

Dear,

My name is Christopher Gross; I worked for DeVry University as a Military Admissions Advisor and Business Process Analyst from July 2007-July 2010. From the top, I found the organization to be managed by seemingly intelligent, corporate focused individuals who closed their eyes to the way the business was being run “on the floor.” The corporate managers turned a blind eye to improper practices for revenue.

The first time I felt odd about the company was during my interview. I had asked a question regarding funding and pay incentives based on targeted recruitment numbers and how that appeared to be out of the norm for the education industry. I was immediately asked if I was a government employee sent to monitor their interviews. When I responded “no, I just ask a lot of questions” I was informed that “we ask all of our applicants this question, because we’re a heavily regulated industry-Mark Cuda 2010.” As it turns out, they don’t ask their applications that question, only when they fear their being subject to an audit or worse, an investigation. As it turns out, this was a surprisingly often-talked about event, as the weeks, and months passed by, I soon learned why.

DeVry University is a publically traded corporation on the NYSE. Like all corporations, their loyalty is to their shareholders. I hope the following information helps solidify the absolute conflict of interest of for-profit education, and specifically DeVry University.

Recruitment

The first glaring issue is the formal sales training that is mandatory for all advisors. DeVry employs a staff of full time trainers, generally this sort of work is out-sourced, or provided on a consultant or retainer basis, but with the numbers of “advisors” or salespeople that are constantly coming and going, it’s more cost effective to keep them on staff. Immediately you are thrown into the process, pick up the phone, dial the leads, engage the prospect, read the script, take the tuition deposit, register them for classes and pass them on to the support side of the business. The first floor of the Naperville call center was entirely staffed by sales people. The expectation is 100 calls per day to “interested prospects.” Who you’re really calling are people who have ended up on a data analytics list sold by lead generators. The vast majority of “prospects” have very little to no interest in attending college, or DeVry specifically. But that’s solveable, DeVry puts all their sales people through SPIN training where you are taught to overcome the objectives immediately, to “find their pain, and squeeze.” I was once instructed to guide an interview with an applicant like this:

Advisor: Are you currently happy with your current employment situation?

Prospect: No, I’m currently unemployed; I’m looking for a job.

Advisor: How do you think your wife feels being married to a husband who doesn’t have a job?

What an awful way to talk to someone? It was directed, intentionally, to stir up emotion, and cause the applicant to change their situation. Unfortunately, the vast majority of DeVry students would make simply be adding debt to their already dire situation.

The entire business model and culture was around quick sales with little to no actual customer service. Professional sales people were employed to cold-call, and close prospects at extremely high rates. The average advisor was given approximately 150-200 leads, and required to close 10 of them every 8 weeks. Failure to meet your quota for two sessions was grounds for termination. DeVry outspokenly prided itself on being a quality, top notch school, with a reputable online program-they went to great degrees to distance themselves from their competition. While this information is hopefully, at the least, eyebrow-raising, it's not illegal. DeVry did go through serious efforts to say one thing, and do another. The speech from management in group settings was to operate legally, but the message from management one-on-one was "if you want to keep your job, hit your numbers-whatever it takes." This was accomplished via two methods: The first was almost instant termination for those "not performing" and the second was rewarding those who were, via corporate paid holidays at resorts, envelopes of cash for hitting bonuses, promises of extra-curricular activity, increased salary, etc.

Statements like "you know, over 90% of our graduates are working within their field of study within 6 months of graduation, and you can graduate in 2.5 years with a bachelor's degree that has the same accreditation as Harvard or Yale." It's tough to argue with these statements. DeVry University is a regionally accredited university-which is part of the problem: this allows them access to Title IV funding- and so are Harvard and Yale. The "90%+ of our graduates who are working w/in their field of study" is also not entirely true. The misleading portion of that statistic is that DeVry counts the extremely inflated number of students that are already working full time, and are enrolled because they need a bachelor's degree to secure a promotion. The statistic that is kept extremely quiet is that less than 18% of the students who start, graduate.

Recruiters also tell their students that "over 95% of our students use financial aid; we'll put you in touch with a financial aid advisor who will help you get qualified for grants and scholarships." They purposely don't talk about loans, unless the student asks, and then, the recruiters will say: "well yes, if the grants don't cover it all, you'll have the opportunity to apply for loans, because we're a Title 4 funded school." The recruiters use that funding source to their advantage. Very few students realize the enormity of debt they will incur and the monthly payments that will be levied upon them if they start, and graduate from the school. During my employment, DeVry charged \$575/credit hour. If a student starts, and takes all of their courses, they'll owe over \$72,000 in tuition alone. This is not mentioned. It is not mentioned that the student can expect \$500/month in student loan repayments. It is all sugar coated, and passed over with statements like "you're going to make 3, 4, 5 times the amount you're making now-you'll have a college degree."

Recruiters were encouraged to make over 100 calls a day, regardless of the amount of phone numbers they had. They were encouraged to call, and as soon as the person answered the phone, go into the script, and not allow the person off the phone, whether they were at work, in the military, in the car. Military members were encouraged to take classes whether or not they were deploying, going into extended field ops, etc. they were told that they could print off their homework and take it with them, and that anywhere they had an internet connection, they could log in and do their work. This is completely contrary in regards to what it takes to succeed in online courses. To be a truly successful online student, you must log in at least 3 times a week and spend about 60 minutes participating in "online discussions." Then you must complete whatever assignments offline you needed to. As a former active duty Marine, I can verify with that it would be extremely difficult, if not unrealistic for service members to take online classes while deployed, in the field, etc. As a Marine, and as a person with a conscience, I didn't pursue those students, and my promotion potential and salary suffered. I did not

and would not sacrifice the well being of those service members on the phone for the sake of putting in more students, but that attitude was on the wrong side of the 90/10 rule. 90% of the recruiters would make that deal every day, and put those military student in the online classes whether or not they were prepared, and/or going to be around to complete the class. If the service member withdrew because of hardship after three weeks, they had to personally pay back somewhere around 40% of the tuition cost back.

It didn't matter to the recruiter whether or not the student passed the class, in fact, recruiters often never spoke to the students again, unless they were looking for referrals, because the recruiter got paid whether or not the student got an "A" or an "F" in class.

Any problems that came up with regard to putting paperwork through for military students were ignored by the "Assistant Director of Admission" the recruiter's manager. The recruiters were told to "find ways to get it done." This put pressure on recruiters to find unethical ways around recruiting. It was not overtly directed by managers to forge documents for the students, but it was common for recruiters to forge documents and get the student to sign it later if they needed to push documents through for registration.

"Put asses in classes" was a very common statement to hear from managers. Managers would strong-arm recruiters into making numbers. I worked with a very sweet girl who was told that if she wanted to take time off (to go on her honeymoon) she had better put 15 students in this particular session." When the girl missed the almost unattainable mark, her vacation request was denied by the same manager that made the deal. This was routine behavior from this particular manager (Derek Smits) and his team often led DeVry with the most students each session. His approach was ignored by his director and VP who were on site, and his employees found ways to meet those numbers, ethical or not.

Often times, recruiters would call students from home, from their personal cell phones and help the student get applied for financial aid or take the test. Some attractive female recruiters would send the students revealing pictures of themselves as incentive to get through the cumbersome admissions process. Military members were pried upon to get things done within 1 week, because the managers knew that military members were good at following orders, it was their conclusion that the military member would be easier to get registered once signed up. The school did everything it could to make it a "no brainer" for the active duty or reservist to go to school. The application fee was waived, and the promise of a free class was offered through tuition assistance. Then, the school would have a "everyone signs up for Financial Aid" mantra that would "almost guarantee that because you make such a little amount in the military that you'll get a Pell grant to pay for your book, and probably put an extra \$1,000 in your pocket." They incentivized service members to take classes for the sake of making money. This came from the top down. They were also told that "education loans have really low interest, so if you need money for something, you can take out a loan too." If the service member didn't have a strong enough financial background, to realize this was a bad move for their future, the recruiters would push these things to ensure that one way or another, if the tuition assistance paperwork didn't come through in time, that there would be a backup. This was encouraged from the top down. It was also customary for the school to obtain signed GI Bill paperwork as a backup. This was also a huge drain on the service member's future. If the military member used the GI Bill while on active duty, they severely lessened the future purchasing power of the benefits of the bill once they got out. This practice was encouraged from the top down as well, with disregard for the future of the service member. Management was concerned

about the current session's enrollment only.

Admissions

From the introductory call to the compensation plan, DeVry is riddled with subjective morality, and borderline illegal activity, certainly not in the best interest of the taxpayer subsidizing their customers. It begins with the "admissions process" this is the for-profit sectors code for qualifying the prospect. In order to be submitted to the online school, the prospect must meet one of the following criteria:

- 2.7 GPA from high school
- 19 on the ACT with a minimum in Math, Reading, English and Science
- A specific score on the ASVAP
- A passing score on the online admissions exam

The admissions exam is where most advisors select their prospects. The student had two opportunities to take the exam-which was quite simple. If they failed the first time, they were given another chance. Very few people failed. The issue is, there is no way of authenticating who is taking the exam. A username and password is provided to the e-mail address the student provided. If the advisor was talking to "john smith" and the e-mail address they provided for the test was peterjones@yahoo.com no questions were asked. Prior to the student even taking the exam, you'd hear advisors say things like "remember it's *ONLINE*, you don't have to go to a classroom, or an office where anyone can see you. You can do it from the comfort of your own home. All of that is true, and it allows admission of unqualified individuals to sit in college-level courses designed for 16 weeks, rushed into 8. DeVry admits students who may, or may not-but generally are not-academically prepared for college level courses. It was certainly a rarity to deal with a student you would feel was academically prepared, and who would succeed.

Compensation

While I was employed there, Compensation was directly related to the amount of students the recruiter put in every session (8 weeks) then those numbers were averaged over 3 sessions and so the advisor would get reviewed once a year. If you did well one review period and got a pay raise, but did poorly the next review period, you would lose money. Additionally, DeVry had a metrics for their compensation. They said that the number of students was only 50% of the review metric, and that other things like "TEACH" were the remainder of the metric. This stood for:

- T-Teamwork and Communication
- E-Employee Focus
- A-Accountability and Integrity
- C-Continuous improvement
- H- Helping students achieve their goals

Realistically:

T- If you didn't contribute your 10 students, then you were not a team player because someone else had to make up for it to attain the 100 mark of the team goal, and would therefore receive low markings.

E- You'd score high in the "E" category if you were reliable sales "closer" and helped other employees "close."

A- You'd score low in "A" if you told the manager in the around the room sales meetings that you thought you'd put in 10 students, and then you only put in 8, you were not accountable, and you lied about your numbers.

C- You would score low in "C" if you didn't put in more students than you did last session.

H- You would get a low score in your "H" if you didn't help 12 students achieve their goals, you only helped 8.

Unfortunately these "TEACH" values were always relegated to the number of students you put in and the second part of the compensation plan came directly from the straight sales, or number of registered students. This accounted for 50% of your salary. The student counted as a "start" as soon as they made it passed the 2nd week of course. Often the advisors would call the student on the first day to "ensure they had no problems logging in" but really, to ensure they DID log in. Log in reports were generated, and management didn't take no for an answer, the recruiters were told to get the student logged in (the password was always their month and year of birth) and it was common to hear of recruiters who would log in for their students to ensure their students weren't on the "naughty list." The school would see them as a "start" and the advisor would get their credit.

Overall culture

Every 4 months the company would rent out a large room and managers would give awards and publicly congratulate all the recruiters who "did their jobs" and put in the most students. Sales turnover was very high. I worked there for 3 years and count on 2 hands how many people were there before, or around the time I started. Student focus was no priority. Making money, making sales, closing, that was the focus. Movies like Glen Gary Glen Ross were shown, specifically the scene where the main character says "you want coffee? Coffee's for closers." That was the DeVry culture: They incentivized closers- which is fine for car sales, or jewelry sales, but when you're improperly qualifying students, and then signing them up for tens of thousands of dollars of debt, that was loaned by the taxpayer, there's a problem. It was capitalism at its worst- at the expense of the customers, of the taxpayers and of the education institution in this country. DeVry does have some good classes and some good programs, if you're an intelligent, capable person; the problem is that they don't target those people. They target underprivileged, undereducated, economically deprived people, and they sell them on an "American Dream," that college is for everyone and that you don't have to quit your job to go to school, you can come home and do it online. While it's not untrue, it's not true for the people they're selling this dream to. For the most part, many of the people who attend these courses don't have what it takes to be competitive at a public State or Private non-profit education institution. They sell college as a diploma and not an education. They sell it as going through the motions and not putting in the time and effort. It's a windmill of applicants; the school turns a blind eye to acceptability, and focuses on revenue. If you sympathize with the student at all you hear that "DeVry writes your paycheck." It is very hard to do that job honorably for over a year if you put the student first. You definitely won't get promoted or get a pay raise. The bottom line, in my experience, is that the for-profit education industry isn't comprised of

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ethical, accountable professionals with a few bad apples, it's a greedy, corrupt industry with a few good seeds that don't last.