DeVry. In the beginning of 2008, however, the company was looking to vastly expand its market share in the online marketplace and shifted how we dealt with students.

It went from finding quality students who have the time, the means and the ability to do well to finding students who would sign on the dotted line. When I expressed reservations to senior level management about how we were “selling” students and that I thought we were setting them up for failure, I was met with, “It is not your job to worry about how the student will graduate; it is to get them to start.” The admissions department was not accountable to the students after they began class. Our job was to get them into class one and two so they would be financially invested enough in the college to continue throwing money at it. We were trained aggressively in SPIN selling as well as several ZigZiglar hard sales

techniques. Zig Ziglar was an accomplished sales professional and author. He was an expert in our mission which was 100% sales over anything else. Borderline ethics was the name of the game. SPIN selling was finding a way to make the student forget their concerns and only focus on how the enrollment option is the only way for them to change their future financial well being. A manager I once had would send out video clips from the films *Boiler Room* and *Glengary Glen Ross* to drive us to sell the students as if we were selling stock, or cars or any number of other things that frankly do not carry the weight or cost of a four year private college degree.

We were to keep track of our dials, contacts, interviews, applications and “deposits” on a day to day basis. My style of dealing with students was always very relaxed and I was constantly reprimanded for not going for the “close” on every call. Sr. management was always focused on making sure we “found the pain” of the student and just picked at that scab. For example, if a single mom was struggling financially and was concerned she couldn’t pay the bills we would tell her she had to go to school and nothing would change if she didn’t. The “pain” was typically the situation and the only way our was to “spin” them into seeing the benefit of graduating even if the student had concerns about simply registering. While I agree it is important for a student to have a reason to attend college, I sharply disagree with instilling the idea that if a person does not apply to DeVry immediately for a program they neither want nor are qualified for, that said students children and children’s children will probably never attend college. That was what we were supposed to imply to those who had children.

We had a script that some followed and I rarely did. This script was created and revised several times by a team of professional sales consultants. As explained to us by management, it was designed to get five “yes” answers out of a prospective student. They pointed to some psychological theory that suggested getting a person to verbalize “yes” five times would almost assure a sale. I never found that it worked, but some swore by it.

The payment structure was set up to be very lucrative to high closers and to weed out those that were not. For example, an average advisor would make \$40,000 a year. Every 6 months, we could have our salary adjusted \$8000 in the positive or negative based off of start numbers. If we hit our targets, we would go up. If we missed and did not sell enough, we would go down. If you went down twice, you were fired. I personally went from \$52,500 to \$45,000 overnight, which was devastating to my family. They fired in bunches, many times firing 5 or 6 low earners on the same day. They often would veil the reason for the firings as a “breach of ethics” or “compliance violation” yet, no one who ever hit target ever seemed to be included in those groups. It was common knowledge that top earners would step well outside of ethical guidelines, going so far as to forge signatures on important documents or pay application fees for students, in order to maintain the level of sales that they had previously built. These advisors were commonly the ones that received company wide recognition that was both in form of bonuses and things such as trips or gifts. PRIDE was an event that touted “The best of DeVry” and flew high performing recruiters to a typically exotic location for an awards ceremony. Those high performers invited to PRIDE often were given a large cash door prize. Bonuses came smaller than this as well. I clearly remember sitting outside of Elise Awaad’s (Sr. director of online admissions) office in 2009 when a group of perhaps 20 top advisors were called in and handed nondescript white envelopes, each with a

check for \$500+. We were asked to keep that quiet as it would be in direct violation to the federal guidelines when it came to incentive pay.

I had been prepping to leave the company in 2010 when the National Director of Admissions, Anton Paul Weber, held an emergency all staff meeting. He brought up news stories about how University of Phoenix had cut work force and Kaplan had done the same. He told us, in no uncertain terms, that unless we sold significantly more students, we would be cutting staff. This is the first time I had ever seen an open threat to fire people based solely off sales numbers.

We immediately went “hard sales”. Going from 80 dials a day to over 200. We were told to work overtime, Saturdays and the occasional Sunday (without bonus pay, mind you) in order to front log our books, assuming we would have to severely change the way we found students after the new federal compliance rules came into play. This meant getting students “applied” so our books would be front loaded. This made our numbers and profit potential look healthier. Application fees were essentially waived for all students, former admissions obstacles were pushed aside and all kinds of liberties were taken with student files in order to coerce as many students as possible into class before the July 1st deadline.

I have since left the company after having a series of rather large disagreements with several managers. I still work in the admissions field for a company that administers the online programs for numerous private and public not for profit universities. We are doing our best to match the tradition and respectability of a brick and mortar not for profit college with the schedules of today’s working adult. I am very proud of the work I do here and feel that every student deserves to be treated with the respect that we treat ours with.

In closing, I wrote this letter to provide you with some examples of just why I feel DeVry and the for profit college model in general are in need of some serious regulations. The management and policies of DeVry deceive not only the students, but the general public. I feel that people, be them armed forces or civilian, deserve the right to not be sold into a college that ranks among some of the worst in the country. I hope that you and your partners in congress can share that belief and are ready to act against the “bad guys” of higher education.

Respectfully,

Lucas Janchenko