

MEMORANDUM

September 16, 2011

To: Pamela Massey, Director of the Office of Internal Audit

From: Austin Hall, Executive President
Student Government Association
University of Central Arkansas

Re: Internal Audit Investigation

The Student Government Association of the University of Central Arkansas would like to thank you for continuing the investigation surrounding the events of the recent controversy with Aramark and their \$700,000 offer to renovate the President's residence. The SGA would like to make sure that the students' concerns were expressed to your office before the investigation begins. I strongly encourage you to consider these concerns as legitimate and timely.

Aramark Representatives

The students would like to have a clear understanding of who approached whom for the \$700,000 offer. Was the offer from Aramark something that is typical of food service providers of schools our size? Could the \$700,000 have been directed somewhere else, perhaps to a more student focused location? Was there a plan to rebid their contract? While not illegal, can the contract contingent offer of \$700,000 from Aramark be considered "bribe-like" in nature?

Dr. Allen Meadors, former UCA President

Did Dr. Meadors initiate the conversations with Aramark to negotiate the \$700,000 "gift?" Did he instruct certain individuals to keep particular details quiet about the proposal? Did he purposefully withhold information about the proposal at the August 26th Board meeting?

Mr. Scott Roussel, UCA Board of Trustees Chairman

Did he purposefully withhold information about the proposal at the August 26th Board meeting? When he formed the President's Residence Advisory Committee, did he have any intention of making decisions on the future of the President's home based on the reports of the committee? When he referred to the \$700,000 offer as a "gift," was this intentionally misleading? Did he feel that he presented all of the details about the Aramark offer to the Board of Trustees in an appropriate fashion?

Mrs. Diane Newton, Vice President for Finance and Administration

With respect to Mrs. Newton, the students would like to know whether she was instructed to contact Aramark by former President Meadors. Was she told to keep the details of the \$700,000 offer a secret? Was she instructed to shred any documentation of the details of the offer from Aramark? In the weeks surrounding the August 26th Board meeting, was she in fear of losing her job if she was to reveal further details about the \$700,000 "gift?"

TO: Ms. Pam Massey, Director of the Office of Internal Audit

FROM: Dr. Janet K. Wilson, Faculty Senate President
Irby Hall 306; 450-5580

DATE: September 16, 2011

RE: Faculty Concerns Regarding the Investigation of the Aramark “Gift”

On Tuesday, September 13th, the Faculty Senate held their regularly scheduled meeting. One of the agenda items was an update concerning who would conduct the investigation and a discussion of faculty concerns regarding the Aramark “gift” situation. The faculty members are gravely concerned about the admitted mishandling of the Aramark “gift” at the highest levels of our administration and the subsequent damage to the reputation of the University as a whole. Numerous questions surrounding this incident remain. I have provided you with a list of the continued concerns of the faculty and request that you consider them during your current investigative activities.

1. Is the Office of Internal Audit the appropriate body to conduct the investigation?

- How can a body that reports to the Board of Trustees then investigate the activities of members of the Board?
- How far and how deep will you investigate?
- Shouldn't an external body (possibly the State's Division of Legislative Audit) be investigating thus alleviating any suspicion of the university's transparency, or lack thereof?
- How will the results of the investigation be publically relayed so there is no “sweeping the issue under the rug”?

2. What was the role of Former President Allen Meadors?

- Did Former President Meadors request people withhold information concerning the Aramark “gift”.
- Was the buyout of the contract of Former President Allen Meadors an appropriate response to his stated “mistake” of not revealing the conditions of the Aramark offer?

- Unless the Board is legally obliged, is it possible to not pay the buyout to Former President Meadors?

3. What is the role of Board of Trustee Chairman Scott Roussel?

- Why did Chairman Roussel state that he did not reveal the “gift” to the President’s Residence Committee until 30 minutes before the Board meeting because he couldn’t get the committee together when on August 16th he was talking to the committee via phone as they worked on crafting their final report?
- Didn’t the announcement of the Aramark “gift” not shortcut the process of the President’s Residence Subcommittee in that they were not allowed to have their final report considered prior to the Board taking action on the “gift”?
- Was it not improper for Chairman Roussel to allow a vote on spending money for architectural plans using the “gift” when the contract had not been extended thus guaranteeing the “gift”? That is, did he not allow for an expenditure on money they did not have to spend at that time?
- Why does Mr. Roussel remain a member of the Board of Trustees? Doesn’t his continued presence cast a negative image on the Board?

4. What is the role of the Board of Trustees as a whole?

- To what extent did other members of the Board know about the existence of the Aramark “gift” before it was announced publically?
- Do the Board members feel comfortable with the continued participation of Mr. Roussel on the Board as Chair?

5. What is the role of Vice President of Finance and Administration Diane Newton?

- What did she know and when did she know it?
- Was she instructed to keep the information a secret and if so, by whom?

6. What is the legitimacy of the Aramark contract?

- If the funds were unrestricted in use, how was the decision made to spend it on renovations of the President’s house?
- If this was a business deal, why was it presented as a gift, and who was involved in the decision to present it that way?
- Did our comptroller/contracting officers have knowledge of the “gift” in relation to a renewal of the existing contract?

- Was there any plan to rebid the contract?
- What assurance do we have that the next bid solicitation process will be open and fair?
- Is it true that UCA will owe Aramark an amount of money if the existing contract is not renewed? If so, how will this be paid?
- Bottom line, how legitimate is this “gift” process as a whole?



MEMORANDUM

TO: Ms. Pam Massey, Director of the Office of Internal Audit

CC: Mr. Tom Courtway, Interim President

FROM: Dianna K. Winters, Staff Senate President 2011-12
Buffalo Alumni Hall, 501-450-5289

DATE: September 16, 2011

RE: Staff Concerns with regard to the investigation of the Aramark 'gift' issue

Wednesday, September 14, 2011, UCA Staff Senate met at our regularly scheduled time. One of the topics discussed at great length was the recent events leading to the resignation and contract buy-out of President Allen C. Meadors, including the details of the investigation your office is currently conducting into parties involved in the misrepresentation of the Aramark 'gift'. Numerous questions surround the situation and Senators and staff would like to ensure certain questions are truly answered by the investigation in order for us to be satisfied. We have compiled a list of the concerns submitted to and generated by Staff Senate and ask that you review and consider each item as you continue your investigation.

TIMELINE

- Will a timeline of events be compiled from investigative testimony so that we may clearly see who knew what and when? We respectfully request that a timeline be developed and presented.

THE INVESTIGATION

- Can the Office of Internal Auditors be impartial when they already work with and report to the Board?
- Will the investigation be expansive? The issue is not exclusively a financial issue... will the office be asking non-financial questions to ensure that full knowledge of the events is uncovered?
- How will the findings of the committee be presented to the general UCA Community and UCA Staff Senate?

CONTINUES>



THE "GIFT"

- Who first developed the idea to approach ARAMARK about funding renovations to the President's Home? Was Diane Newton directed by President Meadors to contact them?
- When Aramark was contacted, was the request for donation presented to them with a promise of a contract extension or did ARAMark add that clause later?
- Who knew about the Aramark 'gift' prior to the August 26 Board meeting? Were vice presidents other than Diane Newton involved, and, if so, will they be interviewed?
- Did any other Board members know about the Aramark 'gift' prior to the meeting on Aug. 26? If so, were any of them aware it was not truly a 'gift'?
- At what point was Scott Roussel made aware that the 'gift' was actually quid pro quo? Did he know from the start that it was contingent upon extension of the ARAMark contract? Did he knowingly withhold information from the rest of the Board?
- Why did Chairman Roussel decide not to share the details of the gift with the rest of the Board of Trustees before the August 26, 2011 meeting?
- Was Diane Newton directed to not disclose the true nature of the gift by President Meadors? Was she pressured to lie or withhold information? Was she asked by Meadors to shred the letter?
- Did President Meadors direct anyone involved to hide and/or misrepresent details of this gift?
- Did President Meadors knowingly withhold information from his administration and the Board?
- Who chose to portray this contract negotiation as a 'gift from a private donor'? Was it Meadors or Roussel?

CONTRACT BUYOUT

- If it is found that Meadors committed fraud or any other illegal activity, is it legally possible for his contract buyout to be reversed?