

**Corinthian Colleges Inc.**  
**Senate HELP Committee Hearing**  
**Statement and Background**  
**August 4, 2010**

**Statement on Testimony of Gregory D. Kutz, Government Accountability Office**

Corinthian Colleges has detailed, written policies that forbid our admissions representatives from making false or misleading statements of any kind. We enforce those policies with an ongoing “mystery shopping” program and with a corporate compliance team that makes dozens of announced and unannounced visits to Corinthian campuses every year.

In those rare instances where we find improper behavior, we do not tolerate it. Corinthian has about 2,100 admissions representatives and in the past fiscal year (July 1, 2009 – June 30, 2010) we dismissed 68 representatives for misconduct.

We have been advised that GAO investigators visited Corinthian campuses in Mesa, Arizona and Dallas, Texas. We are investigating these situations, we will follow the facts where they lead and we will take whatever action is necessary to ensure that our students are treated honestly and fairly.

**Background on Corinthian Colleges Admissions Policies and Compliance Programs**

- Through its Everest, Heald and Wyotech schools, Corinthian operates a total of 117 campuses and serves about 110,000 students.
- We employ a total of about 2,100 admissions representatives.
- We have a standardized, four-day training program that all admissions representatives must complete.
- Our policies for admissions representatives directly address ethical compliance and business conduct:
  - “The general rule is simple: Always answer questions and give information truthfully without any misrepresentation, deceitfulness or embellishment on your part. There is no circumstance where providing anything other than the truth is acceptable behavior.. Failure to comply with these ethical obligations or regulatory mandates will result in discipline that could include immediate termination of your employment.”
- Our policies for admissions representatives include specific standards of conduct, including:
  - **Never** guarantee job placement.
  - **Never** guarantee the transfer of credits to another institution.
  - **Never** promise a specific or minimum salary upon graduation.
  - **Never** suggest or encourage a prospective student to record anything untruthful or misleading on enrollment-related or financial aid documentation.

- We have a company-wide “mystery shopping” program that makes undercover inquiries into admissions at each of our campuses on a quarterly basis, and more often if follow-up is needed.
- We spend \$8 million annually on compliance-related training programs for employees and emphasize compliance through the organization.
- We have a total of 68 employees devoted to regulatory compliance.
- We have an internal audit group of 22 people. An audit team visits every campus at least once a year, including more than 30 surprise audits. The head of internal audit reports directly to the Board of Directors.
- The results of our mystery shopping and corporate compliance programs are reviewed monthly by senior Corinthian management, including the chief executive officer and chief operating officer.
- In the past year (July 1, 2009 – June 30, 2010) Corinthian dismissed 68 admissions representatives for misconduct.

**For additional information contact: Kent Jenkins Jr.**  
**Vice President, Public Affairs Communications**  
**Corinthian Colleges Inc.**  
**202.682.9494 (office)**  
**714.353.4004 (mobile)**  
[kentjenkins@cci.edu](mailto:kentjenkins@cci.edu)