

## **Testimony of Kathleen A. Bittel**

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Committee  
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Mr. Chairman and the members of the Committee, thank you for the opportunity to testify before you today. I come here today to talk about all those whose lives have been ruined by insurmountable student loan debt.

I began working at Education Management Corporation after being a stay-at-home mom for 14 years. Those years were the happiest time of my life and I am thankful that I was afforded a luxury that many families cannot afford. But that happy time came to an end three days after our third child was born when we discovered that my husband had Testicular Cancer. A highly curable cancer, he had surgery and radiation and was pronounced "cured"...released from follow up treatment. Five and one half years later, the cancer came back with a vengeance. It was in that moment I realized the folly of not pursuing higher education. I was a mom, with no education and no work experience...how was I going to support my children when he died? I immediately enrolled at the University of Pittsburgh in their psychology program. My goal was to counsel troubled children. It was also to complete the degree before he died but that was not meant to be.

Shortly after I began my studies, one of my township supervisors appeared at my back door and stated that they had become aware of my situation. Because both my husband and I had been such active volunteers, doing much good in the community, they wondered if perhaps I would like them to help me get a job within our county government. I started in the secretarial pool, and was subsequently promoted through 7 positions culminating in the dual positions of Child Support Enforcement Officer specializing in Interstate cases and Court Officer where I helped to prosecute non-compliant cases by presenting evidence to the presiding judge in court.

I did not pro-actively seek employment with Education Management Corporation. EDMC contacted me by phone, stating that they had found my resume on Monster.com and wanted to interview me for the Assistant Director of Admissions of Argosy University opening.

I have worked at Education Management Corporation for almost the past three years. For the first 16 months I worked in the admissions department at Argosy University, which is owned by EDMC. The department was a high-pressure and unsatisfying work environment. We were constantly pressured to deliver a minimum of two applications per week. New "leads" were to be called three times a day for at least a week, then you could drop back to two, then one as the month progressed. Most of these leads were also being sold to the other online schools, so these poor people were inundated with phone calls mere minutes following their oftentimes unwittingly submitted information. These calls would continue to each of them for months.

I did not feel that I was helping students to achieve their goals beyond their enrollment. Assistant Directors of Admissions (ADAs) were responsible only to keep the student enrolled and attending the classes for one week. Subsequent to that first week, we were discouraged from

“wasting time” in speaking with anyone already enrolled in the program. Out of the 96 students I enrolled, only 46 continued to be taking classes when I checked on their status 16 months later. Additionally, more than half of the students still enrolled were on Academic Probation. This distressed me.

The more I spoke up against what I felt to be inappropriate direction of the department, the lower I fell in the “lead stream”, making the meeting of my quota extremely difficult to do. I worked many overtime hours to reach my goals. I knew if I was to stay with the company then I needed to find a healthier work environment.

I found my way into the Career Services Department, working with the Art Institute brand. Although previously earning \$55,000, I took a pay cut to \$36,000 because I was honestly seeking a way in which I could give back to the students I had talked into the program. I was also promised an additional \$3,000 per quarter as a bonus for meeting my quota.

At first, I found it very rewarding to have the opportunity to get to know and work with the industrious graduates of the Art Institutes who were actively seeking a better life. I felt I could provide valuable assistance in helping students find good jobs in a poor job market.

But that feeling did not last long. I realized quickly it was all about hitting quotas instead of really helping students find meaningful work. I quickly came to see that career service department’s primary role is to lend credibility to the brands of EDMC by allowing them to claim such large numbers of successful graduates working in their fields. But these are not realistic numbers that are being reported.

It is important to note, that although there are approximately 1,600 admissions recruiters at EDMC, there are only 9 career service advisors to accommodate the graduates of all of their online programs. This number was broken down into 5 advisors for the Art Institute Online graduates, 2 advisors for the Argosy University Online graduates, and 2 advisors for the South University Online graduates. I worked with the Art Institute brand and was responsible for 50 – 60 graduates in each class. We were responsible to work 3 classes simultaneously. We have only 6 months to work with each class and the pressure to find gainful employment for so many in such a short period of time was overwhelming.

Early on in my employment with career services, a co-worker showed me how to manipulate information received from a student, to ensure that the student could be listed as “gainfully employed” for the purposes of the company’s statistics. This same co-worker later came to me exhibiting two documents: one was a signed Employment Verification form from the graduate stating they were working in their field earning \$8,000 a year, the other a printout from salary.com estimating that the average salary in that field and in their zip code would be \$25,000, which would meet the salary threshold of \$10,500 to justify marking them as employed in their field. “Which one do you think I’m going to turn in?” they laughed as they tossed the graduate’s document in the trash and entered the salary.com data into the student’s file. These kinds of actions were not discouraged by managers. It is important to note that I immediately reported these actions to the supervisor I had at the time, who promised to discuss this with the head of the department. No disciplinary action was taken.

Much to the contrary, this same co-worker who changed the student's salary data received EDMC's "North Star Award" shortly thereafter. The intent of the award is to exhibit to other employees that "this was a star to follow." Although the policy is not written down, the message of the company giving this award was abundantly clear. Employees who hit their numbers will be rewarded regardless of whether graduates actually succeed, or whether the information entered truly represents the graduates' circumstance.

Refusing to cheat my students by withholding my help, I struggled to reach the increasingly impossible quotas by doing it the honest way. But as the job market grew dim, it became impossible to honestly reach the 85.9% employment quota. When I missed my quota by one tenth of one percent, the company docked \$500 from my "bonus" and I was told that I could lose my job if I failed to meet October's goal. That "verbal warning" was subsequently put into writing and delivered to me during the next the meeting.

I was constantly reminded that my numbers were not as high as they wanted them to be. The situation culminated when I was called into a conference room with my supervisor as well as the head of the department. The head of the department interrogated me, asking the same questions over and over. "Why were my numbers the lowest on the team, and why did I think that everyone else had the numbers he wanted and not me?" He demanded that I provide him with a plan on how I intended to meet his number, reminding me that my job was in jeopardy should I fail. He decided that he was going to impose a new weekly quota on me to place two of my graduates in field related jobs, it was specified that no waiver was permitted, it must be field related employment. Given that only three out of the 11 graduates I was working with were actively looking for employment, I believed it to be impossible to achieve this goal without inventing their employment.

In some instances we were able to essentially eliminate graduates from the employment statistics if we could prove they had extenuating circumstances that prevented them from seeking field related employment. A waiver could be used for:

- Military – active duty military or the spouse of a soldier
- Medical Condition – primary care-giver or suffering from a medical condition or disability preventing them from work
- Established Professional – someone who had worked in an unrelated field for at least 6 months earning a minimum of 10% more than the average starting salary in their degree program
- Stay at Home Parent – one not seeking employment, choosing to raise their children instead
- Education – one who was continuing their education and choosing not to seek employment at that time

In other words, if a graduate was not actively seeking employment due to one of the above listed situations, they were removed from the total number of graduates prior to calculating the number of those gainfully employed. The established professional, by signing this form, was essentially acknowledging that they could not leave their current employment due to the "financial

hardship” it would cause them, because a job in their degree field would pay them far less than what they were already earning in the field they had hoped to leave by obtaining the education.

In addition to these waivers, there were other problems with the statistics that EDMC reported. I was repeatedly pressured to call graduates working in unrelated fields and review with them the courses they had taken while at the Art Institute to find obscure details of their current jobs where it could be considered that they were indeed “using their skills”. If one could convince them that they were using these “skills” at least 25% of the time in their current job, and to sign the employment form stating so, then their job could be counted as field related employment. This was rife with abuse. Employees were expected to convince graduates that skills they used in jobs such as working as waiters, payroll clerks, retail sales, and gas station attendants were actually related to their course of study in areas like graphic design and residential planning.

Also to be counted as employed for EDMC’s statistics, a graduate only needs to be working at their job for merely one day. There was no company policy stating that a graduate had to be currently employed in order for their job to be counted among the statistics. If they had worked in their field for one day within the time period between graduation and the six month deadline, it was routinely included in the statistics as gainful employment.

Weekly meetings were held with the team including all 9 advisors and 2 supervisors where we discussed one another’s problem graduates. By problem graduates I mean those who were either non-responsive, non-cooperative, lived in remote locations with minimal opportunity available to them, or unemployed with no viable prospects in sight. Much brainstorming was done in order to come up with other angles that we could employ to make them fit into the employment category before the deadline. Many of the examples that I have previously listed are the result of these brainstorming meetings.

Reaching the breaking point of my conscience due to the constant pressure to do things I felt to be morally unethical, I requested, and was granted, a leave of absence on August 23, 2010. I requested a meeting with the Director of Human Resources and “blew the whistle” on all of the practices previously stated in this report. I verbally provided this information to the Director of Human Resources and answered her many questions, allowing her all the time she needed to take what appeared to be copious notes. The only information I did not provide to her was a hard copy of my notes, and I did not name names. I was assured that the matter would be taken seriously and that there would be an investigation.

The Art Institute is expensive, ranging from \$21,000 for a diploma to \$84,000 for a bachelors degree. This does not include the cost of books and expensive equipment such as computers, cameras, and software programs. I know that some of this required software can cost as much as \$1,900. The school also charges a \$100 per class in “lab fee” which is not included in tuition. This adds an additional \$1,500 to the cost of a diploma, \$3,000 to an associates and \$6,000 to the bachelors. The total cost for this education may be more than any of these students will be able to afford to invest in a home because all of their future dollars will be going to repay this enormous debt and interest.

I believe that the EDMC schools, including the Art Institute, do offer some great courses. There are many excellent teachers, especially those who teach in the ground facilities. For online courses, because an 11 week curriculum is squeezed into 5 ½ weeks, it can be a struggle to learn. Students must mostly learn on their own, and there is often insufficient support provided by the school. If the student does not have the prior education, background, and abilities needed to succeed then they will either drop out before completion, or complete with low level skills that will never find them “field related” employment earning enough to repay their debt, much less live meaningful lives.

I believe this to be a systemic problem, and not one found only in this school system. More focus should be put into researching and developing programs in the sectors where jobs will be needed in the future, and training should be being developed in those areas and not the “easy sell passion fields.”

Thank you for this opportunity to present this testimony to you today.