Overview

- Compliance must be monitored and enforced
  - Regulatory requirements
  - Policies and procedures
  - Contracts and other agreements
  - Escalation policies

- Effective monitoring programs are based upon “reasonable” due diligence metrics, risk factors and knowledge of non-conformance

- Monitoring and enforcement programs change behaviors

- Disinterested external auditors and available technology can add validity and efficiencies to the monitoring process

- Will provide 4 examples of audit programs we conduct that help companies and/or regulators monitor and enforce compliance
Our Philosophy

- Experienced compliance and audit firm
- Have worked with over 75 colleges and universities
- Created numerous regulatory and due diligence audit and monitoring programs
- Serve as an expert witness in numerous compliance related cases
- Developed several audit technology platforms
- Have worked with the FTC, DOJ and state regulators as well as national accrediting bodies
A school wanted to verify prospective students understood the terms of their enrollment prior to enrolling the student:
- Program of study, transfer of credits, financial aid repayment requirements, etc.

School wanted the verification to be completed by an independent 3rd party.

Developed process where prospective students had to complete and sign questionnaire prior to enrollment:
- Students could complete online or over the phone (E-Sign)
- If prospective student indicated they did not fully understand any term of their enrollment, admissions was notified and required to review the term(s) with the student
- Identified campuses/employees with potential issues as well as specific terms of enrollment students had difficulty understanding

Example 1: Enrollment Verification

Example 2: Admissions Call Recording Audits

**Regulator:**
- Consumer Protection Division required school to audit calls between Admissions and prospective students
  - Coordinated with the school and the AG’s office to develop audit criteria, sampling methodology, and reports
  - Random sample of call recordings on an ongoing basis
  - Audit to verify provision of required information and adherence to requirements
  - Quarterly reports to the Consumer Protection Division office
    - Notify Regulators of red flag issues
- Regulator is able to verify school is adhering to the terms of the agreement
- School was comfortable with this structure because of vendor’s familiarity with private-sector education
**Example 2: Admissions Call Recording Audits**

**Schools:**
- Very rare that we encounter a school that isn’t monitoring their admissions calls
  - Some use 3rd parties, others monitor internally
  - 3rd parties can reduce potential allegations of bias and provide expertise
- Sampling suggestions:
  - Audit all types of Admissions calls including calls that lead to enrollments and those that do not
  - Audit all admissions employees that speak with prospective students
  - Increase monitoring if issues are identified with a particular employee/location/call type
- Enforcement and remediation are critical when issues are identified
- Program has resulted in improved school performance and economy of Regulator resources

**Example 3: Placement Verification**

**Regulator:**
- School has agreed to a settlement with a state regulator office
  - Requires an independent company to verify all placement rates reported by the school
  - The AG’s office provided requirements that must be met for employment to be considered a valid placement
  - CompliancePoint acts as the independent firm to verify these placements
- Allows school to meet requirements of settlement while verifying placements in a way that preserves the graduate and employer relationships
  - Schools seem to prefer to use a vendor with knowledge of their industry rather than having a regulator/accreditor placing calls directly to their employers/graduates
- Regulator receives non-biased, independent reports from CompliancePoint
  - Access to detailed portal technology capable of extensive reporting
  - Includes detailed records of all verification attempts
  - Call recordings, emails, chat transcripts, etc.
School:
- Majority of schools we work with have chosen to voluntarily verify their placements
  - Some use 3rd party vendors while others verify on their own
  - Strongly suggest verifying even if not required by accreditor or regulatory body
- Allows the school to ensure their placement rates are accurate before reporting to their accreditor or using for marketing purposes
- Record keeping is essential
  - Call recordings
  - Emails
  - Attestation forms

Example 3: Placement Verification

Multiple Verification Methods
Discrepancy Resolution

Example 3: Placement Verification

- Ongoing monitoring predictably improves the validity of placements reported by Career Services
Summary Reports Provide Oversight

Regulators:
- CompliancePoint’s parent company maintains a historical database of the DNC and wireless status of every telephone number for the last 9 years
  - Performs hygiene on the National DNC Registry
- This database would allow regulators to quickly investigate the dial records of a company for potential Do Not Call/wireless violations
  - Analysis includes allowable exemption criteria
- Regulators could leverage the database to verify ongoing compliance with a settlement agreement
- Regulator would receive reports outlining the results of the audit including:
  - Total numbers dialed
  - Potential issues (if applicable)
    - Company’s explanation for the potential issues
    - Company’s plan to prevent the issues from reoccurring

Example 4: Data Audits
Schools:
- The Telemarketing Sales Rule requires schools to monitor and enforce compliance for anyone marketing on the school’s behalf
  - Admissions employees
  - Vendors
- Data audits allow schools to identify potential failures in the school and/or vendor’s DNC suppression and wireless management process
- Schools should monitor all campuses and vendors on a regular basis:
  - DNC suppression
  - Wireless management
  - Call abandonment compliance
  - Calling times
  - Contact attempts

Summary Reports

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Example 4: Data Audits

- Behavior improves over time once regular auditing and monitoring is implemented.
Regulators:
- CompliancePoint can:
  - Supplement monitoring/auditing efforts of limited staff
  - Provide years of operational compliance and audit expertise
  - Provide program efficiencies through technology
  - Implement monitoring/audit programs while meeting all industry data security and audit integrity standards

Schools:
- CompliancePoint can:
  - Assist schools to demonstrate ongoing due diligence efforts and intentions to comply
  - Implement monitoring/audit programs that change behaviors
  - Provide clear evidence of compliance
  - Provide technology tools for enterprise-wide reporting
  - Help implement highly effective programs at lower costs than internal resources

Summary

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