

EXHIBIT 25



**UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF INSPECTOR GENERAL
INVESTIGATION SERVICES**



DATE INTERVIEWED: December 22, 2011

PERSON INTERVIEWED: White, Karen

INTERVIEWED BY: Special Agent (SA) Jason Williams,
ASAC Kristen Frias

LOCATION: [REDACTED]

REFERENCE: FAST TRAIN (FT)

CASE NUMBER: 11-041380

On December 22, 2011, SA Williams and ASAC Frias interviewed Karen White (White) regarding her employment at FT. After being advised of the reporting agents' identities and the purpose of the interview, White provided the following information in essence:

White began her employment at FT-Tampa on August 15, 2011, as the campus Director of Admissions. She was previously employed by Concord Career College (CCC), as the Regional Business Director, and was in charge of securing work force money from the US Department of Labor to help fund students tuition costs. She routinely traveled between Jacksonville, Tampa, and Orlando for CCC. The FT-Tampa campus has day and night time classes.

On August 22, 2011, White held a training session with her new admissions staff, which included Melissa HERNANDEZ, David Sadino SHEFFLER aka "Jose", Saleem MOHAMMED, David MARQUEZ, and Dawn Robinson. In the training session everyone signed in and agreed they understood the content of the training they covered. The topics of the training included "non-start factors" such as students who do not have a high school diploma or General Equivalency Diploma (GED) or students who do not have adequate childcare. White told all staff that students who do not have the proper high school completion credentials cannot be accepted into the school. White also told her staff she wanted all admissions representatives to ask for high school diploma proof from all students who enquire about enrollment into FT-Tampa, to ensure they were meeting federal requirements for enrolling only students who have a completed one of the approved methods for high school.

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S/A Jason Williams

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A few days after the training session, White received an unannounced visit from Juan ARREOLA, Regional Admissions Director and Santiago MARTINEZ, Corporate Academic Director. Both men told White she could not collect high school diplomas and transcripts from prospective students because there was no requirement to do so from their accrediting body. MARTINEZ also said if they received an audit by the accrediting body and her campus had high school diplomas and the other campuses did not, it would be noted as a finding. White said she felt sick after the meeting, because of the culture of fraud that was being perpetrated. She knew this was not right because of her experiences at CCC.

Immediately after starting her employment, White received repeated demands and threats from ARREOLA and Alex AMOR, FT Owner. Both demanded she increase her enrollment numbers by any means possible. White was constantly compared to her counterpart campus Director in Clearwater, FL Norman DORN, Jr. who had large numbers of starts, for a campus that did not receive foot traffic. The Clearwater, FL campus was located on a busy US highway/expressway, the Tampa campus was located inside of a busy indoor shopping mall and had a lower number of enrollments aka starts.

White was ordered to attend training in September 2011, to work with admissions representatives in the Miami/South Florida campuses. She was accompanied on this trip by HERNANDEZ, who was assigned to the Kendall campus before she was transferred to the Tampa campus to help improve enrollments there. HERNANDEZ told White this was how you get the enrollments you need. You have to drive to "the hood." HERNANDEZ stopped random men on street corners and bus stops and asked them to attend FT. One black male, with dreadlocks agreed to enter the car with the two women and told HERNANDEZ he did not have a high school diploma. HERNANDEZ said this was fine and he could still attend FT, he would just have to keep it a secret between the two of them. White was horrified that a random stranger was riding with them in the car and that they agreed to commit fraud right in front of her. The man was delivered to the FT campus in Pembroke Pines, FL, and after a second level interview with the Assistant Director of Admissions, a black female, the student was admitted without challenge. White overheard the student tell the black female about the lack of having a high school diploma, and the woman said it was not a problem. White believed HERNANDEZ was a former exotic dancer and dressed very provocatively. She believed this was why men wanted to get into her car, it was all a part of the recruiting effort for FT. Thereafter, White received another transfer admissions representative from the Jacksonville campus, Jose CABRERA. He too, would recruit a high number of enrollments but she was very suspicious of his numbers because he would use the same recruiting methods as HERNANDEZ. Many of the students they recruited would attend for a short amount of

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time between one and five days and usually were never seen again. HERNANDEZ once recruited 10 students in three days, White knew that they must have been coached to tell financial aid they completed a high school diploma. An unusual amount of students in her population at FT-Tampa received the GED from Brewster Technical School, Tampa, FL. White believes most of these students were coached to say they completed their credential at the institution.

White was only at the campus one shift a day, but FT-Tampa has two shifts. She remarked to the reporting agents she could not be everywhere at once, so some ineligible students were enrolled.

After returning to Tampa, White felt very conflicted and confused about why FT was willingly committing fraud and getting students to sign up who would not benefit from attending the school, if they attended at all. White began to search the schools database, Campus View for information. She uncovered starts that had recently happened at the Clearwater campus. Many of the students she found had similar addresses. She Googled these addresses and two of the most common addresses belonged to two area homeless shelters located in Clearwater, FL. White questioned Carla CAMPBELL, Regional Director of Education about the homeless students. CAMPBELL admitted she knew of the existence of the active acquisition of homeless students to boost numbers, and knew many of them did not have high school diplomas. CAMPBELL said AMOR wanted students enrolled no matter where they came from.

In October 2011, MARQUEZ enrolled a student who did not have a high school diploma named Luis Torres. MARQUEZ paid Torres to recruit his friends and others who did not have high school diplomas. Torres recruited around 10 of his friends to attend FT, none of which had high school diplomas, one was named Jerry Acosta. MARQUEZ stopped paying Torres for students in November 2011. Torres was very upset and threatened to murder MARQUEZ. CAMPBELL called to confirm the threat with Torres and he told her he did not have a high school diploma and was paid to help recruit his friends to attend FT who also did not have diplomas. He also confirmed that he was planning on murdering MARQUEZ when he had a chance and that he also planned to hurt himself. CAMPBELL notified local law enforcement and Torres was committed for psychiatric evaluation under the Baker Act [Agent's Note: It is unknown at this time if Torres is still in the custody of psychiatric medical professionals.]

On December 12, 2011, AMOR had a conference call with White and her admissions staff and told them they were not meeting the goals of recruitment required. AMOR said he blamed the low numbers on White and that she was not doing what she was hired to do. AMOR said White was hired because she was a board member of Work Force

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Tampa and thought her connections would gain FT more Work Force money to help FT meet its 90/10 obligations [Agent's Note: All schools enrolled in the Title IV program are required to receive at least 10 percent of their funding from another source other than ED. FT is trying to meet this requirement by enrolling students who are eligible to receive money from the U.S. Department of Labor workforce program.] White explained to AMOR that Work Force would not be interested in FT because in the last year FT had enrolled ten Work Force students, six actually started, and only one graduated and was placed in a job. This constituted a 10 percent placement rate. After the call, White was upset and told her staff she was going to only enroll students who were eligible and that AMOR and ARREOLA could "kiss her ass" if they wanted her to break the law or misuse her board membership. The very same day after the phone conference, an ad was printed in the local newspaper that an Admissions Director was needed for FT at a central FL campus. White did not know if this was for her campus or Clearwater, because many of her staff went around her and reported directly to AMOR or ARREOLA. White later found out, DORN was being promoted to Regional Admissions Director because he met the goals set forth by ARREOLA and was promised a promotion and a raise if he increased the enrollments at his campus [Agent's Note: This appears to be an improper inducement, which was deemed illegal in past regulatory updates.] MARQUEZ also received a \$6,000 raise in pay after his increase in enrollments at the FT-Tampa campus.

On December 5, 2011, White received a call from the mother of a student named Triston Jones. Jones' mother was upset because her son was being enrolled in FT. White explained the programs available at FT and the mother remarked she understood what they were offering but could not understand how her son could be admitted without having completed his high school diploma or GED. White was flabbergasted when she learned from the student's mother, MOHAMMAD had coached the student into telling financial aid he had a high school diploma. White immediately completed a formal written reprimand on MOHAMMAD because of the incident. MOHAMMAD replied to the reprimand and said he never coached the student, and repeated the statement in the document three times. She informed FT-Corporate office of the incident and her immediate supervisor ARREOLA, no one took any further action.

White recalled an incident when a student named Robert Daniels' social worker came to FT and was almost involved in an altercation with MOHAMMED because he enrolled the student without a high school diploma. MOHAMMED also lied to Daniels and told him to enroll in one of FT's other programs and that they would soon offer an auto repair program, and transfer his credit into the new program. FT does not have an auto repair program at any of their campuses or any plans to start one. White calmed the person down and profusely apologized.

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White explained FT fabricated the dates of starts and the last day of attendance and drops, to make sure they were able to keep any financial aid disbursed. For example, if a start was scheduled on 11/7, some students would actually start classes on that date. Another start would be scheduled for 12/5 but those students in Campus View would not have an enrollment agreement attached to their profile. This was done to hide the fact they would charge students from the date 11/7 as having attended classes when they were not enrolled. This facilitated FT drawing down money after the 30 days mandated by ED. FT used what was called participation credit in which FT gave credit to students who do not show up but continue to complete work. White said students would attend FT once in the first three days of class and never return. These students were marked they attended the full 30 days and aid would be withdrawn in their name from ED, which included loans and grants. On White's last day, 137 students were shown in campus view to be active students, about 70 of those students are actually ever seen at her campus.

Diane LNU, was a financial aid administrator at FT-Tampa. A student Sephoria Allen had only attended FT one day, and aid was withdrawn in her name. Diane and White knew for a fact the student had been absent the other 29 days and would wait to see if corporate HQ would return the money, White believed they did not.

White said all enrollment and admissions paperwork is scanned into Campus View and the originals are sent to corporate HQ's at FT Kendall Miami campus. Financial aid records for students are kept in financial aid at each individual campus.

At the conclusion of the interview, White agreed to make a consensually monitored call to Norman DORN and Carla CAMPBELL. White provided numerous documents pertaining to FT to the interviewing agents.

Karen White



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