

IN THE UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF FLORIDA
Jacksonville Division

FILED
4-8-15
CLERK, U. S. DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
JACKSONVILLE, FLORIDA

UNITED STATES OF AMERICA, *ex rel.*
[UNDER SEAL]

Plaintiffs,

v.

[UNDER SEAL]

[UNDER SEAL]

Defendants.

Case No. 0:00-cv-00000

Complaint for Violations of the
Federal False Claims Act, 31
U.S.C. §§ 3729 *et seq.*

FILED UNDER SEAL

Jury Trial Demanded

S-2

CONFIDENTIAL AND UNDER SEAL—*QUI TAM* COMPLAINT

IN THE UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF FLORIDA
Jacksonville Division

FILED
4-8-15
CLERK, U. S. DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
JACKSONVILLE, FLORIDA

UNITED STATES OF AMERICA, *ex rel.*
RODNEY LIPSCOMB

1889 Bellevue Way
Unit 5
Tallahassee, FL 32304

Plaintiffs,

v.

ITT EDUCATIONAL SERVICES, INC.

13000 North Meridian St.
Carmel, IN 46032

Serve: CT Corporation System
150 West Market St.
Ste. 800
Indianapolis, IN 46204

ITT TECHNICAL INSTITUTE

13000 North Meridian St.
Carmel, IN 46032

Serve: CT Corporation System
150 West Market St.
Ste. 800
Indianapolis, IN 46204

Defendants.

3:15-cv-446-J-201RK
Case No. 0:00-cv-00000

Complaint for Violations of the
Federal False Claims Act, 31
U.S.C. §§ 3729 et seq.

FILED UNDER SEAL

Jury Trial Demanded

CONFIDENTIAL AND UNDER SEAL—*QUI TAM* COMPLAINT

INTRODUCTION

1. Qui tam relator Rodney Lipscomb (“Relator” or “Lipscomb”), by his attorneys, individually and on behalf of the United States of America, files this Complaint against Defendants ITT Educational Services, Inc. and ITT Technical Institute (“ITT” or “Defendants”) to recover damages, penalties, and attorney’s fees for violations of the federal False Claims Act, 31 U.S.C. §§ 3729 et seq. (“FCA”).

2. ITT engages in a systematic scheme to defraud the government by receiving Title IV money while clearly violating conditions of Title IV payments.

3. ITT systematically violates conditions of payment when it enrolls students that are not equipped, or prepared, to succeed in ITT’s course of study.

4. ITT systematically violates conditions of payment when it pressures recruitment representatives to “dig in” to a student’s pain to pressure the student to enroll.

5. ITT systematically violates conditions of payment when it lies to students about Defendants credit transfer policy.

6. ITT systematically violates conditions of payment when it lies to students about what ITT’s programs train to students do, and the kinds of jobs students can expect to get when they get out of the program.

7. ITT systematically violates conditions of payment when it changes, refuses to explain, and lies to students about the financial obligations the student will have to meet during the student’s enrollment at ITT, and after the student completes their program.

CONFIDENTIAL AND UNDER SEAL—*QUI TAM* COMPLAINT

8. ITT systematically violates conditions of payment when it offers promotions and compensation incentives based on the number of students its recruitment representatives can enroll.

9. ITT systematically violates conditions of payment when it instructs its campuses to lie about, or alter, placement rate reports.

10. Further, ITT violated the False Claims Act when it terminated Lipscomb for reporting numerous illegal and unethical practices to management.

JURISDICTION AND VENUE

11. This Court has subject matter jurisdiction over this action under 28 U.S.C. § 1331 and 31 U.S.C. § 3732(a).

12. This Court has personal jurisdiction over Defendants pursuant to 31 U.S.C. § 3732(a) because Defendants transact business in this judicial district.

13. Venue is proper in this Court under 28 U.S.C. §1391(c) and 1395(a), and 31 U.S.C. § 3732(a) because ITT transacts business within this judicial district.

PARTIES

14. Lipscomb is a resident of Tallahassee, Florida who was worked in the education field for over 20 years.

15. Lipscomb worked as Dean of Academic Affairs at ITT's Tallahassee, Florida campus from on or about April 4, 2011 through on or about January 28, 2015.

CONFIDENTIAL AND UNDER SEAL—*QUI TAM* COMPLAINT

16. Defendant ITT Educational Services Inc. provides nationally accredited, technology-orientes undergraduate and graduate degree programs through its ITT Technical Institute and Daniel Webster College campuses.

17. ITT Educational Services Inc. serves more than 55,000 students at its campuses in 39 states, and online.

18. Defendant ITT Technical Institute is a for profit post-secondary academic institution.

19. ITT has over 130 campuses in 38 states.

20. ITT operates ten campuses in the state of Florida, including campuses in Bradenton, Ft. Lauderdale, Ft. Myers, Jacksonville, Hialeah, Lake Mary, Pensacola, Tallahassee, Tampa, and West Palm Beach.

FACTUAL ALLEGATIONS

Relator's Responsibilities at ITT

21. Lipscomb was hired by ITT Tallahassee's College Director at the time Dan McGrew, as Dean of Academic Affairs on or about April 4, 2011.

22. As Dean of Academic Affairs at ITT's Tallahassee campus, Lipscomb was primarily responsible for supervising the various academic chairs, ensuring the campus was implementing the proper policies and curriculum, auditing the campus to ensure the campus was compliant with accreditation standards at the State and Federal level, including standards on faculty accreditation and student success. Additionally, in his role as Dean of Academic Affairs Lipscomb had the opportunity to attend various management level meetings, meet with the heads

CONFIDENTIAL AND UNDER SEAL—*QUI TAM* COMPLAINT

of other ITT Tallahassee departments, interact with students, and observe all aspects of the campus's operating procedure.

23. As Dean of Academic Affairs at ITT Tallahassee, Lipscomb oversaw five academic chairs, the Library Director, and the campus's Associate Dean for General Studies.

24. As part of his duties, Lipscomb also worked closely with the District Manager for the South East Region, College Director at Tallahassee, Director of Recruitment at Tallahassee, Director of Finance at Tallahassee, Registrar of Tallahassee and District Dean.

25. While Dean of Academic Affairs at ITT Tallahassee, Lipscomb formed close collegial relationships with the deans of academic affairs at the Jacksonville, Miami, and Ft. Lauderdale campuses. Lipscomb would touch base with each of these campuses on a regular basis and as a result came to understand how those campuses worked as well.

26. Lipscomb, as well as the Director of Finance, Director of Recruitment, the Registrar, and the Director of Career Services all reported directly to College Director at Tallahassee.

ITT's Corporate Structure

27. ITT Technical Institute is wholly owned by ITT Educational Services, Inc. Individually and collectively the two entities are referred to as ITT.

28. ITT Technical Institute has over 130 locations in over 38 states across the country, including ten campuses in Florida.

29. ITT is headquartered in Carmel, Indiana.

30. ITT's President, Chief Operating Office, and Senior Vice President of Operations all work out of ITT's headquarters.

CONFIDENTIAL AND UNDER SEAL—*QUI TAM* COMPLAINT

31. The Senior VP of Operations over sees ITT's twelve district managers that are responsible for ITT's various regions.

32. ITT's Tallahassee campus falls within ITT's South East region. All of the Florida campuses, and three of ITT's Virginia campuses also come under the South East Region.

33. Deborah Brent is the District Manager of ITT's South East Region.

34. The District Manager sets the tone for all of the campuses in her region.

35. Brent has a reputation for pressuring campuses to engage in deceptive practices to increase ITT's bottom line.

36. Each campuses College Director reports to the District Manager.

37. As described above, each of the Directors, the Registrar, and the Deans of Academic Affairs report to the College Director.

Applicable Laws on Title IV Funding

38. In order to help students defray the cost of post-secondary education, the U.S. Department of Education ("DOE") provides financial assistance in form of grants, loans, loan guarantees, and interest subsidies to students who are eligible.

39. The DOE provides this financial assistance to students under Title IV of the Higher Education Act of 1965 ("Title IV").

40. In order to be eligible to receive Title IV funding, an institution must enter into a Program Participation Agreement ("PPA") with the DOE which requires compliance with specific requirements as a prerequisite to obtaining the federal funds. 34 C.F.R. 668.11.

CONFIDENTIAL AND UNDER SEAL—*QUITAM* COMPLAINT

41. Specifically, institutions that sign PPAs expressly “condition the initial and continuing eligibility of the school to participate in a program upon compliance with” the requirements of 20 U.S.C. §§ 1092, 1094 and 34 C.F.R. §§ 668.14, 668.22.

42. 20 U.S.C. § 1092 requires in part, that institutions receiving Title IV money provide counseling to federal student loan borrowers prior to the borrower departing from the institution. The counseling must include in part, information on repayment plans available and debt management strategies the borrower can employ to repay his or her student loans.

43. 20 U.S.C. § 1092 also requires in part that prior to financial aid disbursement, institutions receiving Title IV money must inform the borrower in a “simple and understandable manner” about the terms and conditions of the borrower’s loan, and the responsibility of the borrower with respect to those loans.

44. Additionally, 20 U.S.C. § 1092 requires in part that each institution receiving Title IV money publicly disclose, in a readable and comprehensive manner, the credit transfer policy at the institution including what credits students are allowed to transfer into the institution in question, and what schools accept transfer credits from the institution in question.

45. 20 U.S.C. § 1094 and 34 C.F.R. §§ 668.14 provide in relevant part, that if an institution receiving Title IV funding advertises job placement rates as a means of attracting students, the institution must make available to prospective students “the most recent available data concerning employment statistics, graduation statistics, and any other information necessary to substantiate the truthfulness of the advertising” as well as relevant State licensing requirements for the course of instruction the program is designed to prepare the prospective student for.

CONFIDENTIAL AND UNDER SEAL—*QUI TAM* COMPLAINT

46. 20 U.S.C. § 1094 and 34 C.F.R. §§ 668.14 also bar institutions from providing any commissions, bonus, or other incentive payment based directly or indirectly on the success of an enrollment, recruitment, or admissions officer in enrolling students or securing financial aid for any student.

47. Additionally, 20 U.S.C. § 1094 allows the Secretary to suspend or terminate the eligibility status for any program receiving Title IV money upon determination that the program “engaged in substantial misrepresentation of the nature of its educational program, its financial charges, or the employability of its graduates”

ITT's Scheme to Increase Student Enrollment and Retention

48. ITT engages in a corporate wide scheme to enroll and keep students at their campuses, and receive Title IV funding even when the student is not appropriate for the classes, or no longer wants to take classes at ITT.

49. ITT's scheme to enroll students involves offering potential students “perks” like “free” laptops and scholarship opportunities.

50. ITT's scheme to keep students enrolled even when the student wants to leave involves telling students they can simply “try a class out” before they decide to enroll – which is not true, requiring students to retake classes if they do not meet certain minimum grade requirements, and threatening to take students to collections when their loans become due after leaving ITT.

ITT Induces Students to Enroll by Offering Students Laptops

CONFIDENTIAL AND UNDER SEAL—*QUI TAM* COMPLAINT

51. In or around March 2014, during telephone conference with ITT's VP of Academic Affairs, Dean Kempter and all of the district managers, college directors, and deans of academic affairs, Kempter announced that ITT was unveiling a new free laptop program.

52. Kempter explained that students who enrolled in the upcoming quarter would be issued a free laptop.

53. Many of the administrators on the conference call, including Lipscomb welcomed this program.

54. Lipscomb thought that the free laptop program would benefit ITT's students as a large percentage of ITT's students could not afford to purchase their own laptops upon entering ITT, and ITT had been moving away from print text books to electronic text books which required all students to have regular access to a computer.

55. Given ITT's low-income student base, offering free laptops was a strong incentive for many students to enroll at ITT.

56. When ITT was relying on print textbooks, ITT built the cost of the textbooks into the student's tuition and provided each student with the textbook. Lipscomb was responsible for ordering all of the textbooks for the campus and estimates that approximately \$800 of the student's tuition every quarter was for textbooks for the student.

57. When ITT transitioned away from print textbooks to electronic textbooks, ITT did not reduce the student's tuition proportionally with the reduced cost of the textbooks.

58. Kempter explained that the laptops would be paid for out of the student's tuition with the money that was previously allocated for textbooks.

CONFIDENTIAL AND UNDER SEAL—*QUI TAM* COMPLAINT

59. At one point, ITT Tallahassee's Academic Chair of Information Technology, Timothy Stark, became concerned about the quality of the laptops ITT issued to the students, and called Dell, who supplied the laptops, to spec the laptops the ITT students were using. Stark learned that the cost of the laptops the students were receiving was approximately \$190.

60. The quarter after Kempter unveiled ITT's new free laptop promotion, ITT handed out new laptops to the students who enrolled.

61. It was only after the campuses had handed out the new laptops to students that ITT informed the campuses that a student must earn 36 credits, approximately the equivalent of taking classes for three quarters, before the student would be considered the owner of the laptop.

From: Daniel McGrew at 128
Sent: Friday, May 09, 2014 3:15 PM
To: Latricia Freeman Johnson at 128; Andrea Urbassik at 128; Rodney Lipscomb at 128; Robert Hays at 128; David Hoodenpyle at 128; Koniesha Gilmore at 128; Donte Williams at 128; Sheila Richardson at 128; Nydira Adams at 128; Christell Wood at 128; Caled Labriny II at 128; Alif Khawand at 128; Timothy Starke at 128; Donna Heburn at 128; Quentin Thomas at 128; Adam Briggs at 128
Subject: Exciting News about Laptops

Effective today, ITT has a new laptop ownership initiative in place whereby students who have earned 36 or more credit hours with ITT will be able to keep their ITT-issued laptop. Some key details are as follows:

1. Students who have an ITT issued laptop and have earned a minimum 36 credit hours will go

<https://us-mg6.mail.yahoo.com/mc?launch?rand=1c1irj8ch5ewk6845915290>

1/2

1/30/2015

Print

through a transfer of ownership process led by FA during week 3 to officially take over ownership of the program

2. The 36 credit hours need to be earned at ITT, so transfer credits don't take.
3. Reentries that come back or students late in their degree that are issued laptops for e-textbook courses will be allowed to transfer ownership of the laptop in week 3 provided they have 36 earned credit hours with ITT.

CONFIDENTIAL AND UNDER SEAL—*QUI TAM* COMPLAINT

62. Lipscomb was confused by this change in the policy as he, and the other directors at Tallahassee, thought that the student owned the laptop from the beginning since technically the student was paying for the laptop with their tuition.

63. In or around September 2014, a student, W.D. had to leave ITT in the middle of the quarter due to a medical emergency, and was told to return his laptop.

64. The very next quarter, W.D. returned to ITT and enrolled in classes again.

65. When W.D. re-enrolled, he was told that he would have to pay a \$350.00 fee on top of his tuition to get a new laptop.

66. When Lipscomb learned about this, Lipscomb went to the Director of Finance, Latricia Johnson, and asked why W.D. had to pay \$350.00 to get a laptop when he should be entitled to get back the original laptop he paid for in previous quarters for free.

67. Johnson told Lipscomb that she understood his confusion, and she originally thought the policy would not require the student to pay an additional fee to get a laptop, but that ITT had disseminated a new policy in the fall of 2014 that required students to pay \$250.00 for used laptops if the campus had any used laptops, or \$350.00 for a new laptop.

68. Lipscomb later learned that students were also charged additional fees for new laptops if the original laptop they were issued required repairs or needed to be replaced.

69. In or around October 2014, Lipscomb was helping a student, A.R., who was having technical troubles with her ITT issued laptop.

70. Tallahassee's system's support technician was out at that time, so Lipscomb requested the system's support technician from Jacksonville travel to Tallahassee to cover.

CONFIDENTIAL AND UNDER SEAL—*QUI TAM* COMPLAINT

71. When discussing ITT's newly changed laptop policy, the system's support technician from Jacksonville told Lipscomb that ITT had to start charging students for the laptops because so many students broke the laptops, lost the laptops, or enrolled just to get the laptops, and then never came back to attend classes or re-enroll in subsequent quarters.

72. Even after ITT changed its policy to require students to pay an additional fee on top of their tuition for laptops, ITT did not reduce the student's tuition to account for the textbooks and laptops the student was no longer receiving out of their tuition dollars.

ITT Induces Students to Enroll by Purporting to Offer Scholarships

73. In or around January 2013, on a nationwide conference call with all of ITT's District Managers, College Directors, Deans of Academics, and the then VP of Academic Affairs at the time, Mike Linzmaier, ITT announced a new initiative to offer scholarships to help students cover the gap between the cost of tuition at ITT, and the amount of aid the student could get from the government, called the Opportunity Scholarship.

74. The Opportunity Scholarship was offered by ITT to students at the end of a quarter if the student completed two classes during that semester, regardless of the grade earned in the two classes.

75. Linzmaier explained that the scholarship would be applied at the end of the next quarter, meaning the first time students would be eligible to receive the Opportunity Scholarship would be in May 2013.

76. Around the same time, the Tallahassee Economic Development Workforce, a private non-profit in Tallahassee, announced that they would offer grant money to students

CONFIDENTIAL AND UNDER SEAL—*QUI TAM* COMPLAINT

pursuing information technology or nursing in Tallahassee, and invited all post-secondary schools in Tallahassee to apply for grant money:

77. Lipscomb, with assistance from Stark, and Donna Heburn, Chair for the Breckenridge School of Nursing, applied for funds from the Tallahassee Economic Development Workforce.

78. The Tallahassee Economic Development Workforce informed Lipscomb that ITT Tallahassee's information technology and nursing students would be awarded some of the grant money.

79. The Tallahassee Economic Development Workforce grant provided on average about \$5,000 per student to put toward their tuition at the beginning of the semester.

80. Because the Tallahassee Economic Development Workforce money was grant money awarded at the beginning of the quarter, and the Opportunity Scholarship was scholarship money provided by ITT at the end of the quarter, Lipscomb, and ITT Tallahassee's College Director, McGrew, understood ITT's policy to mean that the student would receive both the grant money and scholarship money and therefor have to borrow less student loan money from the government.

81. In or around June 2013, approximately one year after the first set of Opportunity Scholarships were disbursed, ITT changed its policy to provide the Opportunity Scholarship only after all outside grant money was applied to the difference between ITT's tuition and the maximum amount of student loan money a student could borrow.

CONFIDENTIAL AND UNDER SEAL—*QUI TAM* COMPLAINT

82. As a result of ITT's change in policy, which was never communicated to the administration or students prior to June 2014, students receiving the Tallahassee Economic Development Workforce grant were not eligible to receive ITT's Opportunity Scholarship.

83. When students who received the Tallahassee Economic Development Workforce grant learned that they were not going to receive the Opportunity Scholarship as well, one student representative R.O. went to speak with Lipscomb about the issue.

84. Lipscomb and R.O. went to the Director of Finance, Johnson.

85. When Lipscomb and R.O. explained the issue, Johnson told Lipscomb and R.O. that it was ITT's new policy to apply any outside money to the student's bill first and then use the Opportunity Scholarship to cover whatever was left. Johnson told Lipscomb and R.O. that this was a new policy that was never communicated to students or administrators outside of the finance department.

86. Johnson also confirmed that she previously believed, as Lipscomb, McGrew, Hebron, Stark, and the students did, that ITT's policy allowed both the grant and scholarship could be applied thereby reducing the amount of student loans the students would have to borrow.

87. ITT was essentially treating the private grant from the Tallahassee Economic Development Workforce as a scholarship, which it was not. This had tax implications for the students who received the Tallahassee Economic Development Workforce grant.

88. Lipscomb, Stark, Heburn, and the students were so upset with ITT's change in policy that they no longer applied for the Tallahassee Economic Development Workforce grant money.

CONFIDENTIAL AND UNDER SEAL—*QUI TAM* COMPLAINT

ITT Increased Enrolment by Targeting Inappropriate Potential Students

89. ITT Tallahassee's Recruitment Department has a Director of Recruitment and anywhere from eight to nine recruiters.

90. From approximately December 2009 through February 2013, Paul Haigh was ITT Tallahassee's Director of Recruitment.

91. From approximately March 2013 through June 2014, Donna Lindsey was ITT Tallahassee's Director of Recruitment.

92. From approximately June 2014 through October 2014, David Hoodenpyle was ITT Tallahassee's Director of Recruitment. Prior to working as the Director of Recruitment, Hoodenpyle worked as a recruitment representative at Tallahassee.

93. Hoodenpyle left after just a few months of being Director of Recruitment because as he told Lipscomb he "can't do what [Brent's] asking me to do." Hoodenpyle walked out one day and left his keys, without even giving notice of resignation because he was so upset with the pressure he was receiving from District Manager Brent.

94. From approximately October 2014 through the present, Tom Ferrara has been ITT Tallahassee's Director of Recruitment.

95. ITT's recruiters are instructed by the District Manager, Brent, College Director, and Director of Recruitment to use forceful and deceptive practices to persuade students to enroll at ITT.

96. Specifically, recruitment representatives are directed by the District Manager, through the Director of Recruitment and College Director, to "probe" potential students about "what causes pain in their lives" and then to "dig in" to that pain.

CONFIDENTIAL AND UNDER SEAL—*QUI TAM* COMPLAINT

97. ITT's recruitment representatives are trained to exploit the student's vulnerability by explaining how "ITT will change your life."

98. Recruitment representatives are trained to explain how a degree from ITT will help the student get a new car, afford better child care, or a better job which will alleviate the student's pressing financial issue.

99. Recruitment representatives are told to "find out an issue and use it" to get people enrolled.

100. The Directors of Recruitment at ITT Tallahassee, with the exception of Lindsey, and the College Director McGrew would tell recruiters to do this at the campus's weekly "show" meetings.

101. At the weekly show meetings, the College Director, Dean of Academics, Director of Recruitment, Director of Finance, all recruiters, all academic chairs, and all finance representatives would meet and go through each prospective student. The recruitment representatives would detail what steps they were taking to get the student enrolled, and each finance representative would detail where they were in the process of securing federal financial aid for the prospective student.

102. Sometimes, during these meetings, a recruitment representative, financial aid coordinator, financial aid director, or registrar would raise concerns about a potential student's decision to enroll at ITT Tallahassee, or succeed at ITT Tallahassee.

103. Lipscomb recalls one example where a recruitment representative raised concerns about trying to enroll a single mother who lived two hours away from the campus.

CONFIDENTIAL AND UNDER SEAL—*QUI TAM* COMPLAINT

104. In response, the Director of Recruitment and the College Director, McGrew instructed the recruitment representative that it was not his role to judge what would be best for the student, and that the representative need to “dig” into the potential student’s problems by saying things like “if you want good childcare for your children you need to get a degree” and “two hours really isn’t insurmountable.”

105. Lipscomb was extremely vocal at these show meetings and told the recruitment representatives not to push to enroll students they did not think would benefit from ITT.

106. In or around the spring of 2012, then Director of Recruitment, Haigh told McGrew that Lipscomb was “making recruitment reps feel bad and guilty about bringing in students” and that it was stopping the recruitment representatives from “making their numbers.” Haigh asked McGrew to ban Lipscomb from the weekly show meetings.

107. As a result of Haigh’s complaints, McGrew told Lipscomb that he was no longer allowed to go to the weekly show meetings, and that he was not allowed to go to the recruitment office at all.

108. Recruitment representatives are also trained to target students who uneducated, and lack financial resources.

109. At one point, Lipscomb became so upset with the amount of unprepared and inappropriate students that were being admitted that he called the District Dean, Bernie Berania for advice.

110. Berania informed Lipscomb that ITT has a policy that if a student is interested in enrolling at ITT and the recruitment representative, or Registrar, has concerns about the student’s

CONFIDENTIAL AND UNDER SEAL—*QUITAM* COMPLAINT

ability to succeed, then the Registrar is able to interview the student and deny the student admission if the after the interview the Registrar still thinks the student will not succeed.

111. When Lipscomb mentioned this policy to the College Director, McGrew, and the Director of Recruitment at the time, Haigh, they told Lipscomb that they would not use the “veto” because that would be tantamount to judging the student and they were in no position to judge prospective students.

112. McGrew and Haigh also told Lipscomb something to the effect of “everyone has a right to go to college, and if the student wants to attend college then they should be welcomed at ITT.”

113. When Lipscomb asked ITT Tallahassee’s Registrar, Andrea Urbassik about ITT’s veto policy, she told Lipscomb that she was instructed by McGrew, Haigh, and the District Manager, Brent to “stay out of it” and that the recruitment representatives were not even allowed to meet with the Registrar to discuss concerns they may have about potential students.

114. Lipscomb knows that McGrew and Haigh’s instructions came from District Manager Brent because when Lipscomb asked Brent about ITT’s veto policy she told Lipscomb that he has the tendency to judge people and that was not his role.

115. Lipscomb encountered a number of students who clearly could not succeed at ITT, and needed more academic support than ITT could provide.

116. Despite not being equipped to succeed at ITT, Lipscomb claims that the admissions “veto” has never been exercised, and ITT admissions accepts everyone who applies and has a high school diploma [OR GED].

CONFIDENTIAL AND UNDER SEAL—*QUITAM* COMPLAINT

117. One example of a student that ITT Tallahassee enrolled despite all indicators that the student was not going to be able to succeed at ITT was a student named D.H.

118. D.H. was a student who was blind and wanted to enroll in ITT's Networking program.

119. ITT's Networking program is designed to teach students to fix computers, and requires students to be able to read codes, and identify various plugs and wires by color in order to repair technical issues with computers.

120. One of the recruitment representatives who was working to enroll D.H. sent Lipscomb a note and asked to meet with Lipscomb in private. When Lipscomb met with the recruitment representative, the representative told Lipscomb about D.H. and how the representative was being told to enroll D.H. in the Networking program.

121. Lipscomb then went and met with the Director of Recruitment at the time, Haigh, and asked why he would try to enroll a blind student in a program that very clearly required the student to be able to see the color of various hardware. Haigh responded to Lipscomb that it was not ITT's problem or place to dissuade the student from enrolling in the program.

122. After this meeting, Lipscomb called the South East ADA Center to ask what was required on ITT's part to be ADA compliant when it came to enrolling D. LNU in ITT's Networking program. The State representative explained that the ADA didn't apply in this situation and that Lipscomb should not enroll D. LNU as D. LNU could not perform in a position as a network technician even with a reasonable accommodation.

123. When Lipscomb reported what the State said, McGrew told Lipscomb that he had no right to call the state and that it was not his place.

CONFIDENTIAL AND UNDER SEAL—*QUITAM* COMPLAINT

124. ITT ultimately enrolled D. LNU in the Networking program. D. LNU left the program after four weeks with an entire quarter's worth of student loan debt, and no degree.

125. Another student who was entirely unprepared to succeed at ITT was H.M. who was enrolled in ITT's Electronics Technology program.

126. ITT's Electronics Technology program requires students to take classes ranging from writing to an in depth study of algebra, math theory, and concepts.

127. In or around, September 2013, Associate Dean, Dr. Adam Briggs asked to speak with Lipscomb about a student in Dr. Briggs' class whom Dr. Briggs was concerned about.

128. Dr. Briggs was teaching an introductory class for first quarter students and assigned a two page self-reflection paper on why the student decided to go to college and who had a positive impact on the student's decision.

129. At Dr. Briggs' meeting with Lipscomb, Dr. Briggs showed Lipscomb H.M.'s self-reflection assignment.

130. The response H.M. handed into Dr. Briggs was incomprehensible at best and did not even come close to addressing the paper topic.

h [REDACTED] m [REDACTED]

please, send me and paint in or someone at your school. paperbook

& I will refresh it here. will be on your sheet. for school test in persiz so email, or, fax it will be nice.

If you email personally by so many hour please, let me no can it be possilby-so email. later h m [REDACTED]

Thank .you

CONFIDENTIAL AND UNDER SEAL—*QUI TAM* COMPLAINT

131. Dr. Briggs also explained to Lipscomb that he met with H.M. after H.M. handed in the assignment and asked H.M. to discuss the assignment with him. H.M. was not able to explain his paper in coherent sentence.

132. After Lipscomb's meeting with Dr. Briggs, Lipscomb met with H.M. personally in or about Sept. 2013.

133. At that meeting, H.M. could barely speak in discernable sentences. H.M. stuttered, and spoke in broken sentences and non-sequiturs. It was clear to Lipscomb from his meeting with H.M. that H.M. could not succeed at ITT, and should never have been allowed to enroll at ITT.

134. Based on H.M.'s self-reflection assignment and H.M.'s conversations with Dr. Briggs and Lipscomb, it is unlikely that H.M. could have successfully completed his ITT enrollment paperwork by himself.

135. Lipscomb knows that recruitment representatives and financial aid coordinators were instructed to, and would fill out a student's enrollment paperwork if the prospective student either did not know how to use a computer, or was unable to successfully complete the paperwork for some other reason like a language barrier, or not being able to read.

136. After meeting with H.M., Lipscomb was upset and embarrassed that ITT Tallahassee would let H.M. take out hefty amount of loans when it was so clear that H.M. would never benefit from ITT's course offerings.

137. Lipscomb went directly to McGrew, who told Lipscomb that Lipscomb should not be judging H.M.

CONFIDENTIAL AND UNDER SEAL—*QUI TAM* COMPLAINT

138. H.M. failed all of his classes his first quarter and at the end of the first quarter Dr. Briggs spoke with H.M. and told him returning to ITT was probably not in H.M.'s best interest. H.M. did not re-enroll at ITT, but was still responsible for his first quarter's student loans.

139. Even though ITT does not use its veto policy to stop unprepared students from enrolling, Lipscomb as Dean of Academic Affairs is required by federal law to terminate any student who does not pass at least half of their classes by the end of the third quarter. Lipscomb does discharge these students but they have already acquired three quarters of student loan debt.

ITT Induces Students to Enroll by Lying about ITT's Course Offerings and Training

140. Recruitment representatives are trained by the District Manager, Director of Recruitment, and College Director to urge students into programs the student is not interested in if the student cannot meet the requirements to get into their desired program, or if ITT is not offering the student's desired program.

141. The recruitment representatives are told to tell students that the program is just a "backup plan," that the program is basically the same exact thing, or that the credits can transfer between the programs.

142. ITT does not allow most credits, with the exception of some core classes, to transfer between programs.

143. Recruitment representatives most often redirect students hoping to get into the Breckenridge School of Nursing, the Drafting and Design Program, and the Criminal Justice program into a "backup plan."

144. In order for a student to enroll in ITT's Breckenridge School of Nursing, the student must pass the HESI Entrance Admissions Test with a score of 75 or higher.

CONFIDENTIAL AND UNDER SEAL—*QUI TAM* COMPLAINT

145. Students are allowed to take the HESI Entrance Admissions Test up to three times in one year; but if the student does not pass, the student must wait one year before they can take the test again.

146. If a student at ITT fails the Entrance Admissions Test three times, or if the student wants to enroll in the School of Nursing but misses the deadline to take the test, Brent, and the Director of Recruitment tell the recruitment representatives to push the student into a “back up plan.”

147. Brent, and the Director of Recruitment usually tell the recruitment representatives that a student’s “back up plan” should be ITT’s business management program. The recruitment representatives tell the students that they should go into the business management program and either complete that program and open their own healthcare business, or enroll in the business management program for one year, while they wait to re-test to get into the School of Nursing and then transfer the credits to from the business management program to the School of Nursing.

148. Similarly, many student at ITT Tallahassee wanted to enroll in ITT’s Graphic Design Program.

149. ITT has a School of Drafting and Design. Within this school, ITT offers two programs, Graphic Design which has to do with marketing and advertising, and Drafting and Design, which primarily trains students to become architectural assistants.

150. ITT usually requires a program have 15 enrolled students before the program can officially move forward.

151. If each program –Graphic Design and Drafting and Design – only has five students, the recruitment representatives will tell the students in the Graphic Design program that

CONFIDENTIAL AND UNDER SEAL—*QUI TAM* COMPLAINT

they are going to enroll them in Drafting and Design because “it’s the same thing” and they can “transfer their credits later.”

152. The Graphic Design and Drafting and Design programs are not the same thing and aside from a limited number of core classes, the two programs are not alike at all. Additionally, outside of a few core credits, students cannot transfer their credits between programs.

153. By the time the students realize that the programs are not the same thing, they either drop out, with at least two quarters worth of debt and no degree, or they try to transfer to another program and lose their credits.

154. The recruitment representatives used to tell the students explicitly that they could transfer credits between programs at ITT, because that is what the representatives were told by the District Manager and the Directors of Recruitment.

155. When Lipscomb learned from a student that recruitment representatives were telling prospective students that they could transfer credits between programs, Lipscomb and the academic chairs gathered together and held a meeting with the recruitment representatives to explained how each program worked, and how credit transfers between the program worked.

156. Once the recruitment representatives learned that most programs did not accept credits earned in other programs, the recruitment representatives at Tallahassee stopped telling students that they could transfer credits between programs.

157. Recruitment representatives were told to push students interested in the Criminal Justice program into business management as well.

CONFIDENTIAL AND UNDER SEAL—*QUI TAM* COMPLAINT

158. In or around June 2013, ITT Tallahassee stopped offering the Criminal Justice program.

159. The Director of Recruitment at the time, Haigh, told the recruitment representatives that any student who was looking to enroll in the criminal justice program should be steered to the business management program and told that they will be able to open their own private investigation business, even though that is not what the Business Management program is designed to train students to do.

160. ITT's District Manager and Director of Recruitment also instruct the recruitment representatives to tell prospective students that they can transfer ITT's credits to four year institutions, even though the vast majority of four year institutions will not accept credits earned at ITT.

161. Lipscomb recalls one student, who wanted to study chemistry at Florida State University ("FSU") but did not originally get into FSU.

162. This student enrolled at ITT, with the intention of taking classes at ITT, and then transferring to FSU after two years.

163. The recruitment representative knew the student's desire to study chemistry at FSU, and told the prospective student that credits earned at ITT would transfer to FSU. Lipscomb knows this because the recruitment representative entered this information into the prospective student's electronic file.

164. When Lipscomb met with the student in or around 2012, Lipscomb told the student that credits earned at ITT would not transfer to FSU, and Lipscomb encouraged the student to un-enroll before accruing any additional debt.

CONFIDENTIAL AND UNDER SEAL—*QUITAM* COMPLAINT

165. ITT also misrepresents the programs they offer, and the training they provide to prospective students.

166. ITT's recruitment representatives in Florida are instructed by the District Manager, College Director, and Director of Recruitment to ask prospective students if they had ever seen CSI Miami? When the student respond "yes," the recruitment representative tells the student that if they enrolled in ITT's Criminal Justice program, they will be able to get jobs doing forensic science work like they see in CSI Miami.

167. The recruiters' representations were completely false as ITT's Criminal Justice program prepared students to work in the juvenile justice system and the Department of Corrections, and a student would need advanced chemistry and other sciences to work as a crime scene investigator or forensic scientist.

168. Lipscomb discovered that the recruiters were using this tactic to enroll students in the Criminal Justice program when a graduate of the Criminal Justice program, complained to Lipscomb that he was not able to find a job in the field of forensic science.

169. When Lipscomb and the Criminal Justice program's academic chair, Kysha Fedd, asked the student why he would believe that he was qualified to work as a forensic scientist, the student told Lipscomb and Fedd that he was told he would be qualified to do that type of work by the recruitment representatives when he enrolled in the program.

170. Upon hearing this from the student, Fedd and Lipscomb went to the recruitment representatives and asked if they told prospective students that the Criminal Justice program would qualify the student to work as a forensic scientist. When the recruitment representatives replied that they did, Fedd became irate.

CONFIDENTIAL AND UNDER SEAL—*QUI TAM* COMPLAINT

171. After speaking to the recruitment representatives, Fedd and Lipscomb went to each class in the Criminal Justice program, and told the students that they would not be qualified to work as forensic scientists, and that the program was preparing them for jobs in the juvenile justice system or to work for the Department of Corrections.

172. Many of the students enrolled in the Criminal Justice program became upset when they learned this, and dropped out of the program, without a degree, but with the burden of the student loans they had taken out to enroll in the Criminal Justice program at ITT.

173. As a result of the recruitment representatives lying to prospective students about the criminal justice program, Fedd resigned from ITT.

174. Fedd told Lipscomb that she could “no longer work for the devil” and that she was extremely disappointed that the students were leaving ITT with almost \$50,000 in debt and no job prospects except to work as a security guard in the mall.

175. Upon learning about the lies the recruitment representatives were telling prospective students, and in light of Fedd resigning, Lipscomb went to the College Director, McGrew, and recommended the Tallahassee campus close its Criminal Justice program.

176. McGrew agreed with Lipscomb, and subsequently closed the Criminal Justice program, which as described above, simply led the recruitment representatives to push prospective students into programs they were not interested in since the criminal justice program was no longer an option.

177. Another time, McGrew told the Chair of the School of Drafting and Design, Rhonda Hammond, that ITT was going to start a B.S. program in Construction Management that students of the Drafting and Design Technology Program could transfer into after they

CONFIDENTIAL AND UNDER SEAL—*QUI TAM* COMPLAINT

completed the A.A. program. McGrew encouraged Hammond to tell students about the Construction Management program as a selling point to enroll students in the Drafting and Design Technology Program, which Hammond did.

178. Approximately two quarters later, McGrew told Hammond that ITT Tallahassee was not going to offer the Construction Management B.S. program, and as a result, the students she had encouraged to enroll in the Drafting and Design Technology Program based on that information would not be able to enroll in the B.S. program.

179. Hammond became extremely upset upon hearing this, and when she told all of the students in the Drafting and Design Technology Program, they all became upset, told Hammond that they felt lied to, and dropped out of ITT with at least two quarters of student loan debt, and not degree.

180. Hammond was so upset by ITT's changing policy that she filed a complaint, and wrote an email to then District Manager, Sam Lyn. Lyn and McGrew thought that Hammond's email to Lyn showed that Hammond could not be loyal to ITT, and as a result of Hammond's complaint, fired Hammond.

181. Other times, if a potential student told the admissions officer that they liked "working with their hands" the admissions officer would steer the student to enroll in ITT's Electronic Technology program which trains students to be engineering assistants.

182. The course work in the Electronics Technology program is highly technical and includes course work in higher level math, physics, and engineering, all of which are difficult subjects that most students enrolled in the program are not able to complete successfully.

CONFIDENTIAL AND UNDER SEAL—*QUI TAM* COMPLAINT

183. Often potential students would come to Lipscomb's Tallahassee campus wanting to enroll in ITT's Culinary Arts Program. ITT's Tallahassee campus does not offer the Culinary Arts Program.

184. Instead of turning the student away, or recommending the student go to another campus, the admissions staff was told to pressure the student to enroll in ITT's Drafting and Design program as it was another "creative" field.

185. Lipscomb recalls one student, G.B. who wanted to enroll in ITT's Culinary Arts program but was pressured into ITT's Drafting and Design program because it was another "creative" field.

186. Lipscomb encountered G.B. crying in the hall one day and asked to speak with G.B. in Lipscomb's office. In Lipscomb's office G.B. explained that he was not understanding the Drafting and Design work and he felt stupid because his recruitment representative told him he should be good at Drafting and Design since it was creative.

187. Lipscomb met with G.B. on a weekly basis to try and help G.B. through his program. Despite the support and weekly meetings, G.B. often broke down into tears in class.

188. After four of five quarters, Lipscomb told G.B.'s mother that G.B. was not benefitting from ITT's course work and she should encourage G.B. not to re-enroll the following quarter.

189. ITT pressures student to enroll in programs they are not interested in, or lack the basic skills to succeed in, to increase revenues by having students enroll despite ITT not offering the course work they are interested in.

ITT Induces Students to Enroll by Lying About the Student's Financial Obligations

CONFIDENTIAL AND UNDER SEAL—*QUI TAM* COMPLAINT

190. Once ITT gets a student enrolled, they provide a shifting set of rules and financial burdens to the student.

191. The tuition for ITT's Florida campuses is significantly higher than similarly situated post-secondary education institutions in the State.

192. Because of ITT's higher tuition rates, the student's loans do not cover the whole cost of tuition.

193. Students complain about fees ITT charges the student, once the student is enrolled, that ITT did not tell the student about prior to enrollment.

194. Given the gap in student loans and the unexpected fees, students often have to pay monthly out of pocket expenses in addition to incurring long term student loan debt.

195. ITT's explanation to the students about their financial obligation varies depending on the month, and the loan counselor the student speaks with.

196. When ITT's financial aid counselors did speak to the student about their financial aid obligations, the explanation would be extremely confusing, and not clear.

197. Further ITT had a policy until on or around September 2012 that the financial aid counselors could not give students, or prospective students, their loan obligation information printed out, and instead required the student to e-sign documents they were only allowed to look at on the counselor's computer screen.

198. Lipscomb would often accompany students to the financial aid office to follow up with a student's financial aid questions. Lipscomb, who was conversant in aid obligations, would often be confused by the financial counselor's explanations.

CONFIDENTIAL AND UNDER SEAL—*QUI TAM* COMPLAINT

199. Prior to on or about September 2013, ITT's finance team did not inform students of the out of pocket expenses they would have to cover. In or around March 2014, the Director of Financing, Johnson, and her team began to tell students about the self-pay obligations the student would have at the start of enrollment.

200. The College Director and District Manager instruct ITT's financial counselors to tell the student that they will not get enough money from the Government if they put down all of their income on the FAFSA.

201. The College Director and District Manager instruct the financial aid counselors to "help" students fill out their FAFSA by reporting less income than the student really earns, or reporting more dependents than the student really has.

202. For example, the financial aid counselors are told to say things like "don't put all of your jobs on the form, only put down one job so it looks like you have less income, and can get more student loan money."

203. The College Director and District Manager also instruct the financial aid counselors to tell the students that "nobody pays back the loans anyways" if a student seems apprehensive about how much money they will owe when the loans go into repayment.

204. According to Lipscomb, Tallahassee's Director of Finance, Johnson tried to keep her department truthful, but Johnson was not always in the office due to maternity leave and other leave, and Brent, as the District Manager would supersede Johnson's instructions.

ITT Induced Students to Enroll by Tell the Student They Can "Try It Out"

205. Recruitment representatives also tell prospective students that they can "try out" classes for three days to decide whether or not they should enroll.

CONFIDENTIAL AND UNDER SEAL—*QUI TAM* COMPLAINT

206. In or around September 2014, a student, met with Lipscomb to return his laptop and tell Lipscomb he was not interested in enrolling at ITT.

207. During the meeting Lipscomb told the student to fill out the un-enrollment paperwork and mentioned that the student would need to speak to financial aid about his tuition obligations.

208. The student was very confused and told Lipscomb that he was told by the recruitment representative that he could sit in on the classes for up to three days before deciding whether to enroll or not.

209. Lipscomb told the student that if he sat in on even one class, he would be responsible for 10% of the tuition for the class. Lipscomb then took the student to the Director of Finance, Johnson and the three of them spoke about the student's understanding of his tuition obligation.

210. Johnson called the recruiting department and learned that then director of recruitment, David Hoodenpyle did in fact tell the student that he could try out the class for three days.

211. Lipscomb and Johnson then went to the College Director, McGrew, explained the situation, and told McGrew that they did not think that the student should have to pay the 10% tuition because he was lied to about his financial obligations.

212. McGrew told Lipscomb and Johnson that he would "handle it."

213. A few days later, Lipscomb followed up with McGrew about the student. McGrew told Lipscomb that he spoke with the student and since the bill was only about \$400, the student agreed to pay the bill.

CONFIDENTIAL AND UNDER SEAL—*QUI TAM* COMPLAINT

214. Lipscomb expressed his displeasure with this resolution because Lipscomb did not think the student should have to pay anything since ITT's recruitment department explicitly lied to the student.

215. Lipscomb and the academic chairs had heard rumors that recruitment was telling prospective students they could "try out" classes prior to September 2014, but whenever they brought it up to McGrew, McGrew would say something to the effect of, "recruitment wouldn't do that, the student made that up."

216. According to Lipscomb, the student's financial responsibility is on the enrollment paperwork, but in very small, 6 point font, and the financial obligations are not explained to the students.

217. Students have reported to Lipscomb that they felt pressured or rushed through the process, and did not fully understand their obligations until later, at which point they would withdrawal, but many times they were still financially responsible for part of the tuition.

ITT Pressures Students to Stay by Changing Grade Requirements so Students Have to Retake Classes

218. ITT imposes new rules on students trying to complete programs that require the student to stay at ITT longer than they would normally.

219. For example, in or around June 2012, ITT instituted a new rule for nursing program students requiring nursing students to get a B in all of their nursing classes in order to complete their degree.

220. If a nursing student got a C or lower in a nursing class, the student would have to take the class over again.

CONFIDENTIAL AND UNDER SEAL—*QUI TAM* COMPLAINT

221. If a nursing student received two Cs then the student would have to appeal to the Chair of Nursing and the Dean of Academic Affairs. If the appeal was granted, the student would be allowed to return to the nursing program.

222. If the appeal was not granted, or if the student earned a third C during the program, the student would be “terminated” from the program.

223. This policy resulted in increased debt loads for students and increased revenue for ITT.

224. As a result of ITT’s B policy, many students have been expelled from ITT mid program leaving the student without a degree, and with substantial debt that they are unable to pay back.

ITT Pressures Students to Stay by Threatening to Take Student to Collections

225. ITT regularly instructed its staff to “keep the student’s financial aid ramifications in front of their face” and would threaten to take students to collections to scare students into re-enrolling if the student wanted to, or already had, dropped out.

226. ITT’s centralized call center in Indiana will call previously enrolled students and threaten to take the student to collections if they do not pay their student loan obligations.

227. Then as an alternative, the ITT representative will explain to the student that if the student re-enrolls at ITT, their student loan obligations will be deferred.

228. ITT’s representatives tell the students this without explaining that the debt will continue to accrue interest and that the student is taking out additional loans to re-enroll at ITT.

229. District Manager Brent advises the deans and academic chairs to “keep the student’s financial aid ramifications in front of their face.”

CONFIDENTIAL AND UNDER SEAL—*QUI TAM* COMPLAINT

230. Brent also tells the Director of Recruitment and the Director of Finance to instruct their counselors to “keep the student’s financial aid ramifications in front of their face.”

231. What Brent means when she said “keep the student’s financial aid ramifications in front of their face” is that if a student wants to un-enroll, the counselor should essentially scare the student into staying at ITT by showing the student how high their repayments will be, and stressing that they will have to pay all of the money back without a degree, and further, if they did not pay, then they would be taken to collections and their credit would be ruined.

232. Brent used to discuss this policy during the campus call with Brent and all the Deans and Directors.

233. Brent also sends emails to this effect.

Danger Will Robinson!!! Drops are trending high in several campuses early on. We must put into practice our Retention initiatives of strong Academic Student Engagement, College Community Student Events, Academic Support Services, and Weekly At Risk Advising Sessions. Deans and Chairs must do their Observations to see what is happening in the classroom. Set the expectation for good attendance and student satisfaction and success. Be sure students know by now who to come speak with if they have issues of concern or need support. Too many Student Complaints are still coming through that can be handled locally with strong communication.

If a student feels they should drop or withdraw from a class, please keep them focused on their goal and keep the financial and completion rate ramifications in front of them. Those AFAP rules are powerful. This is our quarter to make up ground as we exceeded drop budgets in Q1. Students are our lifeblood and the reason why we do what we do.

SCS – Support our Students!

Best regards,
 Deborah Brent
 District Manager – Southeast
 ITT Technical Institute
 14420 Albemarle Point Place, Suite 100
 Chantilly, VA 20151
 703-263-2541 (Phone)

234. Lipscomb recalls one student, W.W. who was 72 and a retired brick layer. W.W. wanted to start flipping houses by purchasing run down home, laying new brick, and then selling the home at a higher rate than he purchased the home for.

235. W.W. was told that he needed an A.S. in business management to start this business, so W.W. enrolled in ITT’s Business Management program.

CONFIDENTIAL AND UNDER SEAL—*QUI TAM* COMPLAINT

236. W.W. was not equipped to handle ITT's fast paced, technological courses, and un-enrolled after two months.

237. When W.W. un-enrolled and learned how much money he owed after just two month, W.W. became very upset and told ITT that he would not be able to pay as he was on a fixed income.

238. ITT told W.W. that he would either have to re-enroll to defer payments, repay his loans, or be sent to collections.

239. As will be described below, ITT has retention quotas that each campus must meet.

240. In order to keep its retention high, ITT would tell students that their loans would continue to be deferred if they enrolled for classes each quarter.

241. Lipscomb's team at Tallahassee was excellent at getting students to re-enroll but Lipscomb did not allow the team to use loan deferment as an inducement. Brent and Hasson told Lipscomb that he was a "rogue dean with a rogue staff" because Lipscomb would not allow his staff to scare students into re-enrolling by telling horror stories to the students, and we often questioned practices and unethical directives from the Brent.

242. Upon information and belief, the other ITT campuses in Florida did use these scare tactics to bring up their re-enrollment numbers.

Enrollment and Retention Quotas

243. ITT establishes enrollment and retention quotas that ITT administration and admissions must meet.

244. ITT referred to these quotas as "Market Plans" and Brent told the administration that they could not use the word "quota" for legal reasons. However, the newly hired College

CONFIDENTIAL AND UNDER SEAL—*QUITAM* COMPLAINT

Director for ITT's Tallahassee campus, Kevin Hasson would use the word "quota" when meeting one on one with Lipscomb, and Brent would sometimes slip up when she was speaking as well.

245. Recruitment representatives that enrolled high numbers of students are offered a promoted to "senior recruitment representative" and given a salary increase.

246. This promotion and salary increase is linked directly to the number of students the recruitment representative could enroll. And the promotion and salary increase is only offered to recruitment representatives who bring in high numbers of students.

247. ITT's Tallahassee campus usually has about 400 students enrolled during the year.

248. According to Lipscomb, approximately 250 of the 400 students drop out every year.

249. Approximately 80 of the 250 students that drop out end up re-enrolling, and of those 80, approximately 35 of those 80 re-enrolled students end up dropping out again.

250. ITT's Tallahassee campus, despite losing over 50% of its student body every year, is ranked among one of the best ITT campuses for student retention.

251. At the beginning of every quarter, Bill Wright, National Dean, emails all of the campus Deans of Academic Affairs and tells them the number of students they have to re-enroll that quarter.

252. This re-enrollment number is calculated based on the number of students that the campus lost in the previous calendar year. The re-enrollment number is usually 10% of the total un-enrolled number. Lipscomb's goal was usually between 21 and 27 students to be re-enrolled at Tallahassee.

CONFIDENTIAL AND UNDER SEAL—*QUI TAM* COMPLAINT

253. Brent made it very clear to the Deans that she wanted them to “keep the financial ramifications in the student’s face” to get the student to re-enroll.

Graduation Placement Requirements

254. In order for ITT to keep its accreditation status, 67% of ITT graduates have to obtain jobs in their field of study within one year of graduating from ITT.

255. In Lipscomb’s almost four years at ITT Tallahassee, the Tallahassee campus only met this goal in 2014, when they reported approximately 72% of students got jobs in their field of study after graduation.

256. Lipscomb says that the large majority of students ITT reports as being placed are in the nursing field. However, most of ITT’s nursing students are already in the field when they start the nursing program.

257. Additionally, ITT considers Criminal Justice program graduates who get jobs as security guards as placed for the placement report even though the student would not have needed ITT training or education to get the job.

258. Through Lipscomb’s tenure at ITT Tallahassee, Lipscomb, as the Dean of Academic Affairs was required to be on the Employment Graduation Committee which reported graduation placement rates for the campus.

259. All of the Academic Chairs, the College Director, the Director of Finance, and the Director of Recruitment, Registrar, and Director of Career Services were all also on the Employment Graduation Committee.

CONFIDENTIAL AND UNDER SEAL—*QUI TAM* COMPLAINT

260. Often times the College Director and Director of Recruitment would try to justify counting a student as placed even if the job they worked in had nothing to do with their field of study at ITT.

261. For example, two months after graduating from ITT's Electronic Technology program, S.A. came back to campus and spoke to Lipscomb.

262. When Lipscomb asked S.A. how her job was going, S.A. replied that she hated her job, and went on to explain how she essentially worked on an assembly line applying a wax coat to circuit boards.

263. At a previous Employment Graduation Committee meeting, Lipscomb knows that the College Director considered S.A. "placed" in her field of study.

264. When Lipscomb learned that S.A. was not doing anything in the electronic technology field, and instead doing a job that required no training or degree at all, Lipscomb asked the College Director, McGrew to change S.A.'s status.

265. McGrew responded that S.A. was working with circuit boards and therefore she was considered working in her field of study.

266. ITT applies such a broad interpretation of what it means to work in one's field of study that many more students are considered "placed" for graduation placement rate statistics than really end up working in their field of study.

267. Students that could not be placed in job were pushed by the Director of Career Services, Dean of Academic Affairs, and Director of Recruitment to enroll in ITT's bachelor program. This instruction came from District Manager Brent.

CONFIDENTIAL AND UNDER SEAL—*QUI TAM* COMPLAINT

268. Students enrolled in ITT's bachelor program were considered "waived" for the purpose of the placement rate report, and would not have to be reported as not being placed.

269. Enrolling students in the bachelor program helped ITT meet the placement requirements set by ITT's accrediting agency.

270. District Manager Brent directed the Director of Career Services, Dean of Academic Affairs, and Director of Recruitment to pressure students to enroll in the bachelor program by "keeping the student's financial aid ramifications in front of their face" and telling the student how a bachelor degree can help them so much more than their AA.

Students' Complaints

271. Often students would complain to the ITT administration about ITT's various deceptive practices.

272. For example, student E.F. wrote an email to Lipscomb on or around April 12, 2012 complaining that she initially enrolled at ITT to enter ITT's Electronics Technology program but was told that there were not enough students interested in the Electronics Technology program, so she would have to enroll in the Information Technology program.

273. E.F. also complained that ITT assured her the schedule would be flexible, and she would be able to take classes around her other responsibilities. However, this was not the case, and ITT only offered classes at one time which made it difficult for students to work classes in with their other responsibilities.

CONFIDENTIAL AND UNDER SEAL—*QUI TAM* COMPLAINT

From: E. M. [REDACTED] [mailto:[REDACTED]@yahoo.com]
 Sent: Tuesday, April 24, 2012 1:42 PM
 To: Rodney Lipscomb at 128
 Subject: Tricked upon arrival

My name is E. M. [REDACTED] and when i initially signed up to enroll and become a student here, I originally asked to be in the electronic program but was turned away due to the insufficient amount of student not already enrolled so i was left with not much choice but to sign up for the information technology program. And on top of that when i was told that there would be schedule flexibility when really you will get a time and thats the only time that you get or thats just your problem if you have obligations and responsibilities was my issue with ITT technical Institute to whom it may concern. Thank you.

274. As described above, students would also complain that ITT's financial aid obligations and explanations were confusing, and not fully explained.

275. Students would complain that they felt rushed and pressured through the admissions process.

276. Students complained that ITT's programs did not fully prepare the student for careers in the fields the recruitment officers represented they would.

ITT Retaliates Against Lipscomb

277. Starting in early 2012, Lipscomb began sending regular emails to the College Director, McGrew, complaining about various deceptive and unethical practices. Lipscomb would send as many as two emails per month to McGrew outlining ITT's deceptive practices. Lipscomb also relayed his concerns to McGrew verbally.

278. In response to Lipscomb's emails, McGrew would tell Lipscomb "don't worry about it," "we're working on it," and "we'll get it fixed." McGrew would sometimes tell Lipscomb that Lipscomb had wrong information, but McGrew never told Lipscomb that he was wrong about his concerns or allegations.

CONFIDENTIAL AND UNDER SEAL—*QUITAM* COMPLAINT

279. Despite McGrew's assurances, Lipscomb never saw any of the unethical and illegal practices he reported being changed, or fixed.

280. In addition to the numerous emails Lipscomb sent to College Director McGrew, Lipscomb used ITT's ethic hotline numerous times to file complaints. Specifically, as described above, Lipscomb would call the ethics hotline in response to hearing that a student was told they could transfer their credits to other schools, or between programs.

281. Lipscomb also documented complaints in signed weekly one on one meeting documents with the College Director.

282. After Lipscomb filed complaints with the ethics hotline, the College Director, McGrew would call Lipscomb into his office to discuss the complaint. McGrew told Lipscomb that every ethics hotline complaint he filed would come back to McGrew. Lipscomb took this to mean that none of his ethics hotline complaints would be taken seriously, investigated, or result in a policy change.

283. By on or around March 2014, Lipscomb got fed up with ITT's practices and with documenting issues only to see nothing be addressed, and filed a complaint with the Chief Compliance Officer at ITT, Shawn Crawford, via email, and carbon copied District Manager, Brent.

284. Lipscomb filed a complaint with Crawford because Lipscomb was upset that too many ITT students were finishing ITT with close to \$48,000 in debt and no marketable skills.

285. Lipscomb did not receive any response from Crawford to his March 2014 email, but Brent told Lipscomb that his concerns were "being investigated."

CONFIDENTIAL AND UNDER SEAL—*QUITAM* COMPLAINT

286. Despite Brent's assurances, months went by and nothing changed. As a result, Lipscomb wrote another email to Crawford and Brent, detailing his concerns at length in or around August 29, 2014.

287. In his August 29, 2014 email, Lipscomb detailed many of the illegal and unethical practices Lipscomb had observed throughout his time at ITT, including but not limited to, the instruction to recruitment representatives to use a "pain funnel," representatives pressuring students to enroll in programs the student has not expressed interest in, recruitment representatives being pressured to enroll students the representative had concerns about succeeding at ITT, employees expressing fear that they would be retaliated against if they spoke up about legal or ethical compliance issues, re-enrolling students in the B.S. program to waive their status for job placement rate reasons, students being pressured into the Business Management program as a "back up plan," and students being told they can "try out" classes without being told the full financial obligation of sitting in a class.

288. In or around September 2014, Lipscomb had a meeting with Brent, who promised to have "an honest" meeting with Lipscomb regarding Lipscomb's August 29 email.

289. At the September 2014 meeting with Brent, Brent told Lipscomb that Lipscomb did not understand how the school operated, and was misunderstanding how things worked because Lipscomb was on the "academic side of the house, not in operations." Additionally, Brent told Lipscomb that he was "never allowed to use the term 'pain funnel.'"

290. At the end of this meeting, Brent asked Lipscomb to send Brent an email saying that things were "ok" with Lipscomb. Lipscomb did not send the email as Brent requested, because Lipscomb did not think that things were "ok."

CONFIDENTIAL AND UNDER SEAL—*QUI TAM* COMPLAINT

291. A week or two after Lipscomb's meeting with Brent, Lipscomb spoke with Crawford who expressed relief that Lipscomb no longer had the concerns he outlined in his email, and he was happy Lipscomb's meeting with Brent went well. Lipscomb responded that his concerns were not addressed or alleviated, and that he did not agree with Brent's comments at their meeting.

292. Crawford was surprised to hear this and instructed Lipscomb to put his position in writing.

293. On or around September 24, 2014, Lipscomb sent an email to Crawford, expressing his concerns about his meeting with Brent earlier in the month, and stating that he continued to have concerns about ITT's illegal and unethical practices.

294. Crawford, forwarded Lipscomb's letter to ITT's General Counsel, John Walls, who also served as ITT's Director of Human Resources.

295. Shortly after Lipscomb's email was forwarded to ITT's Walls by Crawford, Walls came to the Tallahassee campus to meet with Lipscomb and Brent.

296. At this meeting, Walls told Lipscomb that no deceptive practices were being used at ITT, none of Lipscomb's complaints had been substantiated, and to stop sending e-mail complaints. Walls also told Lipscomb that Lipscomb was "not an attorney" and therefor was not qualified to claim that any laws or policies had been violated.

297. In or around the middle of September 2014, ITT hired a new campus director for the Tallahassee campus, Kevin Hasson. Hasson was present at the September 2014 meeting with Walls and Brent.

CONFIDENTIAL AND UNDER SEAL—*QUI TAM* COMPLAINT

298. The day after Lipscomb's meeting Brent, Hasson and Walls, Lipscomb provided Hasson a copy of all of Lipscomb's letters to Crawford and Brent detailing Lipscomb's concerns.

299. Shortly after Lipscomb provided a copy of his letter to Crawford to Hasson, Hasson had a meeting with Lipscomb where Hasson again reminded Lipscomb that he was "not a lawyer."

300. Lipscomb met with Hasson again on or about January 20, 2015. At this meeting Lipscomb told Hasson that ITT needed to stop its deceptive practices, and that Lipscomb was applying for other jobs because nothing was changing at ITT.

301. At the January 20, 2015 meeting, Lipscomb also informed Hasson that Lipscomb was going to lodge a complaint with the Florida State Attorney General and the state licensing agency.

302. One week later, on the January 28, 2015 Hasson fired Lipscomb.

303. Lipscomb's termination letter stated that Lipscomb was being fired for "conduct" but when Lipscomb asked, no one could tell Lipscomb what conduct he was allegedly fired for.

304. Lipscomb has heard that since he was fired by Hasson, the Tallahassee office has begun engaging in all of the deceptive, illegal, and unethical practices he worked for years to stop.

COUNT I

Federal False Claims Act Claim Pursuant to 31 U.S.C. § 3729(a)(1)(A) Knowingly Presenting Claims for Payment to the United States As to All Defendants

305. Relator reasserts and incorporates by reference all paragraphs set forth above as if restated herein.

CONFIDENTIAL AND UNDER SEAL—*QUI TAM* COMPLAINT

306. By virtue of the acts described in the preceding paragraphs, Defendants knowingly presented or caused to be presented to the United States false or fraudulent claims for payment or approval in violation of the FCA.

307. As a qualified education institution, ITT must comply with the laws and regulations set forth in the Higher Education Act of 1965 as amended.

308. As an eligible educational institution MJI was required to conduct regular audits and submit attestations to DOE confirming that ITT was in compliance with federal laws and regulations related to the HEA's requirements.

309. ITT devised a fraudulent scheme to retain Title IV, HEA funds by enrolling students in ITT's program without fully explaining, and often lying to the students about the financial obligations to the student, and the skills and training the student would receive in the program.

310. Defendants knowingly presented and continue to be presented falsified student information to the Government to receive federal student loan money.

311. Defendants also falsified student documents such as applications and FAFSA documents to enroll the student in ITT, and ensure the student would receive adequate federal financial aid.

COUNT II

Federal False Claims Act Claim Pursuant to 31 U.S.C. § 3729(a)(1)(B) Knowingly Using False Claims for Payment to the United States As to All Defendant

312. Relator reasserts and incorporates by reference all paragraphs set forth above as if restated herein.

CONFIDENTIAL AND UNDER SEAL—*QUI TAM* COMPLAINT

313. By virtue of the acts described in the preceding paragraphs, Defendants knowingly made and used, and continue to make and use, of false records to submit FAFSA applications and receive federal funds.

314. Defendants knowingly falsified ITT enrollment applications and FAFSA applications for students who were not able to successfully benefit from, or complete programs of study at ITT.

315. As an eligible educational institution, ITT was required to enter into a PPA, in which ITT agreed to abide by a host of statutory, regulatory, and contractual requirements in order to receive Title IV HEA funds.

316. ITT fraudulently entered into a PPA and violated the requirements needed to receive Title IV HEA funds.

317. Defendants created enrollment applications for students who could not successfully complete their own enrollment applications, and instructed students to lie on their FAFSA applications in order to receive the maximum amount of financial aid, and subsequently received federal funds.

COUNT III

Federal False Claims Act Claim Pursuant to 31 U.S.C. § 3730(h) Retaliation Against Lipscomb As to All Defendants

318. Relator reasserts and incorporates by reference all paragraphs set forth above as if restated herein.

319. Lipscomb was an “employee,” and ITT is an “employer,” as the terms are defined by the False Claims Act.

CONFIDENTIAL AND UNDER SEAL—*QUI TAM* COMPLAINT

320. As set forth above, and in connection with the foregoing scheme, Defendants knowingly submitted, or caused to be submitted, false claims for payment by the United States in violation of the False Claims Act.

321. Lipscomb engaged in activity protected under the False Claims Act by engaging in lawful acts in the furtherance of a qui tam action under the False Claims Act and other efforts to stop Defendants' violation of the False Claims Act.

322. Throughout his employment, Lipscomb reported various illegal and unethical actions by ITT to Tallahassee's College Director, ITT's District Manager for the South East Region, ITT's Chief Compliance Officer, and ITT's General Counsel.

323. Lipscomb engaged in protected activity in part when he emailed ITT's Chief Compliance Officer and District Manager for the South East Region on or about August 29, 2014 reporting many of the illegal and unethical practices Lipscomb had observed throughout his time at ITT, including but not limited to, the instruction to recruitment representatives to use a "pain funnel," representatives pressuring students to enroll in programs the student has not expressed interest in, recruitment representatives being pressured to enroll students the representative had concerns about succeeding at ITT, employees expressing fear that they would be retaliated against if they spoke up about legal or ethical compliance issues, re-enrolling students in the B.S. program to waive their status for job placement rate reasons, students being pressured into business management as a "back up plan," and students being told they can "try out" classes without being told the full financial obligation of sitting in a class.

324. Lipscomb's disclosures led in part to the instant qui tam action.

CONFIDENTIAL AND UNDER SEAL—*QUI TAM* COMPLAINT

325. Lipscomb's protected activity motivated, at least in part, ITT's decision to terminate Lipscomb.

326. To redress the harms he has suffered as a result of the acts and conduct ITT in violations of 31 U.S.C. § 3730(h), Lipscomb is entitled to damages including two times the amount of back pay, interest on back pay, and any other damages available by law including litigation costs and reasonable attorneys' fees.

PRAYER FOR RELIEF

WHEREFORE, the Relator Rodney Lipscomb, acting on behalf of and in the name of the United States of America, and on his own behalf, prays that judgment be entered against Defendants for violation of the False Claims Act as follows:

- (a) In favor of the United States against the Defendants for treble damages to the federal government from the submission of false claims, and the maximum civil penalties for each violation of the False Claims Acts;
- (b) In favor of the Relator for the maximum amount pursuant to 31 U.S.C. § 3730(d) to include reasonable expenses, attorney's fees, and costs incurred by the Relator;
- (c) In favor of the Relator for the maximum amount pursuant to 31 U.S.C. § 3730(h) to include two times the amount of back pay, interest on back pay, reasonable expenses, attorney's fees, and costs incurred by the Relator;
- (d) For all costs of the False Claims Act civil action; and

CONFIDENTIAL AND UNDER SEAL—*QUI TAM* COMPLAINT

(e) In favor of the Relator and the United States for further relief as this court deems just and equitable.

Respectfully Submitted,



R. Scott Oswald, Fl. Bar No. 158437
David Scher, *Pro Hac Vice to be filed*
The Employment Law Group, P.C.
888 17th Street, NW, 9th Floor
Washington, D.C. 20006
(202) 261-2803
(202) 261-2835 (facsimile)
dscher@employmentlawgroup.com
soswald@employmentlawgroup.com
Counsel for the Plaintiff

JURY DEMAND

Pursuant to Rule 38 of the Federal Rules of Civil Procedure, Lipscomb hereby demands a jury trial.

JS 44 (Rev. 11/04)

CIVIL COVER SHEET

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON THE REVERSE OF THE FORM.)

I. (a) PLAINTIFFS

Rodney Lipscomb

(b) County of Residence of First Listed Plaintiff Leon County, Florida
(EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorney's (Firm Name, Address, and Telephone Number)

R. Scott Oswald, David L. Scher, The Employment Law Group, P.C.
888 17th St. NW, 9th Floor, Washington, D.C. 20006

DEFENDANTS

ITT Educational Services, Inc., ITT Technical Institute

County of Residence of First Listed Defendant Duval County, Florida
(IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE LAND INVOLVED.

Attorneys (If Known)

II. BASIS OF JURISDICTION (Place an "X" in One Box Only)

- ☒ 1 U.S. Government Plaintiff ☐ 3 Federal Question (U.S. Government Not a Party)
- ☐ 2 U.S. Government Defendant ☐ 4 Diversity (Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

- | | | | |
|---|---|---|---|
| Citizen of This State | PTF <input type="checkbox"/> 1 DEF <input type="checkbox"/> 1 | Incorporated or Principal Place of Business In This State | PTF <input type="checkbox"/> 4 DEF <input type="checkbox"/> 4 |
| Citizen of Another State | <input type="checkbox"/> 2 <input type="checkbox"/> 2 | Incorporated and Principal Place of Business In Another State | <input type="checkbox"/> 5 <input type="checkbox"/> 5 |
| Citizen or Subject of a Foreign Country | <input type="checkbox"/> 3 <input type="checkbox"/> 3 | Foreign Nation | <input type="checkbox"/> 6 <input type="checkbox"/> 6 |

IV. NATURE OF SUIT (Place an "X" in One Box Only)

CONTRACT	TORTS	FORFEITURE/PENALTY	BANKRUPTCY	OTHER STATUTES	
<input type="checkbox"/> 110 Insurance <input type="checkbox"/> 120 Marine <input type="checkbox"/> 130 Miller Act <input type="checkbox"/> 140 Negotiable Instrument <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment <input type="checkbox"/> 151 Medicare Act <input type="checkbox"/> 152 Recovery of Defaulted Student Loans (Excl. Veterans) <input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits <input type="checkbox"/> 160 Stockholders' Suits <input type="checkbox"/> 190 Other Contract <input type="checkbox"/> 195 Contract Product Liability <input type="checkbox"/> 196 Franchise	PERSONAL INJURY <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Federal Employers' Liability <input type="checkbox"/> 340 Marine <input type="checkbox"/> 345 Marine Product Liability <input type="checkbox"/> 350 Motor Vehicle <input type="checkbox"/> 355 Motor Vehicle Product Liability <input type="checkbox"/> 360 Other Personal Injury CIVIL RIGHTS <input type="checkbox"/> 441 Voting <input type="checkbox"/> 442 Employment <input type="checkbox"/> 443 Housing/Accommodations <input type="checkbox"/> 444 Welfare <input type="checkbox"/> 445 Amer. w/Disabilities - Employment <input type="checkbox"/> 446 Amer. w/Disabilities - Other <input type="checkbox"/> 440 Other Civil Rights	PERSONAL INJURY <input type="checkbox"/> 362 Personal Injury - Med. Malpractice <input type="checkbox"/> 365 Personal Injury - Product Liability <input type="checkbox"/> 368 Asbestos Personal Injury Product Liability PERSONAL PROPERTY <input type="checkbox"/> 370 Other Fraud <input type="checkbox"/> 371 Truth in Lending <input type="checkbox"/> 380 Other Personal Property Damage <input type="checkbox"/> 385 Property Damage Product Liability PRISONER PETITIONS <input type="checkbox"/> 510 Motions to Vacate Sentence Habeas Corpus: <input type="checkbox"/> 530 General <input type="checkbox"/> 535 Death Penalty <input type="checkbox"/> 540 Mandamus & Other <input type="checkbox"/> 550 Civil Rights <input type="checkbox"/> 555 Prison Condition	<input type="checkbox"/> 610 Agriculture <input type="checkbox"/> 620 Other Food & Drug <input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881 <input type="checkbox"/> 630 Liquor Laws <input type="checkbox"/> 640 R.R. & Truck <input type="checkbox"/> 650 Airline Regs. <input type="checkbox"/> 660 Occupational Safety/Health <input type="checkbox"/> 690 Other LABOR <input type="checkbox"/> 710 Fair Labor Standards Act <input type="checkbox"/> 720 Labor/Mgmt. Relations <input type="checkbox"/> 730 Labor/Mgmt. Reporting & Disclosure Act <input type="checkbox"/> 740 Railway Labor Act <input type="checkbox"/> 790 Other Labor Litigation <input type="checkbox"/> 791 Empl. Ret. Inc. Security Act	<input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157 PROPERTY RIGHTS <input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 840 Trademark SOCIAL SECURITY <input type="checkbox"/> 861 HIA (1395f) <input type="checkbox"/> 862 Black Lung (923) <input type="checkbox"/> 863 DIWC/DIWW (405(g)) <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI (405(g)) FEDERAL TAX SUITS <input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) <input type="checkbox"/> 871 IRS—Third Party 26 USC 7609	<input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 410 Antitrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce <input type="checkbox"/> 460 Deportation <input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations <input type="checkbox"/> 480 Consumer Credit <input type="checkbox"/> 490 Cable/Sat TV <input type="checkbox"/> 810 Selective Service <input type="checkbox"/> 850 Securities/Commodities/Exchange <input type="checkbox"/> 875 Customer Challenge 12 USC 3410 <input checked="" type="checkbox"/> 890 Other Statutory Actions <input type="checkbox"/> 891 Agricultural Acts <input type="checkbox"/> 892 Economic Stabilization Act <input type="checkbox"/> 893 Environmental Matters <input type="checkbox"/> 894 Energy Allocation Act <input type="checkbox"/> 895 Freedom of Information Act <input type="checkbox"/> 900 Appeal of Fee Determination Under Equal Access to Justice <input type="checkbox"/> 950 Constitutionality of State Statutes

V. ORIGIN

(Place an "X" in One Box Only)

- ☒ 1 Original Proceeding ☐ 2 Removed from State Court ☐ 3 Remanded from Appellate Court ☐ 4 Reinstated or Reopened ☐ 5 Transferred from another district (specify) ☐ 6 Multidistrict Litigation ☐ 7 Appeal to District Judge from Magistrate Judgment

VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing. (Do not cite jurisdictional statutes unless diversity):
Federal False Claims Act, 31 U.S.C. §§ 3729 et seq.

Brief description of cause:
qui tam action

VII. REQUESTED IN COMPLAINT:

☐ CHECK IF THIS IS A CLASS ACTION UNDER F.R.C.P. 23

DEMAND \$

CHECK YES only if demanded in complaint:

JURY DEMAND: ☒ Yes ☐ No

VIII. RELATED CASE(S) IF ANY

(See instructions):

JUDGE

DOCKET NUMBER

DATE

SIGNATURE OF ATTORNEY OF RECORD

04/07/2015

FOR OFFICE USE ONLY

RECEIPT #

AMOUNT

APPLYING IFP

JUDGE

MAG. JUDGE

Tax
15891

400.00

20

JRK