

# UNIVERSITY OF CALIFORNIA

## THE REGENTS' STATEMENT ON ETHICAL VALUES

Pursuit of the University of California mission of teaching, research and public service requires a shared commitment to the core values of the University as well as a commitment to the ethical conduct of all University activities. In that spirit, the *Standards of Ethical Conduct* are a statement of our belief in ethical, legal and professional behavior in all of our dealings inside and outside the University.

### STANDARDS OF ETHICAL CONDUCT

1. **Fair Dealing.** We will always conduct ourselves ethically, honestly, and with integrity.
2. **Individual Responsibility and Accountability.** We will accept responsibility appropriate to our positions and delegated authorities.
3. **Respect for Others.** We will treat everyone we contact with respect and dignity.
4. **Compliance with Applicable Laws and Regulations.** We will learn and abide by federal, state, and local laws that affect our campus roles.
5. **Compliance with Applicable University Policies, Procedures and Other Forms of Guidance.** We will learn and abide by University and campus policies and procedures that affect our campus roles.
6. **Conflicts of Interest or Commitment.** We will avoid both actual conflicts of interest and the appearance of such conflicts, and devote our primary professional allegiance to the University and its mission of teaching, research, and public service.
7. **Ethical Conduct of Research.** We will conduct our research with integrity and intellectual honesty, and show the greatest care for human or animal subjects.
8. **Records: Confidentiality/Privacy and Access.** We will follow applicable laws and University policies when accessing, using, protecting, or disclosing records.
9. **Internal Controls.** We will ensure that internal controls are established, properly documented, and maintained for activities within our jurisdictions.
10. **Use of University Resources.** We will ensure that campus resources are used only on behalf of the University.
11. **Financial Reporting.** We will ensure that accounting and financial records are accurate, clear, and complete.
12. **Reporting Violations and Protection from Retaliation.** We will report all known or suspected improper governmental activities under the provisions of the University's *Whistleblower Policy*, recognizing that everyone is protected from retaliation for making such reports under the *Whistleblower Retaliation Policy*.

## FAIR DEALING

WE WILL ALWAYS CONDUCT OURSELVES  
ETHICALLY, HONESTLY, AND WITH INTEGRITY

*Of particular interest to all members of the campus community*

This means that each member of the campus community

### 1. Exercises honesty and integrity in all dealings

#### Perspective: A Real World Illustration

A January 2006 *Los Angeles Times* newspaper article reported on a physician who was accepted into a newly created residency position in radiology at a west coast university medical center the same month his father pledged \$250,000 to the radiology department.

The physician was not chosen by the medical center during the regular selection process that determines where most medical school graduates do their residency to become a specialist. University officials said there was no connection between the gift and the physician's admission, that he was well-qualified and that the university followed proper procedures in filling the spot.

The physician's appointment and the timing of his father's donation have raised questions at the university about the appropriateness of the arrangement. The physician is the only resident whose salary is paid out of a fund the radiology chair controls, which is separate from the money his father donated.

The radiology chair said that was because the department needed an additional resident immediately, and this enabled him to pay the salary of about \$40,000 annually. The chairman of the medical ethics department at another university said, "In areas of

medicine, it's especially important that expertise and merit drive decisions."

Radiology is the second-most difficult residency program to get into in the nation, behind only orthopedic surgery, according to the National Residency Matching Program. An east coast University law professor, who has written about the residency programs for the *Journal of the American Medical Assn.*, agreed: "This seems unethical," she said.

The physician's father is chief of staff at a nearby hospital and teaches in the university's medical school on a volunteer basis. He pledged the gift to the department to honor the head of the radiology department, according to a university spokesperson.

The donation went to a fund for a women's imaging center in the radiology department, which the department head created to help pay for better equipment and staff recruiting. The department head and father denied the donation was given in exchange for the physician's residency position. The department head said he had long wanted to increase the number of residents and finally was able to do so last year.

The father said he began discussing a donation with the department head in early 2004. He said he and the

department head discussed his son's desire to join the medical center's residency program but never in connection with the donation.

He said he realized the circumstances appeared questionable, but that he never intended to influence the outcome of his physician's application -- and noted that he could have made his donation anonymously if he wanted to hide his involvement.

The department head said he interviewed several people for the new residency slot. He said he chose the physician because he agreed to fill a specialty position in ear, nose and throat radiology that the department head wanted to create.

The department head said he created the extra position because he felt his staff was stretched too thin and he wanted to expand the program. But records show the radiology program has not created any additional positions in subsequent years.

The father and department head acknowledged that the physician did not "match" with the medical center through the National Residency Matching Program, a ranking system that pairs medical school graduates with residency programs. More than 90% of applicants secure their residencies through the matching program.

## FAIR DEALING

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2. *Does not engage or encourage others to engage in unlawful or unethical practices*

#### Perspective: A Real World Illustration

A December 2005 *Baton Rouge, Louisiana Advocate* newspaper article reported on a former assistant registrar at a public university located in Louisiana pleading guilty to bribery in a grade-buying scheme.

The former assistant registrar told a U.S. District judge that federal prosecutors are correct when they allege he accepted \$7,700 from several current and former students to change the official records at the university.

As part of a plea agreement with the U.S. Attorney's Office, the former assistant registrar faces a maximum sentence of up to 10 years in prison and a \$250,000 fine.

The U.S. Attorney prosecuting the case said the former assistant registrar has agreed to assist his office with the ongoing investigation.

"[The university] is an important institution that has received \$107 million (in federal funds) over the last three years," he said. "It is important to maintain the integrity of the university. "This prosecution goes a long way toward maintaining the integrity of the university," the U.S. Attorney said.

The plea agreement details the

facts prosecutors claim they would have proven had the case gone to trial. Between October 2001 and February 2003, prosecutors say, the former assistant registrar used his access to student records to change those of five students - listed in the plea agreement by initials only.

"In each case, [the former assistant registrar] credited the respective student with classes which they had not attended with grades they had not earned, in order for the student or former student to appear to have taken a requisite number of courses and hours for a degree or certification regarding continuing education," the agreement says.

The judge warned the former assistant registrar that the agreement is binding and can only be appealed if the judge hands down an illegal sentence. "You're locked into it," the judge said.

Despite the warning, the former assistant registrar told the judge he wanted to admit guilt and accept the terms of the agreement. The former assistant registrar's case is the only one from the investigation to end up in federal court.

The probe has resulted in two

other people pleading guilty, but their cases were handled in state district court. In the state case a Parish School Board member and his wife pleaded guilty to felony counts of filing false public records. They were fined \$6,000 and ordered to resign their posts and perform 100 hours of community service work.

The university first suspected a problem and university auditors were alerted in March 2003 when a student enrolled in a graduate program and presented documents showing she had a bachelor's degree from the department, but the department could not verify the degree with its own records.

An internal investigation initially implicated 541 current and former students, although most have been cleared. So far, 10 students have lost degrees and another 27 have had academic credits revoked.

The state Legislative Auditor's Office also investigated the grade-buying scheme and last spring reported that at least 25 students received credit for courses without enrolling at the school, paying tuition or attending class.

## FAIR DEALING

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*3. Does not engage or allow others to engage in practices contrary to policy, law, or other obligations in order to achieve a "higher" purpose*

### Perspective: A Real World Illustration

A December 2005 Associated Press newspaper reported on an administrator at a public university located in the Michigan collecting \$125,000 in salary during nearly eight months of paid leave after he stepped down and his position was eliminated.

The university could have saved \$77,000 of that salary had the chancellor demoted the administrator into a lower-paying backup job after he forced him to resign as vice chancellor.

Instead, the chancellor allowed the administrator to keep his title as vice chancellor for student affairs and his \$191,000 salary - even though the position had been abolished under a reorganization plan - as he looked for other jobs.

The administrator's affidavit is included in court records connected to his lawsuit against the chancellor and the then-dean of students.

The lawsuit claims the chancellor should have placed the administrator into a backup job guaranteed in his employment contract immediately or put him on paid leave instead of forcing him to use his accrued vacation and sick leave to cover the absence.

But university lawyers argued in a court filing this month that the chancellor's delay in putting the administrator into his backup job "resulted in no economic harm" to the administrator since he was paid \$77,000 more during the leave as a result. They said he never made a formal complaint asking to be placed into his backup job.

The chancellor finally moved the administrator into the backup position in the provost's office on June 23 after Republican lawmakers criticized the administrator for his absence and the then-dean of students told the chancellor of new allegations of sexual harassment against him. The position, which the administrator continues to hold, has a \$73,000 salary.

The chancellor has said he made the administrator use sick leave and vacation to punish him for misconduct instead of having taxpayers pay for his leave. He could have immediately demoted him, but said he did not because he did not want to ruin his career.

The chancellor asked the administrator to resign the post he held for four years and look for other

jobs after learning he had a relationship with a graduate student whom he mentored and the then-dean of students and another administrator said they could no longer report to him.

The case sparked criticism against the university from lawmakers and the governor that culminated in a \$1 million budget cut for the school. In response, the university system's board of regents made a series of reforms in personnel policies, including the elimination of backup jobs, adopting a tougher sick leave policy and limiting paid leaves for administrators.

A school-ordered investigation led to a reprimand against the administrator for sexually harassing two women he supervised - although he denies the allegations. The university system's president reprimanded the chancellor for signing off on the administrator's sick leave when he knew he was not ill and for taking "an inordinate amount of time to place him in his backup appointment."

The then-dean of students left the university, citing the university's handling of the administrator's case.

## FAIR DEALING

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### SELECTED REFERENCES

UC Statement and Standards of Ethical Values

[http://www.ucop.edu/ucophome/coordrev/policy/Stmt\\_Std Ethics.pdf](http://www.ucop.edu/ucophome/coordrev/policy/Stmt_Std Ethics.pdf)

UCSC Principles of Community

[http://www.ucsc.edu/about/principles\\_community.asp](http://www.ucsc.edu/about/principles_community.asp)

UCSC Administrative Responsibilities Handbook

<http://www.ucsc.edu/finaff/cc/ARH/Htoc.htm>

UCSC Academic Personnel Procedures and Policies

<http://www2.ucsc.edu/ahr/policies/CAPPM/>

UCSC Staff Personnel Policies and Union Contracts

[http://shr.ucsc.edu/policies-contracts/\\_pol-con-home.htm](http://shr.ucsc.edu/policies-contracts/_pol-con-home.htm)

UC Policies

<http://www.ucop.edu/ucophome/coordrev/ucpolicies/>

UCSC Handbook for Principal Investigators

[http://www.ucsc.edu/osp/forms/PI\\_Handbook\\_12\\_05.pdf](http://www.ucsc.edu/osp/forms/PI_Handbook_12_05.pdf)

UC Contracts and Grants Manual

<http://www.ucop.edu/raohome/cgmanual/>

UCSC Student Policies and Regulations Handbook

<http://www2.ucsc.edu/judicial/handbook.shtml>

UC System-wide Policy and Data Portfolio

<http://www.ucop.edu/acadinit/wasc/toc.htm>

## FAIR DEALING

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### SELECTED RESOURCES

Business Contracts Office

<http://purchasing.ucsc.edu/contracts/>

459-3300

Campus Controller's Office

<http://finaff.ucsc.edu/cc/index.htm>

459-3787

Conflict of Interest Coordinator (*Office of Internal Audit*)

<http://planning.ucsc.edu/audit>

459-3205

Equal Employment Opportunity / Affirmative Action Office

<http://www2.ucsc.edu/eeo-aa/>

459-2686

Human Resources Office (Academic)

<http://www2.ucsc.edu/ahr/>

459-4300

Human Resources Office (Staff)

<http://shr.ucsc.edu/>

459-2009

Ombudsman's Office

<http://www2.ucsc.edu/ombudsman/>

459-2073

Police (University)

<http://www2.ucsc.edu/police/>

459-2231

Research - Compliance Office

<http://research.ucsc.edu/compliance.html>

459-4114

Research - Sponsored Projects Office

<http://www.ucsc.edu/osp/>

459-2778

Student Affairs Division

<http://studentaffairs.ucsc.edu/contact.cfm>

459-4446

## INDIVIDUAL RESPONSIBILITY AND ACCOUNTABILITY

### WE WILL ACCEPT RESPONSIBILITY APPROPRIATE TO OUR POSITIONS AND DELEGATED AUTHORITIES

*Of particular interest to all members of the campus community*

This means that each member of the campus community

#### 1. Acts in ways that strengthen the trust of the public in the University

#### Perspective: A Real World Illustration

A September 2005 *Hartford (Connecticut) Courant* newspaper reported on the findings of a commission investigating an east coast university's attempt to keep from the public, school trustees and lawmakers, problems associated with its billion-dollar construction program

The commission found that the public university's administrators held secret meetings, kept audits critical of the program from being released and ignored recommendations on how to improve the capital program, which has been plagued by scores of safety violations and cost overruns.

The actions taken by the university brought the university "down a precarious path leading to ineffective policies and procedures which put the investment in the [capital program] at risk," the commission concluded.

Such secrecy is part of the reason school officials will lose some control over how to spend an additional \$1.3 billion in the construction program's next 10-year phase. Lawmakers gave the university authority to choose all contractors and manage [the university's capital] projects with no outside oversight in order to avoid delays.

The governor of the state in which the university is located announced she would seek legislative approval to implement all the recommendations in the commission's 21-page report. The governor said, "Corners were cut, problems were ignored and wrong decisions were made. There was an astounding failure of oversight and management." She said university officials had "violated the trust" placed in them by students, parents and taxpayers.

The report's most scathing indictment concerned school officials' handling of several audits conducted between 1996 and 2001 that were completely ignored or never shared with the school's board of trustees, lawmakers or other state agencies. The governor said the pattern of secrecy and ignoring audits is going to stop, even though almost all of the same school administrators remain.

Problems with the building program surfaced last year when carbon monoxide was discovered in new student apartments. That led to inspections by engineers who found violations of building and fire codes at the apartments and two other student-housing complexes.

Violations have been discovered at other buildings as well and state police have been investigating whether contractors illegally cut corners.

The university's president also acknowledged there's no guarantee that the state building inspector's office won't find more fire and safety code violations in other capital program buildings when it reviews the plans of all buildings constructed.

The governor ordered the review after it was revealed that the wrong sprinkler system was installed at a residence hall where 650 students have lived for two years with no sprinklers in the attic.

Secrecy surrounded the committee of senior managers and others that oversaw the capital program. The committee's rules included holding closed meetings and living by the code that "what happens in the room, stays in the room."

"There is a theme that runs throughout our report that the [university] is a public university and they have an obligation to conduct themselves in an open and public way and they were not doing that," said the commission co-chairman.

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#### *2. Assumes responsibility for actions taken and for decisions made not to act*

#### Perspective: A Real World Illustration

A November 2003 *Associated Press* newspaper article reported on a professor from a public university located in Texas accused of smuggling plague-causing bacteria.

He testified that he did not know he was committing a crime when he packaged samples of the potentially deadly bacteria and shipped them to Tanzania in a FedEx package.

The renowned plague researcher faces 69 charges stemming from his work, including charges of lying to federal agents after his report of 30 stolen vials. He later said he accidentally destroyed the vials, according to testimony.

At his trial, the professor calmly described how he packaged the samples and sent them to a doctor he had been working with in Tanzania. He said each vial had a watertight seal, and that they were placed in another plastic container with a watertight seal. He said there was nothing sneaky about the package he sent. "I took this package to the FedEx office and filled it out in the presence of a FedEx employee" he said. He did not tell the FedEx employee that there were plague-causing bacteria in the package.

He also said he did not read the small print at the bottom of the FedEx paperwork that he signed. It stated there were no dangerous goods inside the package. "I just didn't strain to read the fine print," he said.

In earlier testimony, prosecutors had said shipping the package to Tanzania was dangerous because there were known terrorists in the African country. The professor responded by saying that the doctor he was sending the samples to was a trusted researcher.

"This is the last man on Earth I would consider to be a terrorist," he said. "I trusted him completely."

On cross-examination, the prosecutor questioned him about discussions he had with FBI agents. He testified he told agents the vials might have been put in a sterilizing machine as part of his cleanup of an accidental spill of plague samples.

The prosecutor said there were no entries in the professor's lab notebook about the spill. "It was an accident but I didn't write it down" the professor said.

The prosecutor questioned the professor on how a researcher of his experience couldn't recall that 30

vials of plague might have also gone into the sterilizing machine.

"The bigger event to me is safety," answered the professor. "Cleaning up the area was more important than preserving the tubes."

The professor testified that he was innocent of all charges stemming from his work and his report of missing vials, which sparked a bioterrorism scare and brought dozens of federal agents to the university.

He also said an FBI agent told him he would not be arrested if he signed a statement saying he accidentally destroyed the vials of bacteria.

Among the other charges the professor also faces charges of theft, embezzlement and fraud.

Prosecutors allege the professor reported the vials stolen in retaliation against and to deflect attention from difficulties he was having with the university's institutional review board. The board reviews and monitors any studies being done that involve humans.

The 69 charges carry a potential prison term of 469 years, although he would get far less under federal sentencing guidelines if convicted. He also faces fines of up to \$17.1 million.

## INDIVIDUAL RESPONSIBILITY AND ACCOUNTABILITY

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3. *Works to serve the best interest of the University and the community*

### Perspective: A Real World Illustration

An August 2000 *Las Vegas Review-Journal* newspaper article reported on a lawyer scheduled to teach 'How to Talk Like a Lawyer' at a continuing education course at a Nevada community college. According to the class description, the lawyer would lecture on 'how to avoid legal problems in everyday life.'

Campus officials said they canceled the class after learning the state Supreme Court suspended the lawyer's license in June for at least five years. Justices determined

the lawyer tried to hide a \$115,000 judgment against him so he could qualify for a home loan.

"It's probably not the best idea to have a disbarred lawyer teaching a class about talking like a lawyer," the college's interim president said about the class's cancellation.

The continuing education coordinator at the college, added, "We felt that it was in the college's best interests not to offer the class."

Before his disbarment, the Supreme Court determined the attorney sent his

escrow officer a document that stated the \$115,000 judgment had been set aside. A title officer became suspicious of the document and found the judgment was in effect.

A college spokesperson said she does not think anyone has had a chance to sign up for the law class because the continuing education schedule only recently began circulating. "If someone has signed up, we will give them a full refund," she said.

## INDIVIDUAL RESPONSIBILITY AND ACCOUNTABILITY

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### SELECTED REFERENCES

UCSC Administrative Responsibilities Handbook  
<http://finaff.ucsc.edu/cc/ARH/Htoc.htm>

UCSC Handbook for Principal Investigators  
[http://www.ucsc.edu/osp/forms/PI\\_Handbook\\_12\\_05.pdf](http://www.ucsc.edu/osp/forms/PI_Handbook_12_05.pdf)

UC Contracts and Grants Manual  
<http://www.ucop.edu/raohome/cgmanual/>

UC Policies  
<http://www.ucop.edu/ucophome/coordrev/ucpolicies/>

UCSC Student Policies and Regulations Handbook  
<http://www2.ucsc.edu/judicial/handbook.shtml>

### SELECTED RESOURCES

Academic Senate Office  
<http://senate.ucsc.edu/>  
459-2086

Campus Controller's Office  
<http://finaff.ucsc.edu/cc/index.htm>  
459-3787

Conflict of Interest Coordinator (*Office of Internal Audit*)  
<http://planning.ucsc.edu/audit>  
459-3205

Human Resources Office (Academic)  
<http://www2.ucsc.edu/ahr/>  
459-4300

Human Resources Office (Staff)  
<http://shr.ucsc.edu/>  
459-2009

Purchasing Office  
<http://purchasing.ucsc.edu/>  
459-2300

Research - Sponsored Projects Office  
<http://www.ucsc.edu/osp/>  
459-2778

## RESPECT FOR OTHERS

WE WILL TREAT EVERYONE WE CONTACT WITH RESPECT AND DIGNITY

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### 1. *Treats others with respect and dignity*

#### Perspective: A Real World Illustration

A June 2000 *Houston Chronicle* newspaper article reported on a public university located in Texas being accused in a federal lawsuit of firing four people on the same day because they were not born in the United States, and terminating a fifth because her parents were foreign-born.

The suit was filed by a naturalized citizen who emigrated from Thailand in 1972 and worked for 15 years as a computer specialist at the university's law school.

The plaintiff said in a March 1999 interview that he "came to work like every day" and was told by the interim law school dean that his \$56,000-a-year job as director of computing was "eliminated."

On the same day, the interim dean terminated employees who were born in Liberia, the West Indies, and a person whose parents are Jamaican.

The interim dean claimed she could legally fire these people as part of a "reorganization," but she replaced most with individuals born in the United States, the suit says.

The lawsuit claims the interim dean's spring 1999 end-of-semester report showed her disdain for foreign-born people. According to the suit, she wrote, "We should not endorse poor staff performance with pretentious approval of their poor conduct or performance in order 'to get our work done.'" I have been advised that I need to understand that [the university] is like a Third World country and that we must 'bribe' our way to get the service we deserve."

The plaintiff, who has taken a lower-paying job to support his wife and daughter, said he was always praised for his work at the university before he was fired.

"I was educated in the United States and I believed there was justice here," he said. "I came from a Third World country where things like this happen."

The plaintiff said the interim dean told him she was "cleaning house" at the request of incoming law school dean who took over in August 2000.

The plaintiff's lawyer said the

university held grievance hearings last year but upheld the firings. He said the university did not follow its written policy of progressively warning employees that they may be disciplined.

The suit is seeking unspecified damages for alleged violations of constitutional protections against discrimination based on national origin, as well as violations of due process rights.

A university law school professor, a naturalized citizen from the West Indies, tried to persuade the university administration to re-instate the employees.

"I'm inclined to believe these actions go more towards removing anyone not born in the United States."

He said he believes the interim dean, who still teaches at the law school, is an "honorable person" who made a "big mistake."

The plaintiff's attorney said it is ironic that such discrimination would occur at the historically black university, which "has a long and honorable history of fighting discrimination."

## RESPECT FOR OTHERS

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2. Does not engage in or condone engaging in discriminatory practices

### Perspective: A Real World Illustration

A December 2005 *Albany (New York) Times Union* newspaper article reported on a 37-year-old Texas man, who was nine credits away from an undergraduate degree, suing a New York university for age discrimination in housing.

The former student is claiming he was wrongly removed from his dorm room three years ago because school officials didn't want him living with a 19-year-old.

The former student has had ongoing complaints with the university since he enrolled in 2002. At one point, he started his own newspaper to take shots at college policy. But a large number of the free copies were allegedly stolen.

Claiming his state and federal rights have been violated, the former

student filed a federal lawsuit in U.S. District Court. He is demanding to be allowed to return to finish out the spring semester.

The former student transferred from a Texas university in 2002. He was in a freshman dorm for a few days, but, because of his age, was moved by the Office of University Life to a wing that contained older students.

He claims he was harassed and verbally abused by university staff as the battle to stay in the freshman dorm room wore on and then was physically assaulted three days in a row by the older roommate he was assigned to live with.

"Due to the deleterious effect this harassment and hostile environment wreaked upon plaintiff's documented

depressive disorder, plaintiff was forced to withdraw from [the university] after the fall 2003 semester," court papers claim.

The former student insists that the university's office of residential life has no written policies governing room assignments.

He believes officials in that office were behind a move to get the New York attorney general's office to sue him for unpaid housing charges.

In April, those fees were reclassified as unpaid tuition, even though a federal loan was already applied to the bill, documents claim.

A court of claims lawsuit the former student filed in May 2005 was dismissed.

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3. Strives to avoid relationships inappropriate with position

### Perspective: A Real World Illustration

A September 2005 *Florida Times-Union (Jacksonville)* newspaper article reported on a professor at a university located in Florida who was reprimanded over his "lack of judgment" during a trip to Washington with a female graduate student.

There was "insufficient evidence" to say the professor violated university anti-harassment and discrimination policies, the university said.

The tenured professor of sociology was removed from his position as associate provost in July 2005 after the student complained about the incident. The demotion also meant a \$26,000 annual reduction for the professor, who was hired in 2003 for the administrative post.

The woman told university investigators the professor massaged her foot and told her she looked like a "girl who liked to have fun."

According to records the university released this week there was only one suite booked for the two of them on the spring trip to Washington.

"I am very concerned about the lack of judgment you exhibited in allowing a graduate student to travel with you on university business, without completing the appropriate documentation and allowing the student to share your suite," the university provost wrote to the professor in a formal letter of reprimand.

"In that you have been removed from your administrative duties, I do

not feel further disciplinary action is necessary," she wrote.

The provost also warned the professor he could be fired for future violations.

The professor is one of two university administrators reprimanded this year after allegations of sexual misconduct.

The dean of the university's college of journalism and mass communication resigned after a former employee of the journalism school formally complained that he made suggestive comments to her.

In that case, university officials said his comments could have been interpreted as sexual advances, though the dean might not have meant them that way.

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4. Helps to maintain a safe and drug free workplace

### Perspective: A Real World Illustration

A February 2005 (Wilmington, NC) *Star News* newspaper article reported on a 41-year-old former student at a university located in North Carolina who was given a dorm room on campus and moral support, replacement textbooks and new class notes after a January 2005 fire left him homeless and destroyed his possessions.

Earlier that month, three university police officers showed up at his door. "They said, 'Get all your stuff together. We're going to escort you off the campus immediately,'" the former student said.

The student, a junior, was effectively expelled from the university and was living in his van. University officials said that on an admissions form in 2003, he did not reveal past criminal convictions, including violating the terms of a domestic violence protective order.

Domestic violence is a sensitive topic at the university. Two students had both died last year - one shot multiple times by an ex-boyfriend and another killed by a fellow student in his dorm room.

More stringent requirements about the background of incoming students were recently put in place, but campus officials said the policy governing disclosure about criminal

convictions is a longstanding one.

"We became aware that the information [the former student] provided in his admissions material was inaccurate, incomplete and not reflective of his criminal history," a college spokesperson said. "Upon learning that, the university felt it was in the best interest of the safety and welfare of our students to summarily suspend him from campus."

The former student said he submitted information about an April 2003 misdemeanor conviction for possession of a marijuana pipe on a short re-enrollment form to the university to resume schooling after a 20-year absence. It was the same information required on a federal student aid application he filled out.

"It wasn't anything sneaky," said the former student, who hopes to become a substance abuse addiction counselor working with young people.

The former student said he has been drug-free for about one year and occasionally drinks. He successfully completed rehab for a chemical dependency.

Ironically, it was apparently the willingness of university officials to help after the fire that put the former student in his current situation.

In January 2005, he kicked over a

lit candle next to his bed starting a fire that destroyed all his belongings.

When instructors and others at university found out what happened, they put him in contact with campus counselors, who responded with school supplies and lodging. Along the way, his past was revealed. "It's like a roller coaster. When does the ride end? If I hadn't lost everything I owned and contacted [the university] about the fire, I'd be in class today."

The former student's criminal record dates back to 1988. Besides a misdemeanor conviction for carrying a concealed weapon, there are others for writing worthless checks.

A letter signed by the university's associate vice chancellor for student affairs was given to the former student before he was escorted off school grounds. It stated "Though you acknowledged a criminal record on your admissions application, you reported only one incident regarding a misdemeanor charged for possession of a marijuana pipe. A review of your criminal history reveals a disturbing and extensive history of criminal conduct,"

Summary suspension means the college believes a student "is an immediate threat to the safety of himself" and "other members of the university community,"

## RESPECT FOR OTHERS

WE WILL TREAT EVERYONE WE CONTACT WITH RESPECT AND DIGNITY

### SELECTED REFERENCES

UCSC Academic Personnel Procedures and Policies

<http://www2.ucsc.edu/ahr/policies/CAPPM/>

UC Faculty Code of Conduct

<http://www.ucop.edu/acadadv/acadpers/apm/apm-015.pdf>

UCSC Staff Personnel Policies and Union Contracts

[http://shr.ucsc.edu/policies-contracts/\\_pol-con-home.htm](http://shr.ucsc.edu/policies-contracts/_pol-con-home.htm)

UCSC Policy on Sexual Assault and UC Policy on Sexual Harassment

<http://www2.ucsc.edu/title9-sh/sopolicy/index.htm>

UCSC Nondiscrimination and Affirmative Action Policy Regarding Academic and Staff Employment

<http://www2.ucsc.edu/eeo-aa/ucpol.htm>

UC Policies on Support Groups, Campus Foundations, and Alumni Associations

<http://www.ucop.edu/ucophome/policies/support/supppol.html>

UCSC Student Affairs Administrative Policy

<http://studentaffairs.ucsc.edu/staff/policy/index.cfm>

UC Policies

<http://www.ucop.edu/ucophome/coordrev/ucpolicies/>

### SELECTED RESOURCES

Equal Employment Opportunity / Affirmative Action Office

<http://www2.ucsc.edu/eeo-aa/>

459-2686

Human Resources Office (Academic)

<http://www2.ucsc.edu/ahr/>

459-4300

Human Resources Office (Staff)

<http://shr.ucsc.edu/>

459-2009

Ombudsman's Office

<http://www2.ucsc.edu/ombudsman/>

459-2073

Title IX / Sexual Harassment Office

<http://www2.ucsc.edu/title9-sh/>

459-2462

## COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

WE WILL LEARN AND ABIDE BY FEDERAL, STATE, AND  
LOCAL LAWS THAT APPLY TO OUR CAMPUS ROLES

*Of particular interest to all members of the campus community*

This means that each member of the campus community

### 1. Gains familiarity and complies with applicable laws and regulations

#### Perspective: A Real World Illustration

An October 2004 *New York Times* newspaper article reported on a private college located in the state of New York that agreed to pay a \$43,000 penalty and to educate other colleges and universities about the safe handling of hazardous wastes, after the federal Environmental Protection Agency cited the college for mishandling chemicals and paint from its science laboratories and art studios.

The violations, which centered on the improper storage and disposal of the wastes at the campus came to light after an unannounced inspection in the spring of 2002, officials said.

In September 2004, the agency issued an administrative complaint containing six counts, including failing to determine whether materials were hazardous and neglecting to alert local health officials about their use on campus, said a spokesperson for the EPA's regional office in New York.

The original penalty was \$97,000,

but agency officials lowered it after the college agreed to undertake two environmental initiatives.

In the first, the college will go beyond current legal requirements by installing equipment to cut the generation of solvent wastes in its biology and chemistry labs. The college will also conduct workshops for academic institutions, including high schools, to help them avoid violations.

"This agreement with [the college] will have far-reaching environmental benefits," said the EPA's regional administrator. "Not only will [the college] improve the environment on its campus, it will also help improve the environment at other schools by educating them."

The inspection turned up problems in the college's science laboratories and in some art studios, where paint waste and other chemicals were not labeled or stored properly. In addition, the college lacked a permit to

store certain hazardous wastes.

According to a college spokesperson, the college had just hired a director of environmental health and safety, a new position, shortly before the inspection occurred. "The process here had begun, but unfortunately we had a ways to go in terms of compliance," he said.

He said the complaint from the agency "woke certain people up on the campus" to the necessity of "being very expert on how to address these issues." Agency officials said the college had corrected all the violations in the complaint.

The environmental agency's Region 2 office, which covers New York, New Jersey, Puerto Rico and the United States Virgin Islands, has aggressively pursued campuses since 1999, when the so-called Colleges and Universities Initiative began. The office held workshops for administrators, created a Web site and warned of imminent inspections.

## COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

WE WILL LEARN AND ABIDE BY FEDERAL, STATE, AND  
LOCAL LAWS THAT APPLY TO OUR CAMPUS ROLES

*Of particular interest to all members of the campus community*

This means that each member of the campus community

### 2. Complies with the terms and conditions of contractual agreements

#### Perspective: A Real World Illustration

A July 2004 *Boston Globe* newspaper article reported on two top officials of the Institute of International Development at an east coast university being found guilty of having conspired to defraud the US government. They made personal investments in Russia while working on a federal contract to help that nation's transition to capitalism.

The judge also found that the university breached its contract with the government.

Federal prosecutors had asked the judge in the case to levy punitive damages against the university under the False Claims Act, which would have held the university responsible for triple the \$34 million amount of the original contract. But the judge denied that request, meaning that the most money the university would have to pay would be the \$34 million, plus interest, that USAID paid for the contract after the two began investing in Russia's securities market and oil industry.

The university project, which operated from 1992 to 1997, was one of the top foreign aid programs helping to overhaul the nation's economy, with university officials hired by the government to give impartial advice to Russian officials.

In its 2002 suit, the government argued that the two's personal investments were a conflict of interest, because they were designing laws and regulatory institutions for the Russian government at the same time they were investing money in certain businesses. That alleged violation of the university's contract tainted \$350 million in US projects, hurt Russia's economic development, and damaged US-Russian relations, the government said.

The judge concluded that the university did not know that the two were breaching the government contract. And he said the university had no reason to scrutinize its employees' activities without any information that a problem existed. However, the judge wrote, the university did breach its contract with USAID simply because its employee, one of the two, violated the conflict-of-interest policy the university signed.

The judge found the greatest fault with one of the two, writing that he "was at least acting in reckless disregard" of his contractual obligations. He loaned money to his father for the purpose of an investment, the judge said. "I find this attempt to 'launder' the money through the father and girl friend ineffective," the judge wrote.

Despite the mixed results of the decision, both sides portrayed it as a victory yesterday. "We're still in the process of completely analyzing the court's decision, but at this point we're pleased with the decision," said the government attorney prosecuting the case, noting that the judge ruled in the government's favor on several claims.

"The university regards the decision as consistent with the view we have expressed to the court from the beginning of the litigation," said an outside attorney representing the university. "The court has found that the university was not engaged at any time in fraudulent conduct, and had no knowledge of any events involving other people which may have been the basis for the government's complaint."

As for the finding that the university breached its contract, even that "was not a function of institutional conduct by the university," he said. The university has argued that even if found to have breached its contract, it doesn't owe any damages because the Russia project was a success.

"Our belief regarding the project is that [the institute] performed very valuable work in Russia, in creating and supporting institutions and infrastructure which is viable today," the university's attorney said.

## COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

WE WILL LEARN AND ABIDE BY FEDERAL, STATE, AND  
LOCAL LAWS THAT APPLY TO OUR CAMPUS ROLES

### SELECTED REFERENCES

US Department of Labor Occupational Safety and Health Standards  
[http://www.osha.gov/pls/oshaweb/owastand.display\\_standard\\_group?p\\_toc\\_level=1&p\\_part\\_number=1910](http://www.osha.gov/pls/oshaweb/owastand.display_standard_group?p_toc_level=1&p_part_number=1910)

California Department of Industrial Relations (State health and safety standards)  
<http://www.dir.ca.gov/>

Federal Family Educational Rights and Privacy Act (Information management)  
<http://www.ed.gov/policy/gen/guid/fpco/ferpa/index.html>

Federal Health Insurance Portability and Accountability Act of 1996 (Information management)  
<http://www.hhs.gov/ocr/hipaa/>

US Department of Education Federal Student Aid ("The Blue Book")  
<http://ifap.ed.gov/bbooks/102005BlueBook.html>

Office of Management and Budget – Circular A-21 Cost Principles for Educational Institutions  
<http://www.whitehouse.gov/omb/circulars/a021/a021.html>

Federal Acquisition Regulations (Doing business with the federal government)  
<http://www.arnet.gov/far/>

### SELECTED RESOURCES

Business Contracts Office (Business agreements)  
<http://purchasing.ucsc.edu/contracts>  
459-3300

Environmental Health and Safety (Lab and office safety, hazardous materials)  
<http://ehs.ucsc.edu/>  
459-2553

Research - Sponsored Projects Office  
(Federal, state, and private contracts and grants; technology transfer)  
<http://www.ucsc.edu/osp/>  
459-2778

Purchasing Office (Acquisition of services and goods and related conflicts of interest)  
<http://purchasing.ucsc.edu/>  
459-2300

University Relations (Donations, private support, and pledges)  
<http://urelations.ucsc.edu/>  
459-2501

## COMPLIANCE WITH APPLICABLE UNIVERSITY POLICIES, PROCEDURES AND OTHER FORMS OF GUIDANCE

WE WILL LEARN AND ABIDE BY UNIVERSITY AND CAMPUS POLICIES AND PROCEDURES THAT AFFECT OUR CAMPUS ROLES

*Of particular interest to all members of the campus community*

This means that each member of the campus community

1. Gains familiarity and transacts business in conformity with applicable University policies and procedures

### Perspective: A Real World Illustration

An October 2003 *Chattanooga (Tennessee) Times Free Press* newspaper article reported on the release of a 96-page state comptroller's audit of a public university located in Tennessee. It details irregularities occurring during a former president's 14-month tenure.

The comptroller's audit shows that the president instructed his secretary to delete several items on his calendar that detailed his personal travel from November 2002 through May 2003 aboard the university airplane and on commercial flights that were paid by the university.

The comptroller's audit reported that the president claimed the trips to Louisville, Ky., and Birmingham, Ala., "were primarily business-related."

A state legislator and a fiscal review member said the audit shows a pattern of skirting the rules of the state and university. "Analysis of his travel indicated that on at least four occasions, the trips were wholly or primarily personal in nature," the audit states.

"I don't think he considered it criminal," the legislator said. "I think he was just so arrogant that he thought he could spend that kind of

tax dollars without having his hand called on it. We didn't realize how blatant he had been about covering up what he did.

The comptroller's audit stated that the former president was given "unfair advantages" in the private recruitment search. The audit notes that two people leading the private recruitment search were given executive positions at the university after the president was installed, giving "the appearance of impropriety." They both resigned in September 2003 when the internal audit was made public.

A university internal audit disclosed that the \$493,137 renovation of the president's residence was done piecemeal, thereby avoiding necessary approvals from the university's board of trustees or other state commissions, which must approve projects exceeding \$100,000.

In addition, the former president failed to provide the necessary receipts for determining business and personal charges on a university credit card, and the university treasurer's office failed to take appropriate action when informed of this. As a result, the university paid a total of \$4,964.92 for personal charges, most

of which were not reimbursed until they were brought to the ex-president's attention by the internal auditors.

When questioned by the internal auditors as to why the name of a female president of another university appeared on his hotel bill from San Antonio, Texas, the former president initially stated that he had given his room to the other university president for her convenience at a conference they were both attending, and he stayed with friends. The former president later admitted that he and the other president actually shared the hotel room and arranged with the hotel to split the bill, and that he initially misrepresented the situation in an effort to protect the other university president.

The audit went on to mention that while the trustees do not appear to have had any knowledge of the former president's questionable activities or to have condoned his activities, several members of the university's upper management appear to have known about some of the former president's questionable activities but failed to take effective action, including notifying the university's board of trustees.

## COMPLIANCE WITH APPLICABLE UNIVERSITY POLICIES, PROCEDURES AND OTHER FORMS OF GUIDANCE

WE WILL LEARN AND ABIDE BY UNIVERSITY AND CAMPUS POLICIES AND PROCEDURES THAT AFFECT OUR CAMPUS ROLES

*Of particular interest to all members of the campus community*

This means that each member of the campus community

2. Seeks clarity on a policy issue rather than disobey the policy

### Perspective: A Real World Illustration

A December 2003 *Seattle Post-Intelligencer* newspaper article reported on the firing of the head football coach of a public university located in the state of Washington. The former coach participated in a college basketball pool, but denies violating NCAA rules.

The former coach reiterated his belief that an e-mail memo from the university's director of compliance that said participating in a pool outside of the athletic department was within NCAA rules proves his innocence based on a lack of intent.

"The University is trying to get what the NCAA's interpretation is, and rather than having this thing run its course, which has been my goal and contention all along," said the former coach.

The NCAA has said that a misinterpretation of a rule is not an excuse

for a violation. "The NCAA has kind of rushed to judgment as well.

Several members of the NCAA have already kind of tried and convicted me and I'm not sure that's within the rules of due process. Nor do I think they're really looking at all the facts."

It appears the university fired the former coach with "just cause." That would mean it doesn't have to buy out his contract for its maximum value of \$3.6 million. "The provisions (of just cause) are laid out very specifically," a university spokesperson said. "Coaches in revenue sports have similar provisions. There's nothing special about [the former coach's] termination with cause clause in his contract."

The former coach's contract appears to give the university plenty of opportunity to invoke "termination

with just cause." His participation in the college basketball pool violates a clause intended to guarantee that all NCAA rules, state laws and university policies are followed.

His contract also says, "In no event shall the employee accept or receive - directly or indirectly - any monies, benefit or any other gratuity whatsoever from any person, corporation, university booster club or alumni or other benefactor, or engage in any other action if such action would violate the NCAA or Pac-10 constitution, bylaws, rules and regulations or interpretations."

The former coach invested \$6,400 and won \$12,123 during his two years participating in the pools. The former coach told a local radio network that he donated some of his winnings to youth organizations and a school.

## COMPLIANCE WITH APPLICABLE UNIVERSITY POLICIES, PROCEDURES AND OTHER FORMS OF GUIDANCE

WE WILL LEARN AND ABIDE BY UNIVERSITY AND CAMPUS POLICIES AND PROCEDURES THAT AFFECT OUR CAMPUS ROLES

*Of particular interest to all members of the campus community*

This means that each member of the campus community

3. Complies with professional standards applicable to position

### Perspective: A Real World Illustration

An January 2005 *Modesto Bee (California)* newspaper article reported on a sociology and criminal justice professor from a public university located in California who oversaw a tainted survey that factored into a highly publicized double-murder trial being moved to another county. A university investigative committee concluded, the professor committed academic and scientific misconduct.

The committee recommended that he be suspended for a semester without pay, demoted to associate professor from full professor, and placed on probation for three years.

The three-member investigation committee, made up of three profes-

sors, one from another university, also found that the professor violated a university policy that requires research proposals that use people to be submitted to an Institutional Review Board for approval. The process is in place to protect people involved in the research.

The professor also failed to exercise appropriate professional judgment in designing and conducting the survey, and he "seriously deviated from the professional standards and accepted practices of the relevant research community."

The report also mentions that the professor had good reason to believe that some data was fabricated before testifying at the change-of-venue

hearing.

His failure to disclose data limitations is "extremely serious," the report continues, "particularly given his intention that this data be used in a highly publicized capital murder trial."

Several students said that they fabricated results for the survey, which a county superior court judge used in part in deciding to move the trial to another county.

The students claimed they used bogus responses because of deadline pressure to complete the survey, on which they received a grade. Ultimately, 31 of the 58 students were cleared, and 26 were charged and disciplined. One case is unresolved.

## COMPLIANCE WITH APPLICABLE UNIVERSITY POLICIES, PROCEDURES AND OTHER FORMS OF GUIDANCE

WE WILL LEARN AND ABIDE BY UNIVERSITY AND CAMPUS POLICIES AND PROCEDURES THAT AFFECT OUR CAMPUS ROLES

### SELECTED REFERENCES

UC Standing Order of the Regents

<http://www.universityofcalifornia.edu/regents/bylaws/standing.html>

UC Policies

<http://www.ucop.edu/ucophome/coordrev/ucpolicies/>

UCSC Handbook for Principal Investigators

[http://www.ucsc.edu/osp/forms/PI\\_Handbook\\_12\\_05.pdf](http://www.ucsc.edu/osp/forms/PI_Handbook_12_05.pdf)

UCSC Purchasing Common Goods and Services

<http://www.ucsc.edu/ppmanual/html.2/mm0001.htm>

UCSC Business Contracts and Agreements Guidelines

<http://purchasing.ucsc.edu/contract/>

UC Contracts and Grants Manual

<http://www.ucop.edu/raohome/cgmanual/>

### SELECTED RESOURCES

Campus Controller's Office

<http://finaff.ucsc.edu/cc/index.htm>

459-3787

Environmental Health and Safety Office

<http://ehs.ucsc.edu/>

459-2553

Internal Audit and Advisory Services Office

<http://planning.ucsc.edu/audit>

459-3205

Planning and Budget Office

<http://planning.ucsc.edu/>

459-2446

Purchasing Office

<http://purchasing.ucsc.edu/>

459-2300

Research - Sponsored Projects Office

<http://www.ucsc.edu/osp/>

459-2778

## CONFLICTS OF INTEREST OR COMMITMENT

WE WILL AVOID BOTH ACTUAL CONFLICTS OF INTEREST AND THE APPEARANCE OF SUCH CONFLICTS, AND DEVOTE OUR PRIMARY PROFESSIONAL ALLEGIANCE TO THE UNIVERSITY AND ITS MISSION OF TEACHING, RESEARCH, AND PUBLIC SERVICE

*Of particular interest to all members of the campus community*

This means that each member of the campus community

1. Has a primary professional allegiance to the University

### Perspective: A Real World Illustration

A February 2004 *Philadelphia Inquirer* newspaper article reported on the federally-funded National Institute of Health being in tumult over disclosures that hundreds of the government agency's scientists worked as consultants for drug and biotechnology companies or accepted cash prizes from universities that depended on the NIH to fund research.

Long known for impeccable science, The NIH is one of the world's leading research centers, pooling the talents of its 5,000 scientists to confront public-health crises.

The disclosures of potential ethical breaches have generated outraged calls for changes from members of Congress. The NIH has responded with promises to fix the problem.

"It is clear from the cases we have reviewed that some NIH scientists are either very close to the line or have crossed the line," said Rep. James Greenwood, who is leading a congressional probe of outside consulting by NIH scientists

NIH leaders have been scrambling to reassure the public that research remains untainted by the influence of drug companies seeking to test products in NIH studies or by universities

that collect billions from the NIH for research.

Greenwood, chairman of the oversight and investigations subcommittee of the House Energy and Commerce Committee, has been probing consulting contracts between NIH scientists and Pfizer, Wyeth Pharmaceuticals, AstraZeneca and other major pharmaceutical companies. Committee investigators also are zeroing in on major research universities' practice of granting prizes to top NIH scientists as well as a little-known legal loophole that permits the NIH to boost scientists' salaries far above those of other senior federal employees.

In what committee investigators say was a particularly glaring conflict, a former top NIH official signed off on the 1997 settlement of a university lawsuit against the NIH around the time the school awarded him \$40,000 for past research achievements.

A government ethics lawyer testified before Greenwood's subcommittee that within days of the settlement, a top White House administration official pressured him to find a justification for the prize. "I'm the one who signed the approval" for the prize, he said. "It's not a decision I

look back on with fondness or pride."

In another case, two top NIH medical researchers became consultants to a firm when a direct competitor already was using the same scientists and the NIH on similar research. The two believed there was no conflict because the consulting work did not overlap initially.

The number of NIH scientists who do outside work for drug or biotechnology companies has ranged from a little more than 100 to more than 200 at any given time. The NIH only recently began asking all its scientists to disclose the compensation they receive as a result of the contracts, so it does not know with certainty how much private money is flowing to its scientists.

The outside consulting took off in the mid-1990s when the cap on outside income was lifted. The explosive growth of pharmaceutical and biotechnology companies created sharp competition for top-tier scientists. The then-acting NIH director argued that the changes in ethics rules were needed to attract talent. NIH officials said it would be a mistake to eliminate outside income.

## CONFLICTS OF INTEREST OR COMMITMENT

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*Of particular interest to all members of the campus community*

This means that each member of the campus community

2. Does not engage in outside activities that interfere with University duties

### Perspective: A Real World Illustration

A December 2005 *St. Petersburg Times (Florida)* newspaper article reported on the president of a public university located in Florida, who planned to serve as an investor in and director with a proposed new bank.

When the president's involvement with the proposed bank was disclosed, critics pointed out that she might one day have to vote on a risky loan to a corporation that financially supports the university. Or that her bank duties would distract her from her university position.

In an Oct. 31 letter to the chairman of university's board of trustees, the president said she would spend half a day each month on bank business. She also said the banks outside directors did not intend to pay themselves any cash fees during the first three years in business.

But university and bank officials say they have no problem with her new role. "I see it as a huge positive that she can be in touch with folks that maybe she hasn't met before that can help her in her capacity as a university president," said a university trustee, who is a founding director and investor at the proposed new bank. "I highly supported it."

A university spokesperson noted: "You could probably come up with 1,000 hypotheticals. The bottom line is that she has an obligation to ensure that it is not a conflict of interest, and she has said that she will do that."

The president, whose contract with the university allows her to sit on two corporate boards, will invest \$135,000, according to an application filed with the Florida Office of Financial Regulation.

According to a recent survey by the Chronicle of Higher Education, half of all public university presidents in the United States sit on the board of at least one for-profit company. So do many university faculties. Not every president takes the opportunity, however.

A president at another Florida university does not serve on any for-profit boards. His contract would require him to seek trustee approval before doing so.

Another president of a west Florida university, who said he has never been asked to sit on a corporate board, sees nothing wrong with it, however. "Because universities teach business ethics and things like that, I think it's actually a good thing to have a university president on the board," he said.

## CONFLICTS OF INTEREST OR COMMITMENT

WE WILL AVOID BOTH ACTUAL CONFLICTS OF INTEREST AND THE APPEARANCE OF SUCH CONFLICTS, AND DEVOTE OUR PRIMARY PROFESSIONAL ALLEGIANCE TO THE UNIVERSITY AND ITS MISSION OF TEACHING, RESEARCH, AND PUBLIC SERVICE

*Of particular interest to members of the campus community required to report on their financial interests because of their position, such as principal investigators and officials designated under the California Political Reform Act of 1974*

This means that each member of the campus community to whom this standard applies

### 3. Reports on financial interests as required by law

#### Perspective: A Real World Illustration

A January 2005 *San Jose Mercury News* newspaper article reported on the concerns of critics of California's stem cell research institute which focus on potential conflicts of interest among those running the program.

The financier who serves as chairman of the board that runs the institute reported that his company earned more than \$6.6 million from real estate-related investments and businesses during 2004, according to an economic disclosure statement he filed.

And the vice chairman of the institute reported considerable holdings in several biotech companies, including Chiron, which he helped found in 1981 and where he still serves on the board of directors.

News of their wealth and investments created unease among critics of the program, who have pushed for more openness and tougher conflict-of-interest standards.

Much of the early stages of the program, created in November by Proposition 71, will focus on real estate, as the institute selects a site for its headquarters. The program is expected to generate many new lease

agreements and construction projects, benefiting real estate developers, construction companies, bond counsel, insurers and similar businesses. The institute's headquarters will be rather modest, housing fewer than 50 employees and no lab space. But to do the type of science envisioned by the initiative, universities must build state-of-the-art research facilities.

The measure lets the institute's Independent Citizens Oversight Committee spend \$300 million during the first five years on research facilities and up to \$90 million on administration in 10 years.

As a member of the subcommittee seeking a site for the taxpayer-funded institute, the chairman will be in a position to influence decisions affecting commercial real estate in the chosen community. He also has temporary authority to hire staff and to rent short-term offices during the start-up phase of the program.

The chairman responded that his personal financial holdings pose no conflict of interest with his new role. He has pledged that he and his company do not hold biomedical stock or investments and that his real estate

businesses will not apply for any institute grant, loan or contract or benefit from any lease or construction contract.

And the vice chairman has said his investments in biomedical fields are unrelated to stem cell research and that he will never invest in companies getting grants from the new institute.

Critics say that the chairman and vice chairman and others are offering a "trust us" argument that they don't buy.

"There are many indirect ways for [the chairman] to benefit from grants, through his interconnection with a wide variety of real estate interests. I don't think his assurances cover that full range of possibilities," said a public interest attorney.

All 29 members of the committee must file statements of economic interest to the Fair Political Practices Commission, the state watchdog agency set up 30 years ago to help prevent the abuse of public positions for private gain.

So far, only a few of the members are reporting holdings in biotech companies, some of which might one day benefit from the state's investment in biotechnology.

## CONFLICTS OF INTEREST OR COMMITMENT

WE WILL AVOID BOTH ACTUAL CONFLICTS OF INTEREST AND THE APPEARANCE OF SUCH CONFLICTS, AND DEVOTE OUR PRIMARY PROFESSIONAL ALLEGIANCE TO THE UNIVERSITY AND ITS MISSION OF TEACHING, RESEARCH, AND PUBLIC SERVICE

### SELECTED REFERENCES

UC Conflict of Interest Policy and Compendium of Specialized University Policies Guidelines, and Regulations related to Conflict of Interest

<http://www.ucop.edu/ucophome/policies/bfb/q39.html>

Employee Conduct, Relations with Industry, and Conflict of Interest

<http://www.ucop.edu/services/conflictinterest.html>

UC Academic Personnel Manual – 025 Policy Regarding Academic Appointees, Conflict of Commitment and Outside Activities of Faculty Members

<http://www.ucop.edu/acadadv/acadpers/apm/apm-025-07-01.pdf>

Guidance for Faculty and Other Academic Employees on Issues Related to Intellectual Property and Consulting

<http://www.ucop.edu/ott/consult.html>

UC BFB BUS-43 Appendix B: Principles of Purchasing and Code of Ethics

<http://www.ucop.edu/ucophome/policies/bfb/bus43exh-b.pdf>

California Political Reform Act of 1974

<http://www.fppc.ca.gov/index.html?id=51>

### SELECTED RESOURCES

Conflict of Interest Coordinator (*Office of Internal Audit*)

<http://planning.ucsc.edu/audit>

459-3205

Purchasing Office

<http://purchasing.ucsc.edu/>

459-2300

Research - Compliance Office

<http://research.ucsc.edu/compliance.html>

459-4114

Research - Sponsored Projects Office

<http://www.ucsc.edu/osp/>

459-2778

## ETHICAL CONDUCT OF RESEARCH

WE WILL CONDUCT OUR RESEARCH WITH INTEGRITY AND INTELLECTUAL HONESTY, AND SHOW THE GREATEST CARE FOR HUMAN OR ANIMAL SUBJECTS

*Of particular interest to members of the campus community engaged in research*

This means that each member of the campus community to whom this standard applies

### 1. Conducts research with integrity and intellectual honesty

#### Perspective: A Real World Illustration

A March 2005 *Rocky Mountain News* (Denver, CO) newspaper article reported on a controversial professor teaching at a public university located in Colorado.

The university took the first step in a process that could lead to the professor's termination. The chancellor of the university determined allegations of plagiarism and fraud in the tenured professor's writings were serious enough to be referred to a standing university committee that investigates research misconduct. That committee will also determine if the professor's disputed claim to be an American Indian is a violation of academic standards.

The professor insisted that he will be cleared of the findings against him. "The allegations that have been made are politically motivated, they are an attempt to backfill baseless charges that were made in the first instance, and they will be easily disproved," he said. "And if anyone had talked to me in the course of this preliminary investigation, they would have been fully apprised of the frivolous nature of the charges."

The professor became the object of nationwide condemnation in January when an essay he wrote shortly

after the Sept. 11, 2001, terrorist attacks came to light. In it, the professor compared some victims to the notorious Nazi Adolf Eichmann, one of the architects of the Holocaust.

The university board of regents voted unanimously on Feb. 3 to ask the chancellor to conduct a preliminary investigation into the professor's writings and record to determine whether or not there was cause for his possible dismissal. If the standing committee finds that he has violated university standards, the chancellor and the regents will have the final say over whether or not he is fired.

The chancellor said the professor's comments about 9/11 were protected by the First Amendment. But he made it clear that the allegations of academic fraud could be enough to end his career at the university. "Research misconduct is one of the most serious allegations against a faculty member," said the chancellor.

In the preliminary investigation just concluded, the chancellor and two deans reviewed more than 100 of the professor's books and articles. They found that his statements advocating violence against the U.S. government were protected speech under the First Amendment.

But the trio also found evidence that he may have engaged in academic fraud. They pointed to a series of allegations against the professor.

A professor from another university located in the southwest, has alleged that the professor misrepresented an important statute in federal Indian law, the General Allotment Act of 1887, intentionally distorting the act, falsely portraying it as a "formal eugenics code" that established blood standards for tribal membership. He says the professor continued to make this a keystone of his research, even after being challenged on the facts. He also claimed the professor lifted a passage from a 1992 essay by another scholar for an essay he wrote in 1993.

A professor from another university has alleged that the professor promulgated a false story that the Army deliberately distributed smallpox-infested blankets to Mandan Indians in 1837, causing the deaths of 100,000 people.

Another professor from a Canadian university accused him of plagiarizing her work in an essay that appeared in a book. She also accused the professor of threatening her in a late-night telephone call.

## ETHICAL CONDUCT OF RESEARCH

WE WILL CONDUCT OUR RESEARCH WITH INTEGRITY AND INTELLECTUAL HONESTY, AND SHOW THE GREATEST CARE FOR HUMAN OR ANIMAL SUBJECTS

*Of particular interest to members of the campus community engaged in research involving human or animal subjects*

This means that each member of the campus community to whom this standard applies

### 2. Demonstrates appropriate regard for human and animal subjects

#### Perspective: A Real World Illustration

A February 2005 *Associated Press* newspaper article reported on a legal settlement in which a public university located in Pennsylvania and another non-profit organization agreed to pay the government a total of \$1 million to settle fraud allegations related to the death of an Arizona teenager during a gene therapy experiment.

The 18-year-old patient died on his fourth day of involvement in the study in 1999. The teen had suffered from an inherited disorder that blocks the body from properly processing nitrogen. Researchers had hoped to cure him by injecting him with a modified virus carrying a gene that could replace the medications and special diet that had been controlling his condition. The Food and Drug Administration concluded that the injection killed him. After the death, the teen's family said he had been

misled about the experiment's potential risks.

Federal prosecutors alleged in a civil complaint that researchers should have realized that the experiment had unacceptable side effects. They also alleged that researchers had submitted reports to government entities misrepresenting the study's clinical findings.

The two institutions maintain that the teen's death was unforeseen and that he was properly enrolled in the study based on the best scientific information available at the time. Neither the university nor the non-profit is required to acknowledge any wrongdoing as part of the settlement.

Under the agreement, the university will pay the government \$517,496 and non-profit will pay \$514,622, amounts equivalent to the federal funding the institutions received to conduct the clinical trial that

led to the teen's death.

University officials said in a written statement that in the five years since the teen's death, they had overhauled their rules for clinical research on human subjects. "Out of this tragedy has come a renewed national effort to protect the safety of those who help to advance new treatments and cures through clinical research," the statement said.

The teen's family attorney said the family was "extremely disappointed." He said they had wanted all documents in the case made public "so real changes could be made in the way human research is conducted in this country."

The settlement will allow the three researchers involved in the experiment to continue their research, although all three will have restrictions placed on their future work.

## ETHICAL CONDUCT OF RESEARCH

WE WILL CONDUCT OUR RESEARCH WITH INTEGRITY AND INTELLECTUAL HONESTY, AND SHOW THE GREATEST CARE FOR HUMAN OR ANIMAL SUBJECTS

*Of particular interest to members of the campus community engaged in research involving human subjects*

This means that each member of the campus community to whom this standard applies

### 3. Protects the rights of human subjects

#### Perspective: A Real World Illustration

A July 2002 *San Francisco Chronicle* newspaper article reported on a public university located in California violating federal guidelines by not obtaining the consent of emergency room patients in conducting a study of experimental breathing support techniques.

In the study involving patients too sick to give consent for themselves, the researchers improperly persuaded relatives to approve their participation after a mere phone call, without first providing them any written description of the study and its risks, according to two federal reports.

The findings were made by investigators from the U.S. Department of Health and Human Services, who responded to an anonymous complaint made in 2000.

For years university lawyers have maintained the law can be interpreted to allow such consent by surrogates, and the medical research center continues to permit clinical trials on incapacitated people when researchers can get a relative's consent.

The problems that cropped up with getting relatives' consent in the university study illustrate the often unavoidable conflict between the search for medical advances and patient protection.

The 105 university patients were part of a nationwide study on 861 people to find out whether routine ventilator settings to support breathing in patients with pneumonia or other serious lung damage could be harming them by over-stretching their lungs.

The study, which ended in 1999, apparently proved the researchers' hunch: Lower ventilator settings decreased the death rate by 22 percent. Subjects in the nationwide study on average had a lower death rate than the usual 40-50 percent for patients with acute respiratory distress in ordinary medical practice. University officials said they were aware of no claims that subjects had been injured by the study.

But federal investigators found that at least in some circumstances, the scientists, who enrolled patients at the university's medical center and another hospital, violated guidelines for protecting patients' rights.

Family members had nothing in writing describing the clinical trial and its risks when they gave the go-ahead over the phone, the investigators wrote. Neither did emergency room patients who agreed to the study on their own with only a "nodding

gesture," since they were too sick to speak or hold a pen.

Consent documents given to relatives who granted permission in person did not adequately inform them of the possible hazards of the experimental treatment, which included breathing difficulties and a potentially life-threatening jump in blood sodium levels, the federal investigators concluded.

The university's practices come to light at the same time it is pressing state lawmakers to pass legislation that would relax state protections for human subjects.

That legislation, if approved, would address the larger issue of whether it is proper to obtain consent from relatives in the first place. While federal guidelines govern most areas of human subject protection at the university, state law controls who can give proxy consent.

A spokesperson from the Alliance for Human Research Protection based in New York said that the university violations show that informal methods of proxy consent are prone to abuse. "I think it demonstrates why you must not have this back-door approval process," she said. "It invites exploitation of incapacitated people."

## ETHICAL CONDUCT OF RESEARCH

WE WILL CONDUCT OUR RESEARCH WITH INTEGRITY AND INTELLECTUAL HONESTY, AND SHOW THE GREATEST CARE FOR HUMAN OR ANIMAL SUBJECTS

*Of particular interest to members of the campus community engaged in research or the care of animal subjects*

This means that each member of the campus community to whom this standard applies

### 4. Protects the welfare of animal subjects

#### Perspective: A Real World Illustration

A February 2003 *Copley News Service* article reported on dozens of doctors at a west coast university teaching hospital opposing the use of live dogs as lab subjects that are used and killed for first-year medical students.

The physicians say the university's use of healthy dogs in physiology and pharmacology courses doesn't teach students anything new and, at an average cost of \$576 for each dog, is a waste of money.

"What we're opposed to is unnecessary animal experimentation," said a neurosciences professor and spokesperson for Doctors Against Dog Labs (DADL). As a teaching tool, he said, "The same information can be obtained on a CD or a DVD."

Speaking for the university, a bio-engineering professor strongly defended the practice. He is a member of university's animal subjects review committee. He said computer simulation programs "are nothing but pretty pictures and oversimplification. You wouldn't want to fly on an airplane when the pilot has only practiced on a simulator," he said.

Many protesting physicians said they do not oppose using animals in

research or to train students in surgical technique. Their views differ from People for Ethical Treatment of Animals, which opposes all animal experimentation.

University officials said the dog labs were established at the start of university's medical teaching school. Twenty-four to 56 of the specially raised, mixed-breed dogs have been killed each year since 1996, a total of 334 dogs over eight years.

A retired university Alzheimer's researcher said it is "cruel" to breed dogs for such purpose. "I went through it myself in medical school years ago and I hate the idea," he said. "The dog labs don't help with a career as a physician."

The DADL spokesperson said the campaign to shut down the labs began five years ago with repeated requests to faculty committees to change the curriculum. When there was no response to a request last fall, the group decided to publicly discuss it.

The dogs are brought to the classrooms deeply anesthetized and are killed after the six-hour sessions, said a university anesthesiologist, one of the pharmacology dog lab professors.

In the pharmacology class, five

students per dog take turns inserting catheters in a dog's veins, arteries and heart to measure changes in blood pressure and respiration under the influence of various drug compounds, they said.

In the physiology class, 10 to 20 students per table watch as a university surgeon cuts open the dogs' chest cavities. The students observe such functions as the beating of the heart and flow of blood, they said.

The students clamp a main artery to watch the process of cardiac failure, which sometimes kills the dogs. Dogs that survive it are euthanized.

A university spokesperson said the dogs are healthy and do not suffer. "These dogs are kept better nutritionally than my own dogs at home," he said.

University officials said students can refuse to take the course. Of the 120 medical students this year, 50 did not participate in the class.

University officials disagreed with critics of the teaching tool, saying the labs teach students to see the patient as a whole, not just a brain or a heart. They teach "the dynamics of interaction of all these systems simultaneously."

## ETHICAL CONDUCT OF RESEARCH

WE WILL CONDUCT OUR RESEARCH WITH INTEGRITY AND INTELLECTUAL HONESTY, AND SHOW THE GREATEST CARE FOR HUMAN OR ANIMAL SUBJECTS

### SELECTED REFERENCES

UC Research Guidelines and Policies

<http://www.ucop.edu/research/policies/fedpols.html>

UC Policy on Integrity in Research

<http://www.ucop.edu/ucophome/coordrev/policy/6-19-90.html>

UCSC Research Ethics and Misconduct

<http://research.ucsc.edu/compliance/ethics.html>

UCSC Research Conflict of Interest

<http://research.ucsc.edu/compliance/conflict.htm>

UC Memo Operating Guidance: "Protection of Research Subjects"

<http://www.ucop.edu/raohome/cgmemos/86-21.html>

US Dept of Health & Human Services Regulation "Protection of Human Subjects"

<http://www.hhs.gov/ohrp/humansubjects/guidance/45cfr46.htm>

UCSC Essentials on Animal Research

<http://www2.ucsc.edu/vivarium/estc.htm>

'UCSC Policy on Use of Animals in Research and Teaching

<http://www.ucop.edu/ucophome/coordrev/policy/10-15-84.html>

US Dept of Agriculture Animal Welfare Act and Regulations

<http://www.nal.usda.gov/awic/legislat/usdaleg1.htm>

UCSC Export Controls and Shipping

<http://research.ucsc.edu/compliance/export.html>

UC Guidelines on University-Industry Relations

<http://www.ucop.edu/ott/unindrel.html>

Principles Regarding Rights to Future Research Results in  
University Agreements with External Parties

<http://www.ucop.edu/ott/principles.html>

UCSC Procedures for HIPAA ("Privacy Rule") Compliance

<http://research.ucsc.edu/compliance/hipaa.html>

## ETHICAL CONDUCT OF RESEARCH

WE WILL CONDUCT OUR RESEARCH WITH INTEGRITY AND INTELLECTUAL HONESTY, AND SHOW THE GREATEST CARE FOR HUMAN OR ANIMAL SUBJECTS

### SELECTED RESOURCES

Research Office

<http://research.ucsc.edu/index.html>

459-2425

Research - Compliance Office

<http://research.ucsc.edu/compliance.html>

Research - Sponsored Projects Office

<http://www.ucsc.edu/osp/>

459-2778

Veterinarian

<http://www2.ucsc.edu/vivarium/>

459-3135

## RECORDS: CONFIDENTIALITY/PRIVACY AND ACCESS

WE WILL FOLLOW APPLICABLE LAWS AND UNIVERSITY POLICIES  
WHEN ACCESSING, USING, PROTECTING, OR DISCLOSING RECORDS

*Of particular interest to members of the campus community entrusted  
with the handling or maintaining records and other information assets*

This means that each member of the campus community who handles, maintains, or discloses records or other information

1. Gains familiarity and complies with applicable laws, UC policies, directives, and agreements governing use, protection, and disclosure of records

### Perspective: A Real World Illustration

A December 2005 *Associated Press* newspaper reported on a lawsuit filed by four students who were expelled from a private university located in Connecticut after hosting an off-campus beer party. The lawsuit accused the university of breaking a federal law by announcing their removal to the press. The four questioned whether they later received a fair disciplinary hearing.

The four seniors have sued in U.S. District Court, demanding that the university overturn its disciplinary actions and allow them to return to earn their degrees.

The lawsuit comes as the university tries to crack down on binge drinking following alcohol-related deaths and car crashes. Last year, the owner of a local restaurant was struck and killed by a 20-year-old student who admitted she was driving drunk.

The students who threw the Halloween keg party in October were expelled after a disciplinary hearing by the university. The students were not allowed to be represented by a lawyer or present evidence, the lawsuit says. They also were unable to question or present witnesses.

Private colleges are not required to provide students with due process as guaranteed by the U.S. Constitution. The lawsuit claims the university denied the students a fair hearing in violation of university policies.

A spokesperson for the university, said Friday that the university does not comment on litigation." It was just a kangaroo court," said the lawyer who represented the students in a criminal case.

The students, who rented a house a mile from campus, bought two kegs of beer and invited two dozen other

students to a Halloween party last October. Many other students soon turned up, prompting the hosts to call police seeking help with crowd control.

The housemates were led away in handcuffs and charged with providing alcohol to minors. "The six of us felt like criminals," said one of the defendants, who was arrested. "I was mortified even to go to the deli."

The students may apply to return next fall, but they are not guaranteed readmission. For some of the students, loans have begun to come due, though most do not have jobs. They have lost health insurance and cannot transfer to other schools without a letter of good standing from the university.

Criminal charges against at least two of the students will be dismissed after a year unless prosecutors reopen the case.

## RECORDS: CONFIDENTIALITY/PRIVACY AND ACCESS

WE WILL FOLLOW APPLICABLE LAWS AND UNIVERSITY POLICIES  
WHEN ACCESSING, USING, PROTECTING, OR DISCLOSING RECORDS

*Of particular interest to members of the campus community entrusted  
with the handling or maintaining records and other information assets*

This means that each member of the campus community who handles, maintains or discloses records or other information

2. Gains familiarity and complies with computer security, and privacy laws and policies

### Perspective: A Real World Illustration

An April 2003 *Austin American-Statesman (Texas)* newspaper article reported on numerous information security shortcomings and policy violations at a public university located in Texas. Although the nearly two dozen audits conducted over the past five years found no gaping holes in security, sensitive information could be placed at risk.

Reports by university's internal audit office, which conducted 23 reviews, said problems generally were corrected while the audits were under way or were scheduled to be corrected promptly.

The auditors examined computer operations ranging from payroll systems to student records. An employee training database that was breached in late February and early March, resulting in the downloading of 55,200 names and Social Security numbers from another database linked to the training records, did not rank high

enough to warrant auditing, however.

Federal prosecutors have charged a junior at the university with unauthorized access to the university's computer system and improper use of a Social Security number. Authorities say no nefarious use apparently was made of the downloaded information.

Among the problems cited in the audit reports:

- \* Authorizations to view and update data concerning student aid, student billing, donors and alumni were sometimes not revoked promptly when people left university employment or changed jobs.

- \* Backup systems needed to be improved so crucial services could continue in the event of a power outage, tornado, bombing or other disaster.

- \* Password requirements and storage practices for students and employees needed to be strengthened to reduce the risk of use by impostors.

- \* Security awareness training was needed for employees, along with stepped-up efforts to ensure that all students and employees sign a statement acknowledging acceptance of policies and procedures.

A May 1998 audit report that looked broadly at the university's many-layered and decentralized computer system said ongoing scrutiny not only makes sense but is required. State law directs agencies, including state universities, to take measures to protect against unauthorized or accidental disclosure, modification or destruction of electronic information.

"The university's information resources are accessible from around the world at any time. This expansion of connectivity and accessibility creates an infinite number of exposure points that can place critical university information resources at risk," the auditors warned in that report.

## RECORDS: CONFIDENTIALITY/PRIVACY AND ACCESS

WE WILL FOLLOW APPLICABLE LAWS AND UNIVERSITY POLICIES  
WHEN ACCESSING, USING, PROTECTING, OR DISCLOSING RECORDS

*Of particular interest to members of the campus community entrusted  
with the handling or maintaining records and other information assets*

This means that each member of the campus community who handles, maintains or discloses records or other information

3. Allows for appropriate access to information based on laws and policies

### Perspective: A Real World Illustration

A November 2005 *Milwaukee Journal Sentinel* newspaper article reported on the dean of a public university located in Wisconsin seeking to block release of an audit of his spending on the grounds that it would harm the public's interest in diversity on campus.

The dean argued that the harm that would be caused to the public's interest in diversity "substantially outweighs the public's interest in the release of the contents of the record." His attorney said the harm would spring from inaccurate information contained in the report.

But the university's vice chancellor for administrative affairs, said the findings were accurate and that they should be released. He hinted that the dean may end up facing disciplinary action. "The audit and the potential negative consequences shouldn't be mixed up with diversity efforts," he said. "Everyone should be held equally accountable."

The vice chancellor said the university launched an audit of the dean last spring after noting "some travel activity and procurement activity that raised questions." He said the university sought help from several auditors at the university's system-wide office when it became apparent that the audit would be "large."

As required by state law, the auditors shared a draft of their findings with the dean after their review was complete. The dean complained that the report contained inaccuracies, and the auditors made some adjustments.

When the auditors presented a final report to the dean and the university's top three administrators, the dean filed a lawsuit. There is no merit to a lawsuit filed by the African-American dean of graduate studies and continuing education, a top administrator at the university said.

"Some concerns were factored into the final draft, but not a lot of them," the dean's attorney said. He would

not comment on the diversity argument made in the lawsuit, saying only that "the university does not have an interest in releasing to the public a document that's inaccurate and would be misleading."

The state attorney general's office, which represents the university system in court, expects to respond to the lawsuit soon, said a spokesperson with attorney general. The judge has 30 days to rule.

A state representative, who filed an open records request for the audit's findings along with news outlets, including the *Journal Sentinel*, said he is following the case carefully. The representative said he received several complaints about the dean from officials at the university who were worried that the audit would be buried. "It could be a very serious incident involving taxpayers' dollars," he said. "There needs to be accountability."

## RECORDS: CONFIDENTIALITY/PRIVACY AND ACCESS

WE WILL FOLLOW APPLICABLE LAWS AND UNIVERSITY POLICIES  
WHEN ACCESSING, USING, PROTECTING, OR DISCLOSING RECORDS

### SELECTED REFERENCES

UC Records Management Policies

<http://www.ucop.edu/ucophome/policies/bfb/bfbrmp.html>

UCSC Policy on Privacy of Student Records

[http://req.ucsc.edu/disclosure\\_gr.pdf](http://req.ucsc.edu/disclosure_gr.pdf)

UC Electronics Communication Policy

<http://www.ucop.edu/ucophome/policies/ec/>

California Public Records Act

<http://www.leginfo.ca.gov/cgi-bin/displaycode?section=gov&group=06001-07000&file=6250-6270>

### SELECTED RESOURCES

Campus Controller's Office (Financial records management)

<http://finaff.ucsc.edu/cc/index.htm>

459-3787

Information Practices Coordination (Information asset management)

<http://iam.ucsc.edu/>

459-2058

Information Technology Services (Electronic systems and records)

<http://security.ucsc.edu/>

459-4357

Public Affairs Office (Public information requests)

<http://pio.ucsc.edu/>

459-2495

Registrar's Office (Student records management)

[http://req.ucsc.edu/guidelines\\_gr.htm](http://req.ucsc.edu/guidelines_gr.htm)

459-2749

## INTERNAL CONTROLS

WE WILL ENSURE THAT INTERNAL CONTROLS ARE ESTABLISHED, PROPERLY DOCUMENTED, AND MAINTAINED FOR ACTIVITIES WITHIN OUR JURISDICTIONS

*Of particular interest to members of the campus community entrusted with handling financial and business matters*

This means that each member of the campus community to whom this standard applies

1. Ensures adequate internal controls over business processes are established, properly documented, and maintained

### Perspective: A Real World Illustration

A December 2005 *Denver Post* newspaper article reported on a state audit of a public university located in Colorado. The audit report described loose spending that included more than \$10,000 in gifts for coaches and their wives, a lack of accounting for thousands of dollars flowing through football camps and alleged violations of NCAA rules and federal tax law.

The report on the university's troubled football program focused on cash moving through a former coach's football camps for youngsters.

It also included 15 recommendations to reform the university's policies on accounting, courtesy-car agreements for coaches and spending on travel to football bowl games.

The state auditor called the audit "very troubling," and lawmakers on the Legislative Audit Committee said it was another embarrassing report for a university that has been plagued by scandal for two years.

The university president pointed out that it has a new president, chancellor, vice president of finance and athletic director. He headed off some criticism in the audit last week by

announcing an overhaul of the university's accounting system that calls for stricter, more centralized controls. About 20 pages of the 70-page audit focused on the university's football camps, where 8- to 18-year-olds learn from university coaches. There was such an "absence of controls over cash receipts and disbursements" that it was impossible for auditors to determine whether camp spending violated any laws, the audit said.

"We found that the available camp records were in disarray and basic documentation supporting all revenue and expenses was not maintained," the audit said.

Until last summer, the university paid \$200,000 to the former coach's private company to run the camps. The university took over all athletic camps except the men's basketball camp, in part because of allegations of poor accounting. It plans to take control of the basketball camp. Accounting improved when the university took over the camps, but auditors still found problems last summer.

Of the \$753,900 in football-camp cash receipts for 2002 through 2004, auditors could verify the source of

funding for only \$425,900. About \$6,000 in checks were made out to cash with no records, including a check for \$180 during recruiting season.

The university violated NCAA rules because coaches underreported \$68,000 in income from football camps, the audit said.

Auditors also criticized spending more than \$10,000 for spouses and children to attend football bowl games and \$10,700 on 68 fleece jackets, 40 faux-leather briefcases, women's shoes and videogame equipment.

A final section of the audit criticized the university's procurement-services center, which is responsible for purchases over \$4,500. The audit found there was not always sufficient documentation to ensure that expenses, including first-class airline tickets and luxury cars, "are reasonable and for university business."

The president said the university's accounting practices are reforming a sloppy system in which recommendations from an internal audit six years ago were never implemented. "That sloppiness is an invitation to mismanagement," he said.

## INTERNAL CONTROLS

WE WILL ENSURE THAT INTERNAL CONTROLS ARE ESTABLISHED, PROPERLY DOCUMENTED, AND MAINTAINED FOR ACTIVITIES WITHIN OUR JURISDICTIONS

*Of particular interest to members of the campus community entrusted with handling financial and business matters*

This means that each member of the campus community to whom this standard applies

2. Ensures adequate controls are in place over the use and accountability of funds

### Perspective: A Real World Illustration

A July 2005 *Associated Press* newspaper article reported that some donations made to a public university located in Iowa could be spent on alcoholic drinks for faculty and their guests.

The issue arose when faculty in the university's Department of Economics were told they had exceeded this year's seminar budget by more than \$2,000, including \$500 on alcohol.

The purchase of alcohol is allowed under the Economic Excellence Fund, which is comprised mostly of small private donations raised by the university's foundation, said the economics department chair.

The money can be used at the discretion of the chair. "It's not any funds that are appropriated from the federal government or Legislature," he said.

A state senator, who is an associate professor of economics at the university, said he's troubled by the situation. "In these days of tight

budgets, it's not wise to spend any money on alcohol," he said. "I kind of question the judgment of anybody who would authorize the expenditures."

The university's vice president of business and finance said state money cannot be used for alcohol, but that colleges and departments can buy alcohol with unrestricted money, such as the Economic Excellence Fund.

"It's up to the department to make decisions about the best use of those funds," he said. "We leave that up to the department. I don't believe there's any policy violation in the case of what the economics department is doing."

He went on to say that a large number of university departments have some sort of fund for things like alcohol, flowers for funerals, conference travel, scholarships, teaching awards and retirement receptions.

Records show that over the past year, the economics department spent nearly \$500 to buy alcohol for

speakers who were taken out to dinner. The economics department chair said such hosting is important. "If you take them to McDonald's, you'd be laughed at," he said.

The economics department limits the cost of a drink to \$5 for lunch and \$10 for dinner, with the department paying for dinner and a drink for both the speaker and the host faculty.

The chair said the \$500 spent on drinks was just a small part of the \$13,000 the department spent from the fund this year.

Most of the money was spent on scholarships and sending graduate students to meetings, he said. "This is not an alcohol fund," he said.

The state senator said money raised by the university foundation is the public's money and should not be spent on alcohol. "My position is they would be public funds," he said. "They are university funds held by the foundation."

## INTERNAL CONTROLS

WE WILL ENSURE THAT INTERNAL CONTROLS ARE ESTABLISHED, PROPERLY DOCUMENTED, AND MAINTAINED FOR ACTIVITIES WITHIN OUR JURISDICTIONS

### SELECTED REFERENCES

UCSC Administrative Responsibilities Handbook – Principles of Financial Management  
<http://finaff.ucsc.edu/cc/ARH/HSfin.htm>

UCSC Administrative Responsibilities Handbook – Internal Controls  
<http://finaff.ucsc.edu/cc/ARH/HOcontrol.htm>

UC BFB IA-001 Internal Control Standards Introduction  
<http://www.ucop.edu/ucophome/policies/bfb/ia001.html>

Secrets of UCSC Accounting - Fund Accounting  
<http://finaff.ucsc.edu/cc/workshops/handouts/Accounting.pdf>

UC Business and Finance Policies  
<http://www.ucop.edu/ucophome/policies/bfb/>

UC Accounting Manual  
<http://www.ucop.edu/ucophome/policies/acctman/>

### SELECTED RESOURCES

Campus Controller's Office (Accounting, Finance, Controls)  
<http://finaff.ucsc.edu/cc/index.htm>  
459-3787

Internal Audit and Advisory Services Office  
<http://planning.ucsc.edu/audit>  
459-3205

Purchasing Office (Procurement)  
<http://purchasing.ucsc.edu/>  
459-2300

## USE OF UNIVERSITY SELECTED RESOURCES

### WE WILL ENSURE THAT CAMPUS SELECTED RESOURCES ARE USED ONLY ON BEHALF OF THE UNIVERSITY

*Of particular interest to members of the campus community  
entrusted with handling financial and business matters*

This means that each member of the campus community

1. Uses University resources only for the benefit of the University

#### Perspective: A Real World Illustration

A May 2003 *Arkansas Democrat-Gazette* (Little Rock) newspaper article reported on the firing of a philosophy professor from a public university located in Arkansas.

He was fired in March for advertising his talent at translating old Chinese documents into English on a Web site he and his wife created on the university-based Web space. University policy prohibits staff from profiting from the use of university property. He filed a grievance claiming he is governed by the university's faculty handbook, which does not restrict faculty from conducting personal business on the university's Web space. Furthermore, he said, others are doing it, too.

Another university art professor sells his work over the Internet. Economics professors offer consulting services online. The university's director of disability services is selling bras and advertises with an Internet link she includes on university's disability services Web site. The director's Internet pitch said, "People who desire to enhance their beauty have reason to contact me," before it was removed on the advice of an attorney. The site had listed the director's

telephone number and email address at the university

"It was a very small translation business," the non-tenured assistant professor said of his site. "Others were doing the same thing. This catered strictly to academics. You might argue that this service was an extension of my role with the university."

The university's grievance hearing committee said on May 1 that the professor's dismissal was inappropriate and no policy violations occurred. The university president has to determine whether the professor should be fired.

"One of the issues that are critical here is that he used the site for a commercial venture," said the university's vice president for academic affairs. "It's against the law to use state property for personal gain." The president and vice president said neither had heard of other business ventures conducted on the university's Web space.

The university's faculty handbook encourages faculty to provide services to the public. "Normally, the university requires no disclosure of these activities or of the income they may generate," the handbook says.

"The university may enter into a specific contract with a faculty member to support a commercial endeavor, scholarship or public service which may generate income."

Another section of the handbook states that "university SELECTED RESOURCES ... shall not be used for personal gain."

The university's grievance hearing committee found the university's policy ambiguous. The committee also said the assistant professor got no warning or order to remove the Web site before his dismissal. "Instead he received the most severe form of punishment when his employment was terminated without due process," the committee wrote in a letter to the university president.

"[The assistant professor's] punishment/termination could appear to be selective," the letter said. "Other members of the university had questionable Web postings for personal gain on the university-owned Web space but, to our knowledge, received no punishment."

He said his Internet business may be a veiled excuse for his firing. He has criticized the university and its spending practices during the two years he's worked at the university.

## USE OF UNIVERSITY SELECTED RESOURCES

WE WILL ENSURE THAT CAMPUS SELECTED RESOURCES  
ARE USED ONLY ON BEHALF OF THE UNIVERSITY

*Of particular interest to members of the campus community  
entrusted with handling financial and business matters*

This means that each member of the campus community

### 2. Treats University property with care

#### Perspective: A Real World Illustration

A December 2001 *Associated Press* newspaper article reported on a cheating scheme occurring at a public university located in Mississippi. Four men were identified as being responsible for obtaining advance copies of an algebra test. Several students told faculty members that some classmates had advance copies of the test.

After grading the tests, the mathematics department found that about 200 students answered at least 35 of 40 questions correctly, said the head of the department of mathematics and statistics. In other years only about 40 students answered that many

correctly.

Three of the four suspected of obtaining and distributing the test were students during the fall semester. They face possible expulsion. The fourth suspect is a former student.

One of the arrest warrants alleges theft of university property; the other three allege receipt of stolen property. All charges are misdemeanors.

University officials say the mass cheating caught them off guard. "Obviously, this is a most unfortunate and embarrassing situation," said the university's vice president for student affairs. "It's a situation every educational institution faces and none

wishes ever to see repeated."

The university decided it would have been too difficult to find and punish those who cheated on the test, he said. Instead students have the option of retaking a similar test or letting their semester grade stand.

"Nobody is going to benefit from the test, and no one's going to have to suffer," the vice president said, adding that the university will look at ways to make cheating more difficult.

"What we're going to ensure is that the security for such tests will be greatly increased," he said. "By dealing with those involved, it shows that this is less than unacceptable."

## USE OF UNIVERSITY SELECTED RESOURCES

WE WILL ENSURE THAT CAMPUS SELECTED RESOURCES  
ARE USED ONLY ON BEHALF OF THE UNIVERSITY

### SELECTED REFERENCES

UCSC Purchasing Conduct and Ethics

<http://www.ucsc.edu/ppmanual/html.2/mm0002.htm>

UCSC Facilities Policies

<http://www.ucsc.edu/ppmanual/portal/policylinks/facilities.html>

UC Policy on Personal Use of Property

<http://www.ucop.edu/ucophome/policies/bfb/bus29n.pdf>

UC BFB BUS-29 Management and Control of University Equipment

<http://www.ucop.edu/ucophome/policies/bfb/bus29.html>

Policy on Reporting and Investigating Allegations of  
Suspected Improper Governmental Activities

<http://www.ucop.edu/ucophome/coordrev/policy/10-04-02whistle.pdf>

UC Use of the University Name and Seal

<http://www.ucop.edu/state/advocacy/lobbying/name.html>

### SELECTED RESOURCES

Campus Controller's Office

<http://finaff.ucsc.edu/cc/index.htm>

459-3787

Equipment Management Office

<http://equipment.ucsc.edu/info/index.html>

459-2355

Internal Audit and Advisory Services Office

<http://planning.ucsc.edu/audit>

459-3205

Purchasing Office

<http://purchasing.ucsc.edu/>

459-2300

## FINANCIAL REPORTING

### WE WILL ENSURE THAT ACCOUNTING AND FINANCIAL RECORDS ARE ACCURATE, CLEAR, AND COMPLETE

*Of particular interest to members of the campus community entrusted with handling financial matters*

This means that each member of the campus community entrusted with handling financial and business matters

1. Conducts business in a manner that ensures that University accounting and financial records and documents are accurate, clear and complete

#### Perspective: A Real World Illustration

A July 2005 *Seattle Times* newspaper article reported on a multimillion-dollar billing scandal at a public university medical school located in the state of Washington.

A special review panel's report called for more oversight of the university's medical school, citing the "embarrassing" lessons of a five-year federal investigation into the overbilling of Medicare and Medicaid.

The billing scandal led to a criminal investigation in which two doctors were convicted of felonies and the university paid \$27 million in legal costs and a record \$35 million civil penalty for overbilling the government.

The report concluded that medical-school administrators repeatedly failed to recognize overbilling that benefited university doctors and medical programs.

The "ultimate accountability" rested with the medical-school dean, the six-member committee said, although it said blame also must be shared by those who intentionally over billed the government and other administrators who failed to exercise adequate oversight.

In its report, the committee said the university has made significant improvements in its billing programs but needs to take more steps to instill a "culture of compliance."

The report said many physicians and staff members made "honest efforts to comply with billing requirements." But some doctors ignored tighter billing rules adopted by the government in the mid-1990s, the panel said.

The committee found no evidence of a conspiracy to overbill the government or intentionally disregard problems, but administrators at the billing group for many of the university doctors, "did not consistently respond adequately to billing allegations with investigations and disciplined enforcement," the report said.

Administrators failed to recognize the severity of initial problems and apparently didn't bring them to the attention of top officials at the medical school, the report added.

The committee said "complacency" about the university's compliance with federal rules led to a false belief that the university met or exceeded industry standards.

The university agreed last year to pay \$35 million, the largest penalty ever for a teaching hospital in the United States, to resolve allegations in a whistle-blower's lawsuit alleging it had submitted inflated bills to Medicare and Medicaid throughout the 1990s.

The civil settlement followed a lengthy federal criminal investigation triggered by the suit, in which two prominent university doctors pleaded guilty to felonies.

The criminal investigation focused on allegations that university doctors routinely billed the government for surgeries and treatments performed by medical residents who are not allowed to bill Medicare and Medicaid.

Prosecutors also reviewed allegations that doctors billed the government for services that were more expensive than the treatment actually performed.

The whistle-blower suit was filed in 1999 by a former university billing employee, but not unsealed until the civil settlement was reached last year. The federal government joined the suit, allowing him to collect \$7.25 million of the settlement.

## FINANCIAL REPORTING

### WE WILL ENSURE THAT ACCOUNTING AND FINANCIAL RECORDS ARE ACCURATE, CLEAR, AND COMPLETE

*Of particular interest to members of the campus community entrusted with handling financial matters*

This means that each member of the campus community entrusted with handling financial and business matters

2. Conducts business in a manner that ensures published financial reports provide full, fair, accurate, timely, and understandable disclosures as required by regulatory and other entities

#### Perspective: A Real World Illustration

An August 2004 *News & Record* (Greensboro, NC) newspaper article reported on a highly critical state-government audit of a North Carolina community college that overdrew a federal-aid account by \$327,830 and could not balance its books because of poor financial practices.

The report did not allege any embezzlement or other crime. But the state auditor's office found that the school's financial leaders were not doing one of accounting's most basic tasks: matching bank statements each month to the community college's ledger, the equivalent of a family balancing its household checkbook.

"As a result, cash recorded in the general ledger and on the financial statements was understated by more than \$500,000," the auditors said.

They also faulted the college for not having its books ready when inspectors arrived for the review. "The conditions resulted in excessive amounts of time spent attempting to resolve the out-of-balance situation and attempting to obtain missing documentation," the audit said of the school

Fallout from the April report is continuing and costly. The college is cutting the U.S. Department of Education a check for \$114,400 to retire the last of its debt for overdrafts from the federal Pell Grant program, a source of financial aid for needy students.

The college distributes about \$2.5 million per year in Pell Grant money. But when state auditors checked yearly financial records, they found five different bottom-line figures for how much the college had distributed.

The school gave an unknown number of students more money from the Pell Grant than they were entitled to receive. College officials are still checking student records to learn how much; the college ultimately will have to repay the federal government to settle that claim.

The issue of a community college improperly handling student aid and other education money is critical to the entire region. The area is going through an economic transformation. It is struggling to redefine itself because such bedrock industries as

textiles and furniture-making have lost thousands of jobs.

The region's six community colleges are the key to retraining workers for the industries of tomorrow and nurturing new businesses. Anything that wastes or jeopardizes money fueling this engine of regrowth is serious.

The college's president said procedures include carefully complying with all state and federal regulations, properly reconciling each month's financial records, monitoring financial-aid recipients to make sure they meet all academic standards, and training staff in the business and financial-aid offices.

State auditors also flagged the college for being unable to account for two pieces of equipment - worth \$15,200 - bought with county funds.

The president attributed the school's poor performance primarily to turnover in its business and financial-aid offices. He said the transition was complicated by the installation of a new data-processing system during the time covered by the audit.

## FINANCIAL REPORTING

WE WILL ENSURE THAT ACCOUNTING AND FINANCIAL RECORDS ARE ACCURATE, CLEAR, AND COMPLETE

*Of particular interest to campus officials responsible for ensuring the accuracy of financial information*

This means that each member of the campus community to whom this standard applies

3. Is prepared to attest to the accuracy and clarity of the information provided on UCSC financial statements and disclosures

### Perspective: A Real World Illustration

A March 2005 *Washington Post* newspaper article reported on the impact of the Sarbanes-Oxley Act (SOX) on a major, multi-national American-based consulting firm. A grand jury in California is investigating the company's federal contracts. The previous chief executive officer (CEO) left abruptly and not on good terms with the firm. And several overseas units are bleeding cash.

The company's new CEO said the biggest thing that makes him toss and turn at night is SOX. The act, passed in 2002 after accounting scandals at firms such as Enron Corp. and WorldCom Inc., is intended to protect investors by mandating that executives at publicly traded companies verify the accuracy of their financial results.

Critics of the law have emphasized its expense and the burden of meeting its requirements, but the experience at the consulting firm also shows that it can help companies uncover potentially damaging weaknesses -- for example, mistakes that led to the misclassification of millions of dollars.

The company already has spent more than \$20 million and assigned a staff of 75 to get its books in shape to

meet SOX requirements, but even so, the firm told investors late last year that it may not be able to comply with the regulation by the deadline next month. "This is just a massive effort. We view this as a difficult undertaking," the CEO said. Of the statement required of the chief executive by SOX, he said, "I don't take signing lightly."

Companies that cannot pass stringent reviews of their financial controls will receive a "qualified" opinion from independent auditors.

Meeting the requirements of SOX means getting deep into the details of how a company ensures that financial information it provides to investors is accurate. That means not just checking the math but also looking at where the information originates and how the company verifies its numbers.

For example, a pay increase for an employee requires approval by two company managers. If one of them forgets to sign a document verifying approval, a procedure has been violated. If the company's internal testers or auditors catch the mistake, it could qualify as a deficiency in the company's internal controls.

The document that the CEO must

sign for his company to comply with SOX demands that he pledge to investors that he is confident each procedure is being followed properly.

Individual executives who knowingly certify inaccurate financial results could face substantial civil and criminal penalties under SOX. It calls for maximum prison terms of 20 years for a false certification.

SEC officials said reviews like the one being done by the consulting firm could be the most important step the agency takes to restore the confidence of average investors in corporate financial statements. "The act is working," said the SEC's chief accountant. "There are weaknesses in internal control systems. It's very helpful that the sunlight shine on them so they get fixed."

[Note: Many of the requirements of SOX, including one requiring the Chancellor and about 20 other high-level UCSC officials to attest to the accuracy of the campus' financial statements and to the adequacy of internal controls, have been adopted by the Regents and apply to all campuses, medical centers and the office of the president.]

## FINANCIAL REPORTING

WE WILL ENSURE THAT ACCOUNTING AND FINANCIAL  
RECORDS ARE ACCURATE, CLEAR, AND COMPLETE

### SELECTED REFERENCES

UC Annual Financial Reports

<http://www.ucop.edu/ucophome/busfin/reports.html>

UCSC Administrative Responsibilities Handbook – Principles of Financial Control

<http://finaff.ucsc.edu/cc/ARH/HSfcontrol.htm>

UCSC Administrative Responsibilities Handbook  
Delegated Authority, Responsibility, and Areas of Potential Risk - Finance

<http://finaff.ucsc.edu/cc/ARH/HAFinance.htm>

UC Accounting Manual

<http://www.ucop.edu/ucophome/policies/acctman/>

UC Contracts and Grants Manual – Financial

<http://www.ucop.edu/raohome/cgmanual/chap06.html>

OMB Circular A-21, Cost Principles for Educational Institutions

[http://www.whitehouse.gov/OMB/circulars/a021/a21\\_2004.html](http://www.whitehouse.gov/OMB/circulars/a021/a21_2004.html)

US Federal False Claims Act

[http://www.law.cornell.edu/uscode/html/uscode31/uscode31\\_usc\\_sec\\_31\\_00003729---000-.html](http://www.law.cornell.edu/uscode/html/uscode31/uscode31_usc_sec_31_00003729---000-.html)

Summary of the Sarbanes-Oxley Act of 2002

[http://www.aicpa.org/info/sarbanes\\_oxley\\_summary.htm](http://www.aicpa.org/info/sarbanes_oxley_summary.htm)

Committee on Sponsoring Organizations Financial Reporting Resources

<http://www.coso.org/>

### SELECTED RESOURCES

Campus Controller's Office

<http://finaff.ucsc.edu/cc/index.htm>

459-3787

Extramural Funds Accounting Office (Contracts and Grants)

<http://finaff.ucsc.edu/emf>

459-3601

## REPORTING VIOLATIONS AND PROTECTION FROM RETALIATION

WE WILL REPORT ALL KNOWN OR SUSPECTED IMPROPER GOVERNMENTAL ACTIVITIES UNDER THE PROVISIONS OF THE UNIVERSITY'S WHISTLEBLOWER POLICY, RECOGNIZING THAT EVERYONE IS PROTECTED FROM RETALIATION FOR MAKING SUCH REPORTS UNDER THE WHISTLEBLOWER RETALIATION POLICY

*Of particular interest to all members of the campus community*

This means that each member of the campus community

1. Reports all suspected improper governmental activities to supervisor or other appropriate campus authority

### Perspective: A Real World Illustration

A November 2005 *Columbus Dispatch (Ohio)* newspaper article reported on a public university in Ohio unveiling a phone line and online form through which employees, students and the public can anonymously report suspicions of financial fraud at the university.

If the effort succeeds, the university might expand it to accept reports of NCAA violations and academic fraud.

"People at the lower levels of employment are afraid of retaliation if they report on something that would reflect poorly on their bosses," said the university's senior vice president of business and finance. "This is another way misconduct can be reported and dealt with. It's a safeguard."

Faculty members are leery that anonymous callers might eventually be able to make claims of academic fraud. An associate professor of linguistics and president of the university's chapter of the American Association of University Professors, fears such a system could become "a vehicle for a personal vendetta."

"People who are whistle-blowers

usually back up their charges with their own identities," he said. "You don't get guarantees of anonymity in something this crucial. That way if you have an ulterior motive, it should be evident during an investigation."

He said faculty members will fight any attempt to expand the hot line without adequate checks and balances. "If people feel they're being threatened, then everyone's first instinct is to talk to their lawyers," he said.

The university hired a company that sets up confidential hot lines for organizations worldwide, to operate the system. The company will review each complaint and forward it to the appropriate university office for investigation. The senior vice president expects most will be investigated by the school's internal auditors.

The company also will provide a way to confidentially contact whistle-blowers for further information, something that's impossible with anonymous complaints now.

University officials say the yearly cost of \$36,000 is worth it. The thinking is that whistle-blowers will feel

more protected calling an outside party, the senior vice president said.

The university is adopting the system because of the Sarbanes-Oxley Act of 2002, which requires businesses to have programs to reduce fraud, including a confidential way to report wrongdoing, the senior vice president said. Universities don't have to follow the act's requirements, but many have.

A number of universities already have whistle-blower hot lines, including Case Western Reserve, Duke, Minnesota and Yale.

One of the institutions has received 14 complaints since starting its hot line in May. "There was a concern that there would be all these frivolous claims, but in general all have some legitimacy in them," a spokesperson for the institution said.

Its hot line and online complaint form can be used to report concerns about any unethical behavior at the university. An outside company charges \$5,000 a year to collect complaints and turn them over to the institution to investigate.

## REPORTING VIOLATIONS AND PROTECTION FROM RETALIATION

WE WILL REPORT ALL KNOWN OR SUSPECTED IMPROPER GOVERNMENTAL ACTIVITIES UNDER THE PROVISIONS OF THE UNIVERSITY'S WHISTLEBLOWER POLICY, RECOGNIZING THAT EVERYONE IS PROTECTED FROM RETALIATION FOR MAKING SUCH REPORTS UNDER THE WHISTLEBLOWER RETALIATION POLICY

*Of particular interest to all members of the campus community*

This means that each member of the campus community

2. Is protected from retaliation for reporting improper governmental activities

### Perspective: A Real World Illustration

A February 2005 *Advocate* (Baton Rouge, Louisiana) newspaper article reported on a lawsuit filed by a former employee of a public university located in Louisiana claiming she was forced to resign after complaining about mistreatment of animals at the university's primate center.

The former employee lists in her suit a series of complaints she claims to have lodged with supervisors about the way chimpanzees and other primates were treated in the center.

Her allegations include some chimpanzees having their paws burned by lighters; another doused with scalding water, and monkeys in outdoor cages dying from cold weather because they were insufficiently protected from the elements.

The center is a primate facility run by the university that breeds nonhuman primates and provides pre-clinical safety testing and evaluations of pharmaceuticals and biotechnology products.

In the state district court suit, the employee said that she has worked in the animal research field for more than 20 years, and worked at the center from September 2002 until her resignation in February 2004.

The former employee alleges in the suit that she "blew the whistle" on several instances in which practices or actions at the center violated federal animal law, animal cruelty law and standards of employee safety.

A written statement released by the university said that all the allegations brought up by the former employee in the suit were investigated, and the university is "pleased with what was learned."

The statement listed the investigating agencies as the university's Institutional Animal Care and Use Committee, the Office for Laboratory Animal Welfare with the National Institutes for Health, and the U.S. Department of Agriculture.

The former employee's claims in the suit beyond her allegations of specific incidents with the animals include statements that officials with the center did not take follow-up action on her complaints and recommendations.

She says in the suit that, in the case of the worker who allegedly burned chimpanzees with lighters and scalded one with water, she fired the worker responsible, but officials at the center neither called on law

enforcement to follow up with a criminal case against the worker nor approved her plan to calm the chimpanzees that had been traumatized.

The former employee says in the suit that, when she met with center director to voice her concerns, "he said that her concerns would not be addressed by NIRC, and, if she had a problem with that, she should quit."

She claims that, when she complained in writing in February 2003 about the proposed relocation of the 3-year-old chimpanzees, she was forced to resign for reasons of use of poor judgment, failure to follow proper chain of command, failure to comply with counseling and threatening the security of the center and insubordination.

The former employee's lawsuit claims her employment was terminated as retaliation for her attempts to "blow the whistle" on center activities and that her free speech rights were violated.

The university issued a statement that the primate center received accreditation from the Association for Assessment and Accreditation for Laboratory Animal Care, and was last evaluated in 2003.

## REPORTING VIOLATIONS AND PROTECTION FROM RETALIATION

WE WILL REPORT ALL KNOWN OR SUSPECTED IMPROPER GOVERNMENTAL ACTIVITIES UNDER THE PROVISIONS OF THE UNIVERSITY'S WHISTLEBLOWER POLICY, RECOGNIZING THAT EVERYONE IS PROTECTED FROM RETALIATION FOR MAKING SUCH REPORTS UNDER THE WHISTLEBLOWER RETALIATION POLICY

### SELECTED REFERENCES

UC Whistleblower Website  
<http://ucwhistleblower.ucop.edu/welcome.html>

UC Whistleblower Policies  
<http://ucwhistleblower.ucop.edu/policy.html>

### SELECTED RESOURCES

Office of Internal Audit  
<http://planning.ucsc.edu/audit>  
459-3205

Human Resources Office (Academic)  
<http://www2.ucsc.edu/ahr/>  
459-4300

Human Resources Office (Staff)  
<http://shr.ucsc.edu/>  
459-2009

Equal Employment Opportunity / Affirmative Action Office  
<http://www2.ucsc.edu/eeo-aa/>  
459-2686

Title IX / Sexual Harassment Office  
<http://www2.ucsc.edu/title9-sh/>  
459-2462

UC Confidential Whistleblower Hotline  
(Operated independently from the University)  
800-403-4744