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Court filing reveals for-profit college recruiting tactics

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SALT LAKE CITY — Admissions representatives at for-profit Everest College were instructed to make prospective students feel hopeless about their lives in an effort to convince them to enroll, according to a court filing by a former employee.

In a 13-page declaration filed in a lawsuit against the school's West Valley City campus, the former admissions officer details a recruiting process centered on aggressive, scripted sales pitches. The document was filed this month after the college's California-based parent company, Corinthian Colleges Inc., had the suit transferred into federal court.

Three former students sued the company in September, alleging fraudulent misrepresentations about the cost of its programs and their ability to transfer credits to other schools. The company has asked a judge to force each student into individual arbitration, based on waivers they signed when they enrolled.

However, their attorney, Randall Spencer, said the Utah Consumer Sales Practices Act gives his clients an explicit right to file a class-action lawsuit.

"The UCSPA is designed to protect consumers because the Legislature knows many people don't read the fine print," Spencer said, adding that it would not be economically feasible for his clients to file separate suits.

In the declaration, Shayler White said he worked for Everest College from December 2009 until September 2010, when he was laid off for failing to meet enrollment quotas. He said admissions workers could receive a \$5,000 salary bump for enrolling 36 students in six months.

They were instructed to use "power words" like "career," "professional" and "successful" to sway potential recruits, White said.

"The tactics also included questions designed at putting down the prospective student, making them feel hopeless, bad about their current situation and stuck at a dead end, in order to make enrolling in school look like the best solution to the problem," he wrote.

For-profit colleges have come under scrutiny — including tightened regulations and restrictions on federal student loans, their chief source of revenue — in recent months due to their high rates of student loan defaults. The schools say they reach an underserved, low-income population.

White said Everest College would buy "leads," or contact information of potential students, for \$80 apiece. He was required to call each new lead three times a day for a week, then once a day for the next month. White made up to 600 phone calls each week. He said his managers told him not to delete the numbers of people who asked not to be contacted anymore.

According to White, prospective students who came in for a face-to-face interview were rushed through enrollment paperwork, including the lawsuit waiver the students signed. He said of all the students he signed up in 10 months, only three or four actually read through the agreement.

White said he sometimes assisted a group tasked with lowering the school's student loan default rate. The group tried to help students defer their loans, including by re-enrolling them with the help of new loans, although White said he never participated in any such actions that he considered unethical.

He also said he was not instructed until August 2010 to tell students that credits would not transfer.

Everest College spokesman Kent Jenkins said many of White's statements are "factually wrong or false" and that admissions representatives are told to "avoid negative appeals."

"In fact, Everest College provides our admissions representatives detailed training that shows them how to deal with students fairly and honestly and how to comply with all applicable rules and regulations," Jenkins wrote in an e-mail.

He said Corinthian Colleges Inc. has invested more than \$10 million in the past year in programs to help students avoid defaulting on their loans. The company has over 112,000 students at 100 schools and online nationwide.

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