Case in Point:

Lessons for the pro-active manager

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This month we conclude our look back at 2014 events from Case in Point with a focus on the Campus Life Category. This category typically includes stories that are directly related to students and their unique risks related events that have occurred on campuses.

As you would expect, this category has substantial variety as there are numerous risks that can come into play that affect students. The risks in this category are clearly important as a major risk failure can quickly damage a reputation that took years to cultivate. Therefore we need all faculty, staff, and administrators cognizant of the campus related events that are occurring in our industry with a keen focus on proactive risk management.

The top issues within this category involved campus crime/safety issues (25%), student related health issues (18%), sex-related issues (12%), alcohol (10%), hazing (8%), and racial issues (8%). Generally, these are the same topics that we have seen the past few years; however, there are always issues arising within almost every one of those general issues each year.

As we noted last month in discussing compliance issues, it is more important than ever for all stakeholders to let someone know when they become aware of a potential issue or problem. While we hope you can raise these concerns through your normal chain of management, remember that our EthicsPoint anonymous reporting system is there for situations where you do not feel that is an option.

We again invite you to review the events occurring throughout higher education over the past month and consider whether proactive attention is needed with respect to any of these issues here at AU. As always we invite your comments or questions with respect to any of these issues.

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Information Security & Technology Events

June 27, 2015: Penn State has discovered a new series of cyberattacks on the university, though the perpetrators are still unknown. In fact, just about everything about the attacks is unknown, including the motive and what the information stolen could be used for. The university announced the cyberattacks, which were directed against the College of Liberal Arts, in a news release on Friday afternoon. (link)

June 24, 2015: About two dozen University of Minnesota faculty members have told administrators they suspect someone has committed tax fraud using their personal information. Two professors say they and other colleagues were unable to file federal taxes online, because the Internal Revenue Service website told them someone had already filed in their names. The university says it can’t find any data breach in its computer network, and says it appears to be criminal activity unrelated to the university’s operations. That leaves some faculty members puzzled, because the complaints are concentrated in the sociology and psychology departments. (link)

June 19, 2015: Medical records of 4,859 patients at UC Irvine Medical Center were breached over a nearly four-year period, the hospital announced Thursday. An employee whose job required access to some patient records viewed thousands of additional records "without a job-related purpose" from June 2011 to March 2015, the hospital said in a statement. (link)
June 18, 2015: Some Australian universities warned students this month not to wear wristwatches during final exams, amid concerns that increasingly popular wearable technology, like the Apple Watch, could foster cheating. (link)

June 12, 2015: Cuesta College employees were notified this week of a database breach by a community college employee who reportedly accessed a database and sent information including employee names, addresses and Social Security numbers to a private email account without authorization. (link)

June 10, 2015: A year ago, Cesar Cerrudo flew to Washington, strolled over to Capitol Hill and pulled out his laptop. Then he began to hack the city's traffic system. (link)

June 5, 2015: Some email accounts of University of Michigan students and staff have been compromised, according to an alert posted on the school's public safety departmental website Thursday. The alert says that more than 150 people on the system have fallen victim to "phishing emails" this week. (link)

Fraud & Ethics Related Events

June 29, 2015: A University of Alabama graduate was arrested by federal agents Monday and charged with wire fraud, bank fraud and money laundering after she allegedly defrauded a contract company that furnishes sorority houses at UA. U.S. Attorney Joyce White Vance said Monday that Jennifer Elizabeth Meehan, 38, defrauded Greek Resource Services for nearly $400,000 through schemes in which Meehan submitted invoices for a sorority's furniture and equipment and received payment for them without ever actually providing the goods to the house. (link)

June 16, 2015: The University of Texas at Austin has hired an independent investigator following allegations of academic fraud within the men's basketball program. The allegations were brought to light in an article published in the Chronicle of Higher Education last Wednesday. (link)

June 15, 2015: A former Penn State police officer faces felony charges for allegedly stealing hard drugs from the police department. Thomas Dann -- 56, of Bellefonte -- has been accused of stealing cocaine and powerful painkillers from the department's evidence room, according to court documents. He faces numerous felony drug charges, as well as misdemeanor charges of theft and tampering with evidence. (link)

June 12, 2015: Two men indicated last month in a scheme to defraud the University of Pennsylvania pleaded guilty in federal court in Philadelphia this week in connection to the charges. According to prosecutors, the men were involved in a scheme to defraud the University of Pennsylvania by falsely billing the school for services that were never provided through a company they created. (link)

June 11, 2015: Dongping "Daniel" Tao, a former mining engineering professor at the University of Kentucky, who previously admitted to defrauding the University and a private company out of tens of thousands of dollars, has been sentenced to one year in prison. (link)

June 5, 2015: A Temple University professor who lives in the Penn Valley section of Lower Merion has denied providing technology secrets to the Chinese government, according to Philly.com. Xiaoxing Xi pleaded not guilty Thursday afternoon to four counts of wire fraud. The federal government says he was part of an alleged scheme involving the exploitation of technology for the benefit of third parties in China. (link)

June 5, 2015: Authorities say a former journalism professor at a New York state college has been charged with stealing more than $46,000 from the school over eight years. The Post-Standard of Syracuse reports a Madison County grand jury on Thursday indicted 56-year-old Gladys Cleland of Liverpool on charges that include grand larceny and falsifying business records. (link)

Compliance/Regulatory & Legal Events

June 30, 2015: The U.S. Supreme Court agreed Monday to review the constitutionality of the consideration of race and ethnicity in college admissions cases. And many legal experts believe the justices are likely to be skeptical of such consideration. (link)

June 29, 2015: Nonprofit hospitals across New Jersey could be liable for millions of dollars in annual property taxes, under a ruling by a tax-court judge that highlighted the difficulty
June 26, 2015: Among the multitude of unpleasant issues facing a company whose network has been breached is potential liability to customers and employees whose personal information has been compromised. However, recent district court decisions from around the country continue to limit the opportunity of those customers and employees to have their day in court. Specifically, these cases have held that, in order for a customer or employee whose data has been stolen to gain standing to sue the company that experienced the breach, the customer or employee must show that the stolen data was, in fact, used to the customer or employee's financial detriment. And such financial detriment must be "concrete." (link)

June 21, 2015: The Department of Education's Office for Civil Rights is investigating the University of Rochester over allegations that the university discriminated against a female student after she reported a sexual assault. (link)

June 17, 2015: Anthony Lanzilotti signed up for classes at Atlantic Cape Community College in 2007 with the hope that he would eventually move on to a four-year college and law school. Lanzilotti, who has been blind since birth, uses computer software that converts text into audio and braille for the visually impaired. But he said he ran into plenty of obstacles while trying to take classes at ACCC. (link)

June 16, 2015: Paul Frampton, the physics professor who was arrested abroad on drug charges after flying to Argentina for what he thought would be a liaison with a buxom bikini model, was an ocean away when news came Tuesday that he should get back pay for his time in prison. The N.C. Court of Appeals issued a ruling on Tuesday stating that UNC-Chapel Hill violated its own policies when administrators placed Frampton on unpaid leave while he awaited trial on drug-trafficking charges in a prison in Argentina. (link)

June 13, 2015: A top U.S. Department of Education official has expressed concern about a loophole in a federal law that allows schools such as the University of Oregon to gain access to students' private health-treatment records. (link)

June 12, 2015: An accreditation agency important to colleges receiving federal funds put the University of North Carolina at Chapel Hill on probation Thursday for a year over its academic fraud scandal. The board of Southern Association of Colleges and Schools' Commission on Colleges stopped short of imposing the harshest penalty, which would have blocked the country's oldest public university from receiving federal funds including student loan proceeds. (link)

June 8, 2015: A former Kappa Delta Rho pledge who revealed sexual harassment and hazing at the fraternity's Penn State chapter sued the school and the fraternity Monday. The revelations drew national attention for behavior that included posting photos of nude photos of unconscious women on Facebook. (link)

June 5, 2015: House Democrats want to end sexual assault on college campuses by holding educational institutions accountable when they dodge their legal responsibilities to respond to these crimes. Rep. Jackie Speier (D-Calif.) has introduced legislation that will require the Department of Education to fine colleges and universities that fail to comply with Title IX of the U.S. Education Amendments of 1972, which prohibits sex-based discrimination in education. (link)

May 29, 2015: A student who says he was expelled from Amherst College over a two-year-old rape allegation because administrators wanted to show they were tough on sex offenders sued the prestigious school in federal court on Friday. (link)

Campus Life & Safety Events

June 30, 2015: Many Chinese undergraduate students, who make up a slightly less than half of Chinese students in the U.S., arrive in the country with poor English speaking skills and little understanding of how to operate within the U.S. higher education system. To bridge the gap, U.S. colleges are starting a variety of programs aimed at making transitions like Zhang's a little easier. (link)
June 23, 2015: Statues of three Confederate leaders standing for decades at the University of Texas were vandalized with red paint amid fresh calls this week for their removal, university officials said. The statues at the often left-leaning university in Austin, a liberal city in conservative Texas, have gained new attention due to the debate in South Carolina about taking down the Confederate battle flag on the state's capitol grounds, a week after a white gunman allegedly shot dead nine black worshipers at a historic church. (link)

June 19, 2015: Due to high demand for on-campus housing in the fall, American University is offering $500 gift cards to students who agree to move off-campus. The deadline to accept the offer was this week. Continue reading Some students said --while creative --that offer was not enough. (link)

June 17, 2015: A former Amherst College student is just the latest in a long line of men whose lives have been turned upside-down after being accused of sexual assault in what they say were consensual encounters, punished in campus tribunals where, in some cases, critics say, they're guilty even after proving their innocence. (link)

June 15, 2015: Last fall, to determine how often crimes involving college athletes are prosecuted and what factors influence them, Outside the Lines requested police reports involving all football and men's basketball players on rosters from 2009 to 2014 from campus and city police departments covering 10 major programs (link)

June 12, 2015: University of Missouri fraternities in the Interfraternity Council (IFC) will say goodbye to hard liquor in all fraternity houses in the fall, says an IFC representative. This decision comes in light of the MU Fraternity Alumni Consortium's list of proposals for improving the "safety of women students in fraternity houses" and limiting the number of sexual assaults on campus. (link)

June 12, 2015: A man charged with hanging a noose around a college statue dedicated to integration and diversity is going to plead guilty. Federal court filings show former University of Mississippi student Graeme Phillip Harris will plead guilty to a charge of using a threat of force to intimidate African-American students and employees at the university. (link)

June, 1, 2015: Two activists climbed atop an excavator on Monday, one locking himself to the equipment, in a protest over the building of an animal-testing facility at the University of Washington, halting construction at the site, sympathizers and police said. (link)

Other News & Events

June 25, 2015: Most universities lose money on tech transfer. A 2013 Brookings Institution report estimated that 84 percent of university tech transfer offices lose money. (link)

June 16, 2015: The average cost of tuition and fees at a private, non-profit, four-year university this school year was $31,231---up sharply from $1,832 in 1971-1972 (in current dollars). At public, four-year schools, tuition and fees cost about $9,139 this year. In the 1971 school year, they added up to less than $500 in current dollars, according to the College Board. (link)

If you have any suggestions, questions or feedback, please e-mail me at robinmk@auburn.edu. We hope you find this information useful and would appreciate hearing your thoughts. Feel free to forward this email to your direct reports, colleagues, employees or others who might find it of value. Back issues of this newsletter are available on our web site at http://www.auburn.edu/audit.

If you have any suggestions for items to include in future newsletters, please e-mail Robert Gottesman at gottenw@auburn.edu.