

United States Senate

WASHINGTON, DC 20510-2101

April 5, 2007

The Honorable Margaret Spellings
Secretary
U.S. Department of Education
400 Maryland Avenue, SW, Room 7W301
Washington, DC 20202

Dear Secretary Spellings:

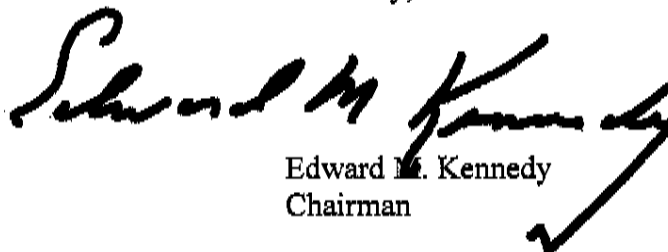
I am writing about recent reports that Matteo Fontana, an official with the Federal Student Aid ("FSA") division of the Department of Education, held shares in a company that he is currently charged with overseeing, Student Loan Xpress. Mr. Fontana is General Manager of the Financial Partner Services division of FSA. According to a September 2006 report by the Department's Inspector General, the General Manager of Financial Partner Services "has been delegated the programmatic authorities to administer the FFEL [Federal Family Education Loan] program authorized by Title IV, Part B of the Higher Education Act...as they relate to guaranty agencies, lenders, lending services, and other Federal agencies...Within FSA, Financial Partners is the division responsible for the oversight of the FFEL Program." Among its other responsibilities, the Financial Partners division conducts reviews of lenders who offer federally-insured student loans like Student Loan Xpress.

It has also been reported that, prior to becoming General Manager of Financial Partner Services, Mr. Fontana was in charge of sensitive student loan information kept in a Department computer database. These circumstances raise serious concerns about the impartiality of Mr. Fontana's work at the Department.

In light of these events, I ask that you provide to my office information and documents concerning Mr. Fontana's relationship with Student Loan Xpress during his time at the Department. Please see the attached Document Request for specifics. I ask that you coordinate the production of documents with Nicholas W. Bath, Counsel to the Committee, at (202) 224-6912.

Thank you for your consideration.

Sincerely,



Edward M. Kennedy
Chairman

Please produce the documents described below by delivering such documents to the offices of the Committee on Health, Education, Labor and Pensions, Hart Senate Office Building, Suite 615, Washington D.C. 20510, attention: Nicholas W. Bath, Jr., at or before 5 p.m. on April 19, 2007.

Documents Requested

1. All documents, including but not limited to handwritten notes, emails, or any other communications and correspondence, referring to or containing communications between Matteo Fontana and Student Loan Xpress that were created, sent, or received at any time that Mr. Fontana was employed by the Department of Education.
2. All documents, including financial disclosure forms, memoranda, or correspondence, referring to, concerning, addressing or containing information about Mr. Fontana's personal financial interests, investments, or holdings during the time he was employed by the Department of Education.

Instructions and Definitions

- A. The term "Student Loan Xpress" means Student Loan Xpress, its directors, members, trustees, officers, employees, agents, representatives and all persons in active concert or participation with them in the administration of the affairs of Student Loan Xpress, including attorneys, and each of its parent companies (including CIT), subsidiaries, affiliates and predecessors.
- B. The term "Department of Education" means all persons employed by the United States Department of Education and all employees, agents, successors, representatives (including, without limitation, attorneys, investment advisors, investment bankers, bankers and accountants), and all persons in active concert or participation with them in the administration of the affairs of the United States Department of Education.

C. All entities named herein shall include any of the directors, members, trustees, officers, employees, agents and representatives thereof, including attorneys, and each of its parent companies, subsidiaries, affiliates and predecessors.

D. "All" means "any and all" and the word "any" means "any and all."

E. "And" and "or" shall be construed conjunctively or disjunctively as necessary to make the request or definition inclusive rather than exclusive. The singular shall be construed to include the plural and the plural to include the singular.

F. "Concerning" means relating to, referring to, describing, reflecting, evidencing or constituting.

G. "Communicate" or "communication" means every manner or means of disclosure, transfer or exchange, and every disclosure, transfer or exchange of ideas or information, whether orally, by document, or electronically, or whether face-to-face, by telephone, mail, personal delivery, electronic transmission or otherwise.

H. "Document" shall include all original written, typed, printed, pictorial, reproduced, recorded or other material bearing representations or symbols of any sort, as well as any copies that differ in any way from the original, in defendants' actual or constructive possession, custody, care or control, including without limitation, all writings, account letters, account recommendations, appointment books, books, books of accounts, calendars, CD-ROMs, charts, computer files, computer printouts, contracts, cost sheets, data compilation from which information can be obtained or can be translated through detection devices into reasonably usable form, diaries, drafts, drawings, e-mail, faxes, graphs, hotel charges, invoices, ledgers, magnetic discs, magnetic strips, magnetic tape, memoranda, microfiche, microfilm, minutes, notes, optical characters, papers, photographs, punched cards, punched paper tapes, receipts, recognition

characters, reports, sound tapes or recordings, statements, statistical records, stenographer notebooks, studies, telegraphs, time sheets or logs, video tapes or recordings, vouchers, weigh tickets, working papers, or any other tangible thing.

I. Each request for production of documents herein shall be deemed continuing so as to require prompt supplemental responses if further documents called for herein are obtained or discovered after the time of responding to this request.

J. If any documents, or parts of documents, called for by this request are withheld for any reason, a list shall be furnished setting forth as to each such document the following information: (a) the nature of the document, *e.g.*, letter, memorandum, telegram, etc.; (b) the name, address, occupation, title and business affiliation of each person who prepared, received, viewed and has or has had possession, custody or control of the document; (c) the date of the document; (d) a description of the subject matter of the document; (e) a statement of the basis upon which the privilege or work product claim is made; and (f) the paragraph(s) of this request that call for the production of the document.

K. Responsive documents shall be produced as they have been kept in the ordinary course of business or shall be organized and labeled to correspond with the enumerated requests in this request. If with respect to any category there are no responsive documents, so state in writing.

L. If any documents, or parts of documents, called for by this request have been destroyed, discarded, or otherwise disposed of, a list shall be furnished setting forth as to each document the following information: (a) the nature of the document, *e.g.*, letter, memorandum, telegram, etc.; (b) the name, address, occupation, title and business affiliation of each person who prepared, received, viewed and has or has had possession, custody or control of the

document; (c) the date of the document; (d) a description of the subject matter of the document; (e) the date of destruction or other disposition; (f) a statement of the reasons for destruction or other disposition; (g) the name, address, occupation, title and business affiliation of each person who authorized destruction or other disposition; (h) the name, address, occupation, title and business affiliation of each person who destroyed or disposed of the document; and (i) the paragraph(s) of this request which call for the production of the document.

M. If images or OCR records of submitted documents exist as computer file(s) or are created in connection with this request, provide the images and OCR records in machine-readable form.

N. If any information or data is withheld because such information or data is stored electronically, it is to be identified by the subject matter of the information or data and the place or places where such information is maintained.