

**SPECIAL MEETING**

**BOARD OF REGENTS  
NEVADA SYSTEM OF HIGHER EDUCATION**  
Blasco Event Wing, UNLV Foundations Building  
University of Nevada, Las Vegas  
4505 Maryland Parkway, Las Vegas  
Friday, August 4, 2006

Members Present: Mr. Bret Whipple, Chair  
Mr. Mark Alden  
Dr. Stavros S. Anthony  
Dr. Jill Derby  
Mrs. Thalia M. Dondero  
Mrs. Dorothy S. Gallagher  
Dr. Jason Geddes *{via telephone}*  
Mrs. Linda C. Howard  
Mr. James Dean Leavitt  
Mr. Howard Rosenberg  
Dr. Jack Lund Schofield  
Mr. Steve Sisolak  
Mr. Michael B. Wixom

Others Present: Chancellor James E. Rogers  
Executive Vice Chancellor Daniel Klaich  
Vice Chancellor, Academic & Student Affairs, Jane Nichols  
Vice Chancellor, Finance, Mike Reed  
Chief Counsel Bart Patterson  
President Stephen Wells, DRI  
President Fred Maryanski, NSC  
President Phillip Ringle, TMCC  
President David Ashley, UNLV  
President Milton Glick, UNR  
President Carol Lucey, WNCC  
Secretary of the Board Scott Wasserman

Also present was UNLV Faculty Senate Chair, Dr. William Robinson.

Chair Bret Whipple called the meeting to order at 10:05 a.m. with all members present except Regent Howard.

Regent Alden led the pledge of allegiance.

Reverend Julian L. Miguel, from the University United Methodist Church, led the invocation.

1. Approved-UNLV School of Dental Medicine - The Board discussed the procedures and policies of the UNLV School of Dental Medicine in reporting, processing, and responding to the Honor Code violations at the School. The Board considered the policy implications of the procedures followed by the School and the appropriate role of the Board in reviewing the administration of discipline in such incidents. The Board took action by referring the matter to the Student and Academic Affairs Committee. In referring the matter to the Student and Academic Affairs Committee, the Board directed (1) counsel to suggest changes in the process, based on what they have

learned, so the process can be made more effective and more responsive and more tools can be given to those directly dealing with these issues, (2) the Student and Academic Affairs Committee to report back to the full Board with recommendations about changing the process so that they can address the concerns raised and (3) that the Board be made aware if any of these individuals come to this president or any subsequent president with a request that their records be cleared. (Ref. A and handouts on file in the Board office) .

President David Ashley stated they would discuss the judicial process and the academic honesty procedures with the School of Dental Medicine. There has been an overall review of the process. There has also been a review of the actions document provided by Mr. Bart Patterson, General Counsel.

Regent Howard entered the meeting.

President Ashley introduced Vice President Rebecca Mills to discuss how the institution deals with these types of occurrences. FERPA, the Federal Right to Privacy Act, mandates that student's educational records will be held confidential. HIPPA, the Health Insurance Portability and Accountability Act, governs the confidentiality of medical records and patient information. Title 2, Chapter 6 of the *Code* lays out the authority of the Board, the president and the campus in disciplinary matters. The UNLV Student Code of Conduct is the umbrella document that sets forth campus expectations for conduct, procedures to follow in an investigation, and the nature of sanctions that can be imposed. The School of Dental Medicine also has an Honor Code that lays out how the procedures in the Student Code of Conduct will apply to the School of Dental Medicine. The professional schools have Honor Codes but they try to ensure that the procedures in Chapter 6 are followed. The Board approved the School of Dental Medicine Honor Code at the December Board of Regents' meeting, at which time the Board added a requirement that students report violations of the Honor Code. Both deans of the UNLV professional schools have been asked to provide recommendations for suspension and expulsion. General Counsel's report outlines the following recommendations:

Review of patient files.

- Interim Dean Sandoval has indicated that it should be complete within two weeks.

Letters of good standing for those students not involved.

- There has been one request to date for this letter.

Review of computer security.

- Pilot testing of thumbprint testing for authenticity is underway. Faculty will be required to change their password every 90 days as opposed to waiting until prompted and the ability to override the change will be reviewed. Computer security is being audited.

#### 1. Approved-UNLV School of Dental Medicine – (Continued)

Increase in chart audits.

- Clinical faculty will conduct two unannounced chart audits per student, per semester.

Review of appointment schedule.

- Have built time into the schedules, so that when a student finishes work with a patient there is enough time to finish charts.

Creation of acknowledgement statement.

- General Counsel suggested requiring the students and faculty to acknowledge that they understand the responsibilities in this regard.

Review of curriculum.

- The school is revising the student handbook. Courses have been identified that are specific to charting responsibilities and the ethics that come with it.

Review of audit findings.

- There is an ongoing NSHE audit. UNLV General Counsel will help with the record keeping of sanctions.

Approval of community service.

Dr. Mills reported that in addition to General Counsel's recommendations, she has also made recommendations to President Ashley. Some of the recommendations may require a change to the Honor Code. The

recommendations are as follow:

- Asked the deans and their respective administrators to coordinate with Office of Student Conduct.
- Coordinate the training for hearing panel members.
- Involve non-school faculty in panels.
- Ensure appropriate internal and external communication.

Dr. Mills acknowledged that UNLV should have communicated with the Regents about the incident and the process that they were following. They will ensure they use the established Regent's Alert process. Dr. Mills stated in judicial cases they appropriately focus on student misconduct. Those that do it for a living have to remind themselves that many students never come to the attention of the Office of Student Conduct. This incident was the result of a small group of student's choices and actions, and it is important that it does not reflect on their classmates.

Regent Whipple was present the day Senator Reid presented a check to the School of Dental Medicine. He did not want this incident to diminish the good work of the school. General Counsel's report was prepared quickly and was an excellent report.

Regent Alden pointed out that there were ten students that cheated; they have hurt the university and the dental school. He asked that they move aggressively and revoke the diplomas of the ten students.

Regent Wixom made a point of order. He indicated that revoking the diplomas was not what was before the Board at this time. Regent Alden disagreed.

1. Approved-UNLV School of Dental Medicine – *(Continued)*

Regent Sisolak appreciated the media's attention to this issue because the Board would not have known. There seems to be a sense or culture of covering things up and not notifying the Board in a timely manner. Regent Sisolak is very concerned that some of the information still has not been made public. One of the students stole the password. The student that stole the password should be held to a different level of scrutiny. He wanted to know who stole the password. Chief Counsel Patterson pointed out that they did not know who stole the password, but there were suspicions. In the hearings that occurred there was no aggressive attempt to find out who obtained the password or how the password was obtained. Regent Sisolak reiterated that the student who stole the password should be held to a much higher standard than maybe a student who used the password one time. Regent Sisolak was also concerned that only fourth-year students were reviewed. He asked that the charts be audited and chart irregularities be reviewed for every student.

Regent Whipple introduced Dr. William Harmon, Executive Associate Dean of the Dental School and noted he was present to answer questions.

Regent Sisolak appreciated the Chancellor's action to request an investigation. Regent Sisolak was tired and discouraged by the fact that there is a culture of covering things up and not exposing them for what they are. We should accept the responsibilities, acknowledge and fix the mistakes and then move on. Dr. Mills assured him that they would try not to surprise the Board in the future. She did not believe it was a deliberate attempt to cover-up.

Dr. Harmon stated he was happy to answer questions and also indicated that their quality assurance person was also present. Dr. Harmon reported that all the student charts that used the faculty member's name have been reviewed. This has been an ongoing part of the investigation. It was his understanding that the chart audits and the changes that were outlined in the presentation will extend to all clinical cases. Regent Sisolak asked if third year student charts were audited. Chief Counsel Patterson stated that at the time of his investigation they were looking at the use of a particular password of a part-time faculty member. He was not under the impression that it was extended to third and second year students. Ms. Christine Haskin reported they focused on the use of the password, so every student that was covered by the faculty member was included in the audit.

Regent Sisolak asked if the faculty member was still with the School of Dental Medicine and what they had to

say about the incident. Ms. Haskins noted that the investigation did directly ask the faculty member if he gave out the password. The faculty member emphatically denied giving out his password and was devastated that it had been stolen. Regent Sisolak asked if they had exhausted all possibilities to determine who stole the password. Ms. Haskins stated all students were asked and they were not able to ascertain who stole the password. Ms. Haskins reported she was not part of the original investigation. Regent Sisolak appreciated her honesty, but was frustrated with the fact that they did not know who stole the password. Mr. Dan Klaich, Executive Vice Chancellor thought it stood to reason that the first chronological transaction would be the logical assumption. Chief Counsel Patterson stated that as an attorney it would be his assumption. He pointed out there needs to

1. Approved-UNLV School of Dental Medicine – *(Continued)*

be better training for the committees so they understand that they must get to the bottom of the allegations. In a way the students were let off the hook by allowing them to provide a generic answer that the password was just floating around. Once the process is complete it is very difficult to proceed further, because the System does not have subpoena authority to force the students to say anything.

Regent Sisolak asked about the violations made prior to the Honor Code being instituted. General Counsel reported there was one individual who may have started using the password just prior to the adoption of the Honor Code, but the activity continued after the Honor Code was adopted. Regent Sisolak asked if the instances that occurred prior to the Honor Code, would be subject to the Honor Code. Chief Counsel Patterson stated they would not be subject to the Honor Code, but would have been subject to the UNLV policies and UNLV Honor Code. In this particular instance, based on this audit, one student's activity started in October, but continued on after the adoption of the Honor Code. In his opinion it would still be appropriate to apply the Honor Code to the student. Regent Sisolak asked if they could continue the investigation to determine who stole the password. Chief Counsel Patterson said by charge of the Board or the Chancellor he would be happy to try, but believed it would not be fruitful.

Regent Sisolak asked to clarify that the board could not do anything about the degrees at this point. Regent Wixom reasserted his prior point of order. Regent Wixom pointed out that if you look at the agenda item and the minutes from the meeting in which this meeting was approved, he specifically noted that it is not appropriate for this Board to address the granting of these diplomas. What is on the agenda is when it is appropriate to revoke a diploma, not these diplomas. The Board does not have these degrees in front of them and it is not a proper subject of discussion.

Regent Sisolak asked what the policy was on revoking diplomas. Chief Counsel Patterson indicated that there is no policy in the Handbook on revoking diplomas. It will fall to general due process law as to whether the Board has the authority to revoke diplomas. In general, the belief is that the Board would have the authority to revoke a degree if the degree was obtained through fraud. In this particular case, once the process is complete and a sanction is imposed, it would not be appropriate under due process law to go back and increase the sanction.

Regent Sisolak apologized to President Ashley because he was walking into a hornet's nest. Regent Sisolak believed that this was not fair to the students who were paying their fees and being responsible, that their degrees were tarnished by a few students who the Board failed to take stern action against.

Regent Dondero pointed out that when she originally asked for this special meeting it was to establish a policy for the Board to be notified of such incidents.

Regent Wixom thought they needed to be very careful because they were dealing with the process. The process protects us all from the tyranny of the majority. A process has been established for these types of issues within each institution. The issue for the Board is to first

1. Approved-UNLV School of Dental Medicine – *(Continued)*

determine whether the institution followed the process that was in place for these types of issues. If the institution followed the process that was in place, then the Board should not second guess the decision. If the Board injects themselves into the process they will then endanger the process and the protections of the process go away. The second part is whether the Board should revisit the process itself. This is legitimate and a concern

that should be aired by the Board. The Board has to rely on the individuals at the campus to do their jobs. When the Board should be notified is another legitimate question. This point lays outside the process, but instead a relationship issue between the Board, Chancellor and Presidents. The Board should go back to the Presidents and require that when they are aware of issues that the Board will become aware of, they need to notify the Board so they are not blindsided. Regent Wixom appreciated the conversation, but hoped the Board would be cautious to maintain the integrity of the process.

Regent Whipple asked Chief Counsel Patterson, if within his evaluation he felt the process was followed. Chief Counsel Patterson answered yes.

Regent Howard appreciated the comments thus far and believed her job as a Regent was a policy maker. She believed that the agenda item was worded so that they could create a policy relative to this issue. She believed the fact finders had failed to bring forward necessary information to the Board. She was dissatisfied with the information received from the dental school. She did not see any proof that the password was stolen. Dr. Mills stated there was a group of student that had access to the password and a faculty member who denies that he gave students access to the password. People concluded, as a result of this, that the faculty member was being truthful. Regent Howard was insulted that the administration of UNLV thought the Regents believed that it could not be determined who used the password first. Dr. Mills stated they did know where the password was used first. The student was asked, as well as all the other students. None of the ten students provided the hearing panel with information on how the password was obtained. Regent Howard asked how the first student responded. Dr. Mills said they did not know how they obtained the password. Regent Howard asked what the faculty member had to say. Dr. Mills stated the faculty member stated he did not give access to his password. Regent Howard was concerned as to why the students would feel so compelled to take the password; did they not have access to the faculty member. Dr. Mills agreed, but certainly did not know what went through the minds of the students when making the choices that they made. In the transcripts the students talk about things such as being under time pressure and reaching the end of their education experience. Dr. Mills stated her only source of information as to why the student did this is by reading the transcripts. Regent Howard believed there was a reason why the students felt compelled to do this and her concern was why.

Executive Vice Chancellor Klaich stated they had hit on a critical issue. This generation of students was born on computers. A number of Chief Counsel Patterson's recommendations were aimed at asking the dental school to determine whether this is a cultural issue that they are dealing with. In responding to the recommendations a change to the student handbook was made. It was his opinion that this was not sufficient. The recommendation specifically asked that students and faculty sign a short statement indicating how important this was. Dr. Mills reported they did create the statement that will be signed. UNLV will have to teach the

1. Approved-UNLV School of Dental Medicine – *(Continued)*

concept of computer security, responsibility and charting. She was confident that the faculty will have continued discussions amongst themselves about the seriousness of this and how to convey it to the students.

Regent Leavitt stated that the Board is very proud of the first graduating class of the dental school. It is an incredible program and great asset to the community. The Board wants the program to continue, but with checks and balances to prevent this from happening again. Regent Leavitt thanked Chief Counsel Patterson for the outstanding report. A number of recommendations were made, but Regent Leavitt felt there were others that could be added. They have talked about the responsibility of the students to do charting, some changes were made, but the responsibility should also be upon the faculty member, whether they are full-time or part-time. There needs to be a dual responsibility, which would create another check and balance. Regent Leavitt concurred with Regent Wixom that this board was the court of last resort. This double layer of protection is absolutely important to the integrity of the System. He believed the recommendations were in the process of being implemented. He hoped that they would be updated if it was determined that there were other irregularities. Regent Leavitt asked each president to think about what they can do to ensure the proper flow of information to Board members. His last recommendation was to have increased training of those conducting investigative proceedings.

Regent Whipple noted the item had already been scheduled for the October Board meeting. The item would lay

out what was important enough to notify the Regents. Executive Vice Chancellor Klaich asked that it also incorporate Regent Sisolak's earlier comments, about becoming a team. Regent Sisolak agreed.

Regent Rosenberg felt there were three issues: process, punishment and that the Board did not know. He felt the process was a good one. He disagreed with the punishment rendered. Human factors need to be taken into consideration. He was bothered that that Board did not know what was going on. By the same token, if the Board was apprised every time a student is accused of crossing the line, the Board would be in continuous meetings. The Regents have to trust the processes that are in place. The Regents have the ability to strengthen the process, but they must trust what is in place. Regent Rosenberg believed they must trust the individual units to take care of business.

Regent Rosenberg left the meeting.

Regent Wixom commented that the integrity of the process must always be protected. Regent Wixom asked Chief Counsel Patterson if he believed that the process itself needs to be revisited. Is there anyway to address the process that would allow those focused on the process to do a more effective job without jeopardizing student's rights. Chief Counsel Patterson answered yes on a number of fronts. For example, in Board policy it could say that in connection with campus disciplinary matters that the hearing committee should be trained or that the severity of the sanction shall be based on the length of time the person was involved in the process. He also suggested a degree revocation policy.

1. Approved-UNLV School of Dental Medicine – *(Continued)*

Regent Wixom moved approval of referring the matter to the Student and Academic Affairs Committee; in referring the matter to the Student and Academic Affairs Committee subcommittee we direct Counsel to suggest changes in the process, based on what they have learned, so the process can be made more effective and more responsive and more tools can be given to those directly dealing with these issues; and that the Student and Academic Affairs Committee come back to the full Board with recommendations about changing the process policy so that they can address the concerns raised by Regents Sisolak and Howard. Regent Alden seconded.

Regent Alden felt the degrees should be revoked and would direct Counsel, the Board Chair and the Chancellor to take a hard look at the revocation of these diplomas. Regent Alden recognized the presence of Mr. John Hunt who currently represents the Nevada State Board of Dental Examiners.

Mr. Hunt stated he was present strictly as an observer. The Board of Dental Examiners does not want to infringe on the jurisdiction of the Board of Regents, the university or the dental school. However, the Board is ultimately responsible to determine if licensure is appropriate in light of the actions that were taken. Mr. Hunt noted that in the press clippings, it indicated that the students at some point could absolve their records of this. Chief Counsel Patterson noted that after two years, the students have the right to apply to the president to have their suspension removed from their record. It is at the discretion of the president and there is no requirement that the president do so. Mr. Hunt noted that a letter of May 28<sup>th</sup> executed by Dr. Harter and Dr. Mills does not give such indication.

Regent Rosenberg entered the meeting.

Executive Vice Chancellor Klaich stated that while General Counsel was investigating there has been constant communication and sharing of information. Mr. Hunt agreed and the information has been invaluable in assisting the State Board in determining what action if any that they might take.

Regent Whipple pointed out that any search into the revocation of the diplomas that have already been given would be a violation of due process at this point. He was hesitant to suggest any further investigation. Regent Alden wanted it on the record that he has asked for the revocation of these ten diplomas. He realized it was not going to happen, but he wanted it on the record that when people cheat they do not get a diploma.

Regent Gallagher asked for clarification that this only happened to four year students just prior to graduation.

Chief Counsel Patterson stated there was one student that it was over a course of a few months beginning in early November. For the majority of the students it

1. Approved-UNLV School of Dental Medicine – *(Continued)*

literally happened in the last month. Regent Gallagher asked if the procedures were in a clinical setting. Chief Counsel Patterson answered yes. She asked if the procedures were done and done properly. Chief Counsel Patterson reported all information to date indicates the work was done and done properly. Regent Gallagher believed she would feel differently if the students had gone in and checked off procedures that had not been done. She was not condoning the student's behavior, but suggested to the president and dean that they have a discussion with the faculty about getting procedures signed off. She believed the process was followed and that the disciplinary action was appropriate. These dentists will have to do what they have to do to get their records clear.

Chancellor Rogers appreciated the comments on the process, but he did not want the message that cheating will not be tolerated to be lost. He was concerned that there was cheating, and secondly that there were Honor Code violations. Under most Honor Codes, if you know there is cheating and do not report it, it is just as serious. During a period of time there were ten people who knowingly participated in this and not one of them ever brought it to the attention of the faculty. The Board needs to send the message that cheating will not be tolerated. The message should be clear to all faculty, students and those involved in the process.

Regent Sisolak agreed with Regent Wixom regarding the integrity of the process, but at the same time they have nothing without academic integrity. He was concerned for the students that were actually doing the work. He wanted them to know that their hard work is appreciated. Regent Sisolak stated that people put a lot of faith in these types of professionals and he would want to know if they were guilty of this type of offense. Regent Sisolak was not satisfied with the response that no one knew where the password came from. Regent Sisolak asked if professional students take an ethics course. Chief Counsel Patterson stated he reviewed a number of different syllabi that included courses in ethics, as well as an American Dental Association professional ethics course that was required. Regent Sisolak stated the students should certainly be aware of what it means to be a dental professional. Regent Sisolak clarified that to get it removed from their records, he was assuming it would be from the current president, not the president at which time the incident happened. Chief Counsel Patterson stated it would lie with the current president. There are no criteria as to how the current president would reach a decision. Regent Sisolak asked if a policy could be put in place for how the president could expunge the student's record, and be all inclusive. Chief Counsel Patterson believed within reason it could be.

Regent Sisolak asked that the Board be made aware if any of these individuals come to this president or any subsequent president with a request that their records be cleared.

Regents Wixom and Alden accepted the amendment.

Regent Wixom stated they needed to be careful in doing this, because it may open the door to litigation. Regent Sisolak stated he intended to place a parameter on the president and his ability to expunge the student's record as it relates to an academic fraud situation.

1. Approved-UNLV School of Dental Medicine – *(Continued)*

Regent Howard noted that every profession has ethics that they have to follow and she did not believe ethics was addressed in the conditions that were placed on the students. Somewhere along the line the students need to understand the ethics that go along with their profession. Regent Howard asked for clarification as to whether there was actual cheating or the improper recording of activities. Chief Counsel Patterson stated there could have been an imposition of additional course work associated with ethics in connection with the discipline that was imposed. The Nevada Board of Dental Examiners routinely does require additional ethics coursework in connection with discipline of practicing dentists. Presidents should take this into consideration when these types of issues come up. In terms of the use of the word cheating, it has been a term that has been thrown out, but Chief Counsel Patterson believed it did not constitute cheating in this context because it was not directly related to an academic grade. This is not classic cheating, as it was not used to enhance their academic performance. The term cheating is purely in an ethical context; the alteration or improper designation on a patient record of a written approval that actually did not occur.

Regent Derby stated the amendment to the motion, was leaving her concerned about constraints placed on future presidents actions regarding the matter. She thought the remarks made about the integrity of the process were good; the process went forward and had integrity. She did think that it was appropriate for the Board to review the processes. Regent Derby felt it was important to draw attention to the matter, because the Board must demand academic integrity and take a strong stand if there is a sense that there is cheating. She also did think there was another side of the story and the faculty and staff needs to make sure there is faculty available to students to sign approvals. Regent Derby underscored that she takes great pride in the dental school, especially for the underserved community that is being provided very valuable services.

Regent Leavitt stated Student and Academic Affairs would be happy to spearhead this discussion.

Regent Dondero asked who discovered the violations. Chief Counsel Patterson stated chart audits revealed some issues which created a broader audit. It occurred in the third week of April, right before classes ended. The students were informed immediately after they took their dental board examinations, that they were subjects of an investigation. The notifications occurred approximately the first week in May. The hearings were conducted in the third week of May and discipline was imposed in the fourth week of May. Regent Dondero asked if they received their diplomas. Chief Counsel Patterson believed the students were allowed to walk in the ceremony, but their diplomas were withheld. Regent Dondero asked if they still had to take their state board. Chief Counsel Patterson stated they were taking their boards when they were notified of the investigation. The suspension is noted on their permanent academic record, and can only be removed after two years.

Regent Geddes looked forward to addressing this in Student and Academic Affairs. There should be zero tolerance for cheating and the Board needs to get the message out.

Regent Schofield stated he was proud of UNLV and the School of Dental Medicine.

Motion carried unanimously.

The meeting recessed at 11:44 a.m. and reconvened at 12:00 p.m. with all members present.

2. Approved-UNLV Orthodontics Program and its Contractual Relationship with Orthodontic Education Company (OEC) - The Board heard and discussed a report on the recent developments of the UNLV orthodontics program with specific consideration of its contractual relationship with Orthodontic Education Company (OEC), whether there has been performance of the contract, and the impact on the finances of the orthodontics program, including any potential impact on student fees. The Board reviewed the procedures followed in entering the contractual relationship with OEC. The Board considered the policy implications of institutions entering into contractual relationships with private entities in cooperative efforts to provide educational services in the Nevada System of Higher Education. The Board took action to bring the discussion back to the full Board at the October Board meeting. The Board approved a motion to require strict compliance with the contract terms and directed counsel to send whatever notices are appropriate. The Board directed President Ashley to come back to the Board in October with an appropriate set of resolutions as to the options they may have. (*Ref. B and handouts on file in the Board office*).

President Ashley believed the next two items would raise some serious concerns and he was interested in hearing what the Board has to say. His experience with this first issue is to highlight what UNLV will do to respond to the issues on the table. With regard to the arrangement with OEC, there was a rather vigorous debate amongst the Board regarding various issues, including the funding source to materialize. President Ashley stated the agreement is not working as originally envisioned. A decision needs to be made on the current relationship, as well as the underlying decision of whether the orthodontic program should continue. President Ashley noted that after review he sees that this is a quality program, a program that needs to continue. There will be no debate as to whether UNLV is committed to continuing this program. With that said, the arrangement with OEC is not working as envisioned. They are in negotiations with the current donor and company that support the donation.



Several options are on the table, but President Ashley did not find any of the options acceptable. His direction to Mr. Bomotti, Vice President for Business and Finance, is to go back for a best and final offer because what is now proposed does not meet the spirit or intent of what was originally agreed upon. Unless a better proposition becomes available, he will be suggesting that the relationship with OEC be severed and find another way to structure the business plan.

Regent Whipple asked if any representatives were present from OEC. There were none. Regent Whipple and the Board recognized that President Ashley had been placed in a bad situation upon his arrival. He thanked him for taking on the issues so quickly.

Mr. Bomotti reported the agreement with OEC originally contemplated a financial situation where the university would receive \$480,000 per year as a benefit from the relationship, with the potential of \$720,000 per year depending on the number of OEC scholarship students. The other major financial issue is a commitment of \$3.5 million, as indicated in the agreement, towards the facility. The program is just a year old; funding was received in July 2005 for the eight OEC scholarship students in the first class. In early June 2006 UNLV was contacted by OEC who indicated they had financial problems, including difficulty in raising

## 2. Approved-UNLV Orthodontics Program and its Contractual Relationship with Orthodontic Education Company (OEC) – (Continued)

capital, therefore they did not need as many orthodontists to staff the clinics. It appears there are issues with the financial plans of Imagine Orthodontics.

Mr. Bomotti highlighted his last discussion with Dr. Lazarro:

Provide \$300,000 as a personal guarantee at \$25,000 per year for this current fiscal year; even though there are no OEC scholarship students. All second year students have signed agreements to get out of the arrangement. 32 students in program; none of which are OEC scholarship students.

Propose a 5-year payment starting in September 2008 for the \$1.75 million owed for the facility. In the future there would be more regular payments.

\$480,000 per year would support the program and other advanced dental education programs.

OEC business plan failing.

Mr. Bomotti noted that President Ashley asked that they look at various options, rather than considering raising tuition \$15,000 per year. \$15,000 per year, multiplied by 32 students in the program would net \$480,000 in missing revenue. UNLV is in the process of looking at other options, but have no final recommendations at this time. Several options and matters are under consideration.

Will OEC program continue?

Whether there will be a tuition and fee increase and under some schedules, this could be as early as January 2007. Increases could be phased in over multiple dates

Institute an increase in clinic fees that will generate \$82,000 this fiscal year and \$164,000 for the next fiscal year.

Final site accreditation; program was initially accredited in July 2005; April 2007 visit for final accreditation.

Possibility of reducing expenses without impacting the quality of the program.

How to implement the other advanced dental education programs; all at once or phased in.

President Ashley stated that if UNLV was to sever the relationship with OEC, they must restructure the business model for the orthodontics program and other advanced dental education programs. UNLV is not prepared to provide the financial scenario. Proposals will be brought forward to a future meeting.

Regent Whipple asked if they were recommending that the relationship with OEC be terminated. President Ashley appreciated input from the Board, as they had received a very good summary. He stated that unless a better offer comes forward, the relationship will be severed. If a better offer did not come forward they could declare the contract in breach and proceed on that basis. Regent Whipple asked if the contract was declared in breach what are the potential remedies. Mr. Richard Linstrom, UNLV General Counsel, stated that in essence

there is a mutual walk away from the relationship at this point. The breach provisions did not envision breach prior to attainment of the initial gift. There are provisions referring to maintaining rights to the moveable equipment, which is not applicable at this point. The Florida LLC has no particular assets. We do not believe there would be a

## 2. Approved-UNLV Orthodontics Program and its Contractual Relationship with Orthodontic Education Company (OEC) – (Continued)

reasonable expectation that UNLV would receive anything by going to litigation over breach of contract.

Regent Whipple noted that a majority of the orthodontic students were present and they were encouraged to participate.

Regent Leavitt appreciated President Ashley's recommendation to keep the program viable. He noted this was the first public-private partnership that the System entered into. He preferred that the individual involved not be referred to as a donor. He entered into a business relationship from which he stood to profit. He believed it would be helpful to view him as a business partner. Regent Leavitt stated he wanted to encourage donors and their participation, and certainly a donor would not endure the same financial background as a business partner would. The future of higher education throughout the country is seeing a decline in state funds and will rely more on these types of partnerships. Regent Leavitt was concerned that in March 2006 there was an amendment to the implementation agreement. A \$3.5 million payment was not made and in an attempt to cut losses, UNLV and the System entered into a new agreement on March 9, 2006 which agreed to accept a payment of \$1.75 million. Regent Leavitt stated that at the end of the discussion he would make a motion to require Board approval of amendments or modifications to contracts that result in material changes. There have been additional statements by Mr. Lazzara and materials forwarded that amount to what he considered an anticipatory repudiation, a specific type of breach. Regent Leavitt stated he could not support the continued relationship with OEC, at the same time he hoped that the orthodontics program would persist.

Chancellor Rogers stated that when they signed the amendment they understood that there were real problems, and they needed the opportunity to get at least \$1.75 million. If they had to go back to the Board for approval they may have lost the opportunity to get the \$1.75 million. He asked that before the Board pass a rule that any modification must come back to the Board that they make some exception for the Chancellor's office in order for him to be able to try and remedy the problem. Regent Leavitt felt that in the haste to get the \$1.75 million, the System bound themselves to another 30 years.

Regent Leavitt moved approval of amending the Handbook that any contract or binding legal document approved by the Board that reflects a material change must be signed on behalf of the Board by the Chair noting the date of the Board's resolution of approval and further that no such document may be amended or modified without subsequent action of the full Board at a public meeting.

Chancellor Rogers stated it would not work and provided no flexibility to take care of an emergency. Regent Alden agreed with both Regent Leavitt and Chancellor Rogers and asked that there be more discussion.

Regent Sisolak seconded.

## 2. Approved-UNLV Orthodontics Program and its Contractual Relationship with Orthodontic Education Company (OEC) – (Continued)

Regent Sisolak recalled he had grave concerns with this item when it was presented. Regent Sisolak noted that the orthodontic community turned out in massive force when this item was presented. They were all supportive of the concept, but not of OEC. Regent Sisolak stated he would not support a tuition increase. Regent Sisolak was unsure if due diligence was completed on OEC, because at the time they asked the questions that needed to be asked and no information came forward. Dr. John Gallagher, UNLV Vice President of Development, stated the development program was asked to do three things:

- Determine if Dr. Lazzara was a high net worth individual.
  - The answer was yes.
- Review OEC.
  - Discovered it was a private company, a Florida based LLC, with few if any assets that appeared to be a pass-

through organization.

- Review OEC's predecessor company.

- Mr. Lazzara left this company in 2001, while it was still in business. It is a public company, traded on the New York Stock Exchange. It appeared to have assets capable of pursuing its business. It was in no particular difficulty, with one lawsuit in place directed at Mr. Lazzara for selling his stock. The litigation was settled.

Dr. Gallagher stated they determined that Mr. Lazzara was a high net worth individual with a history in orthodontic activity.

Regent Sisolak asked who directed him to determine those three things. Dr. Gallagher answered Dr. Carol Harter.

Regent Sisolak stated the \$3 million was to be used for an endowment to pay the debt service for the building. Bond Counsel testified that we were using it to reduce the debt service. Regent Sisolak asked how the revenue stream on the building was being satisfied. Mr. Bomotti responded the minutes did state that the \$3 million would be used for an endowment. The agreement states that it would be used for the building operations. When they began financing, Mr. Swenseid's opinion, was that the OEC agreement represented a taxable activity and therefore if they did not use the \$3.5 million cash to buy down the cost of the building directly there would be a potential arbitrage issue. It was his opinion and recommendation that it not be used as an endowment, but used to buy down the taxable portion of the financing for the advanced dental education building. Regent Sisolak pointed out that everything changed from what was originally presented to the Board. Regent Sisolak quoted the minutes, "UNLV will not begin until the \$3 million gift has cleared." Regent Sisolak asked why they began before receiving the gift. Mr. Bomotti stated the modification to the agreement that was signed in fall 2004 indicates the date as January 31, 2006 and there were no other documents that preceded it. Regent Sisolak stated that the Board made a decision based on recommendations from the college that were not true. Mr. Bomotti stated it was possible that this was a result of a negotiation that took place over time so the final agreement ended up as it did. Regent Sisolak did not believe the Board knew what they were approving. Regent Sisolak cited information from past Board minutes indicating that the money would come up front. Regent Sisolak stated that the supplemental material that came with this item did not include any potential arguments against the

## 2. Approved-UNLV Orthodontics Program and its Contractual Relationship with Orthodontic Education Company (OEC) – (Continued)

program. Past minutes indicated that UNLV would receive a \$3 million startup gift to initiate the program. The proposal involved a \$3.5 million gift towards construction and equipment. The contract obligated that if funds of \$3 million for construction and \$500,000 for startup were not received that the agreement would be null and void. Regent Sisolak disagreed that they should be in negotiations at this time. Regent Sisolak again quoted minutes that indicated that \$3.5 million would be placed in a quasi-endowment. Mr. Bomotti believed this was the assumption, and as he mentioned that it was late in the financing when Mr. Swenseid's opinion was that there were issues of doing this as an endowment because the OEC agreement represented a taxable use of an otherwise tax free building. Regent Sisolak pointed out four more bullet points to support the recommendation. The one argument to not support this recommendation was that it had not been attempted in the NSHE. Regent Sisolak stated people assumed that the money was being received upfront.

Regent Whipple asked that the minutes be shared with all Board members and agreed that there had been a misrepresentation. Regent Whipple asked where Regent Sisolak believed this should go. Regent Sisolak stated it was his experience that both sides of the issue are not represented. There were many orthodontists in the audience and they warned the Board that this model would not work. Regent Sisolak stated that if the Board cannot rely upon the information provided being accurate, how can the Board make reasoned decisions. He believed that the relationship with OEC needed to be severed.

Regent Whipple understood the need and desire for the institutions to continue to grow. At the same point the Board made the decision, it was wrong and the Board has to learn from their mistakes. Regent Whipple pointed out that greed was not a factor in this decision.

Chancellor Rogers stated this approval was at his first meeting and he supported the program. Chancellor Rogers remembered that representations were made that they had worked all night to resolve all the problems. One of the issues that came up was that this could be construed as involuntary servitude. There was never any question about the ability of the other party to perform. Regent Whipple stated that a UNLV employee, on the behalf of OEC, made representations that were later determined not to be true. The Board needs to identify some of the weaknesses and problems so this does not happen again. The representations are meaningless and the employees are now gone. The Board must try to find a positive outcome.

Chancellor Rogers stated one of the basic issues was items were put on the agenda, and the documentation was brought during the meeting, which cannot be absorbed right on the spot. This was an important issue and the Board felt pressured to take action. This type of information has to be examined carefully by General Counsel and provided to the Regents within a certain timeframe. As this issue turned out, the things that were removed from the contract were all the obligations on the part of the other person. When the decision was made to cut losses and get the \$1.7 million, it was based on the conclusion that the other party had no legal obligation to do anything. Mr. Linstrom noted that no recourse for the remaining \$1.7 million was included in the modification. In this situation they were using the OEC form, trying to change it to add benefits for the System. In the end they had incompatible breach clauses.

## 2. Approved-UNLV Orthodontics Program and its Contractual Relationship with Orthodontic Education Company (OEC) – (Continued)

Regent Whipple stated it was worrisome that potential misrepresentations were made to the Board. Mr. Linstrom believed the financing for the building and the reallocation of the \$3.5 million was at some point discussed by the Board. Regent Sisolak agreed it occurred in December 2005, two years after the initial discussion.

Regent Sisolak stated there were warning signs, but the Board chose to ignore them. There was no one arguing the opposing side, other than the orthodontic community, which fell on deaf ears. Regent Sisolak stated the Board never says no for fear of being criticized. There should not be a rush to decision on time sensitive issues.

Regent Alden asked whether Open Meeting Law notices were sent to Mr. Christiansen and Mr. Lazzara. Regent Alden noted for the record that Mr. Christiansen visited his office and he asked for certain materials that he never received. Regent Alden stated that when he voted no on this issue he was threatened and it should have been a warning. Regent Alden agreed that tuition should not be raised for the students. Promises were made and promises were broken. The System needs to engage in public-private partnerships, but there must be better oversight. The Board needs to get out of this relationship and also needs to make sure that these students get their education.

Regent Rosenberg did not believe that OEC intentionally misled the system. Regent Rosenberg recommended that the orthodontics program continue. He agreed with Regent Sisolak that the contract with OEC be terminated. Regent Rosenberg stated that he was persuaded by Dean Ferrillo that this program would work. Regent Rosenberg noted they must come up with a revenue stream as it was not fair to raise tuition for students already in the program. Regent Rosenberg was worried that Dr. Lazzara has offered the students a way to buy themselves out of their contracts; he recommended that they do not since Dr. Lazzara is in breach of contract. Regent Rosenberg agreed with the Chancellor that the System needs more public-private partnerships.

Regent Wixom stated he would like to consider the motion at a different time. He believed the Board needed to think clearly through the process with time to reflect on consequences. He supported the termination of the contract with OEC, but unfortunately did not see any alternative except to support the tuition increase. He did not like the tuition increase, but felt that it was the most effective course of action at this time. He reiterated he would support the contract termination because there was an anticipatory breach of contract. As the Board moves into these public-private partnerships, staff must understand that they cannot afford to do this again. In the future they must have all relevant information as they move forward. Everything has to be on the table. If the Board does not receive all of the relevant information, they will be unable to make informed decisions. Regent Wixom believed these types of partnerships were the key to the future. Information on the financial viability of the company is crucial. He cautioned the presidents, staff and regents that as they move forward they do so with

their eyes open to all the information that is relevant to the decision to be made.

## 2. Approved-UNLV Orthodontics Program and its Contractual Relationship with Orthodontic Education Company (OEC) – (Continued)

Regent Leavitt appreciated Regent Wixom's remarks, but he asked to draw their attention to the Handbook which states that all contracts be reviewed by the Board of Regents or the Chancellor. Regent Leavitt stated that just last March this did not come before the Board. The Board is managing the Nevada System of Higher Education. Regent Leavitt did not understand how this issue was not brought to the Board.

Regent Leavitt withdrew the motion.

Regent Leavitt moved approval of bringing this topic to the Budget & Finance Committee.

Regent Sisolak withdrew his second of the original motion.

Regent Sisolak seconded the new motion.

Regent Howard asked how this will effect the students. Dr. C. Lynn Hurst, Associate Dean for Advanced Education and Director, Advanced Education in Orthodontics, stated that from the residents' perspective he would say terminate the contract. From the university's perspective, he would say try and get the additional \$1.75 million and then terminate the contract. He believed that on the operations side they would be able to move the program forward. The big issue is the \$1.75 million, if Dr. Lazzara does not pay this then yes the relationship should be over. He noted that he too was excited about the program and left a position in Texas to come to UNLV. Educators need to be better business people. The residents understand that they came into a situation that had some opportunity. It is important that education be able to open the door to opportunities. The Board is correct, this may not have been the home run it was planned to be, but keep the door open because the next one might be. Regent Howard asked how the tuition increase would effect the enrollment and the affordability to the student. Dr. Hurst stated that when they looked at the other orthodontic programs, UNLV would be considered a private program. At this particular point there are 26 private and 34 public programs. UNLV is next to last in cost for private institutions. UNLV could double their tuition and he still could fill the class of 16 students. Orthodontics is a very lucrative specialty in dentistry. Dr. Hurst believed they needed to respect the students that are here and be cautious about changing the rules for them. There has been criticism that students we take here are of a different quality; not true. Dr. Hurst stated the residents here are first class and he was proud of all of them.

Regent Howard asked what the legal implications were with regard to the contract. Chief Counsel Patterson noted that they had not issued the 30 days notice. The \$1.75 million is due to be paid in the beginning of September. He recommended that UNLV issue notice of breach with respect to the operating funds and allow for the 30 day period to elapse. All legal obligations will come due in mid-September and then the relationship would be done. The System would then take legal action under the contract, demand performance under existing terms of the contract, and if the performance is not done there would be a clear breach. Regent Howard asked what other options are there for the financing besides raising the tuition. Chancellor Rogers believed that all the Board members received a letter that said

## 2. Approved-UNLV Orthodontics Program and its Contractual Relationship with Orthodontic Education Company (OEC) – (Continued)

that all 32 residents did not have a problem with raising the tuition. Dismantling this program would be a big mistake. The students voluntarily sent the letter stating they would agree with raising the tuition. Executive Vice Chancellor Klaich stated that President Ashley commented at the beginning of the meeting that he would like the opportunity to come back to the Board at a later time, rather than just resorting to raising the tuition.

Regent Dondero believed that President Ashley needed the opportunity to review the issue and bring back recommendations as to what they are going to do with the program.

Regent Gallagher was concerned for the residents. Aside from OEC, she believed the Board had a moral commitment to the residents. UNLV and the dental school made the commitment to continue this program. She

did not believe there was a way to discontinue this program; if they did want to discontinue the program it would have to be after the students that are enrolled have completed the program. Regent Gallagher stated this would be a great opportunity for the dental school to expand its course of learning.

Regent Schofield was thrilled to receive a fax from the students that communicated their passion for the school. The concept is fantastic and the Board has to get behind it. Regent Schofield stated that as a Regent he wanted to leave the legacy that the Board did something positive. The Board needs to get behind the program, make it work and think outside the box.

Regent Derby believed that when the Board made the decision, it was done in good faith. She thought the partnership was promising, and she was proud that the Board went forward and developed the program. There are avenues by which they can make the program work. Regarding getting materials right before the meeting, she stated that the Board used to get a recommendation from staff. It protected the Board and provided assurance that there had been due diligence and careful scrutiny.

Executive Vice Chancellor Klaich wanted the Board to keep in mind that President Ashley and Mr. Bomotti had indicated that the financial model for the orthodontic program indicated not only the subsistence of that program but use of funds for other programs. As other financial models come forward it may be appropriate to keep this in mind in how the adjustments go forward. Executive Vice Chancellor Klaich said they had heard three times today about the quality and timeliness of information. The System knows the deadlines and yet the Regents still get information at the last moment. He encouraged the Board to say no when it does happen. Ultimately it will keep the staff on their toes to do better.

Regent Sisolak noted that the community turned out in support of this program, but they were not supportive of OEC. He stated he was in support of the school, just not the vehicle that got them there. Regent Sisolak agreed with Executive Vice Chancellor Klaich regarding dissemination of information. The Board has a responsibility and a moral obligation to not raise the tuition. He agreed that public-private partnerships were the wave of the future. Maybe this was a good thing to happen right now, so that in the future the Board knows what to look for. In the approach of these things, there has to be an opposite side. The quality and timeliness of the information is extremely important. Regent Sisolak commended the

## 2. Approved-UNLV Orthodontics Program and its Contractual Relationship with Orthodontic Education Company (OEC) – (Continued)

students and noted that they would not leave them hanging. He suggested to President Ashley that he meet with the community regarding the future of this program.

Regent Gallagher stated that as time has gone by the process has been put aside. Early on, the Board enforced the deadlines for material to come to the Board. If it was an emergency item, it went to the legal department. If it was declared to be an emergency, it was added. It is not fair for the Regents to be asked to make a decision when they receive a stack of documents at the meeting that they have been unable to review.

Regent Rosenberg reiterated that the orthodontic community did not support the OEC model, but they did support the orthodontic program. He asked if they would be willing to step up and help support the orthodontic program.

Regent Schofield stated there is a lot of grant money available. He stated most grant money goes to waste every year and that they must be more aggressive in obtaining this type of money.

Chancellor Rogers suggested that from now on, the Board get a summary opinion from legal and finance on contracts.

Regent Leavitt stated receiving opinions from legal and finance would imply that the System has enough resources. Chancellor Rogers stated that the System may only have four of these agreements a year. In those, we have the obligations to get the finances and legal issues analyzed.

Regent Whipple believed the System could improve by distinguishing between business partners and donors. To call this one a donor should have been a red flag. He remained concerned that a System employee was the representative for OEC. This is a conflict and believed that this should be a lesson learned.

Dr. Hurst stated that the local orthodontic community has been generally supportive of this program. He indicated that he has 15 applications on his desk to teach in the program; 11 of those are Nevada orthodontists, but he does not have any positions open. There is local support. He added that Nevada is ranked number 50 in the number of orthodontists per 100,000 in population. He stated he would strive to bring this program to the top. UNLV has the faculty, residents, a president and Regents who are going to help make this happen. The other advanced education programs they are talking about starting are ranked from 31 to 48. They all address a need to take care of the Nevada population.

3. Public Comment – Dr. Jaleh Pourhamidi, faculty member, stated she strongly believed in the program and that it is a world class operation. She stated it would be the State of Nevada’s loss if the program was discontinued. She indicated that the residents treat a lot of patients, include Medicaid patients.

3. Public Comment – *(Continued)*

Mr. Doug Simister, second year resident, felt blessed and lucky to be a part of the program. He stated he was not happy with the OEC concept. He indicated he was a dentist in Las Vegas for 8 years prior to returning to residency. He stated he gave up quite a bit, and to have the program terminated would be a great loss for him and the other residents. He gave his support to Dr. Hurst and his staff for running a very good program. He was thankful for the Board’s support of the program.

President Ashley stated when he introduced this topic, one of the comments he made was the intended actions. He indicated that it was his intent to suggest termination of the program with the proviso that there would be one more opportunity to talk with Mr. Lazzara. He thought the will of the Board is to terminate the contract. He agreed with Chief Counsel Patterson’s suggestions. If the contract is not executed as envisioned the relationship will cease. President Ashley stated that Mr. Bomotti has indicated that they have access to non-state monies to back fill items that will not affect the capital campaign. President Ashley asked if there was any way that the System or campus can support the students in their negotiations concerning their contractual obligations with OEC.

Ms. Jodi Garber, UNLV Financial Aid Office, stated she has been working with the dental school since it opened. She was proud of the dental school and the work the students have accomplished. She was happy there was affordable dental care in the community. She stated UNLV will do whatever they can to help the students. The program needs to continue.

Dr. Bob Thalgood, local orthodontist, stated the community did support the program just not the OEC model. There were many people at the meeting that verbalized their concerns. He is glad the OEC program folded and believed the local orthodontists still support the program. He requested that they review the program. He stated a program with 16 residents every year was a large program. A vast majority of the programs have 4 – 6 residents per year. He stated he wanted to see the program become the best in the country.

2. Approved-UNLV Orthodontics Program and its Contractual Relationship with Orthodontic Education Company (OEC) – *(Continued)*

Mr. Scott Wasserman, Secretary of the Board read the motion.

Mr. Whipple stated the motion did not refer to OEC, but instead to Board policy in regards to modifying contracts. Regent Anthony stated he was supportive of the discussion surrounding OEC and the orthodontic program.

Regent Sisolak noted a point of clarification. Regent Sisolak understood that when he seconded the motion that it was to move discussion to Budget and Finance, who will then come forward to the full Board. Regent

Anthony was in agreement with moving it to committee for discussion. Regent Derby disagreed. She felt that the full Board should have the discussion. Regent Leavitt indicated that he did not have any objection to modifying the motion to include the full Board.

Regent Leavitt withdrew his motion. Regent Sisolak withdrew his second.

## 2. Approved-UNLV Orthodontics Program and its Contractual Relationship with Orthodontic Education Company (OEC) – (Continued)

Regent Leavitt moved to add this item to full Board. Regent Sisolak seconded.

Regent Howard noted a point of order. She believed that this could be the decision of the Board Chair.

Regent Leavitt indicated that he would not withdraw the motion.

Regent Howard noted a point of order. She asked if they were making a motion that was unnecessary.

Mr. Wasserman stated the motion currently being considered was to refer the issue to the Budget and Finance Committee, and then for the Budget and Finance Committee to bring forward recommendations to the full Board.

Regent Sisolak noted a point of order. He stated the motion was changed when he withdrew his second and Regent Leavitt withdrew the motion to instead bring it to full Board. Regent Sisolak understood the motion to be the same as asking for an agenda item for the October Board meeting. Regent Leavitt agreed.

The motion carried.

Regent Wixom moved that they refer the matter (*OEC contract, potential resolutions to the shortfall, including tuition increases and back fill costs with respect to the \$1.75 million*) back to President Ashley and Legal Counsel to come back to the October meeting with potential resolutions. Regent Rosenberg seconded.

Regent Sisolak asked if it was Chief Counsel Patterson's understanding that presently Mr. Lazzara is in default of the contract. Chief Counsel Patterson stated he was in default as it relates to payment of operating expenses due July 1, but has not been sent a notice of breach. Chief Counsel Patterson assumed that the Board wants strict compliance with all contract terms, and if not met, that UNLV take appropriate action to terminate the relationship.

Regent Wixom amended his motion to state that the Board would require strict compliance with the contract terms and direct Counsel to send what ever notices that are appropriate. Also, that the matter is referred back to President Ashley, so he can come back to the October meeting with an appropriate set of resolutions, as to what other options they may have. Regent Rosenberg seconded.

## 2. Approved-UNLV Orthodontics Program and its Contractual Relationship with Orthodontic Education Company (OEC) – (Continued)

Regent Leavitt asked if the motion included directing staff to send the notice of breach immediately. Regent Wixom answered yes, since they were out of compliance currently. Regent Leavitt asked if the \$1.75 million exists that this would not clear the breach without it coming to the full Board. Chief Counsel Patterson stated that if they come forward with all funds that are due they can come back to the Board in October, but legally he did not know what they could do except to continue the relationship. Regent Wixom understood that they would send the notice for strict compliance of all provisions in the contract. Regent Leavitt was concerned and wanted the System to not accept any of the monies due added to the motion. If the System does accept the money they are then bound for the next 30 years to an agreement that is not in the best interest of the System. Executive Vice Chancellor Klaich respectfully requested that the motion not be amended. The Board has indicated that they are demanding strict compliance with the terms of the agreement. Executive Vice Chancellor Klaich was concerned with the anticipatory breach of contract because he had seen very few actually enforced. He stated that based on this person's history he was unlikely to perform these financial obligations. Chancellor Rogers stated if they



were demanding performance and they perform, then the System does not accept that performance and send the money back, the System will be sued. Executive Vice Chancellor Klaich stated that the will of the Board, with respect to the contract and relationship, was clear. He assured the Board that they will talk with the Board if the facts or circumstances change. Regent Leavitt stated that they reentered into this agreement three months ago, with all the information that was before the Board today. Executive Vice Chancellor Klaich stated they were now smarter than they were two hours ago as it relates to the sensitivity of the Board about the amending of contracts. Regent Leavitt stated he would withdraw his comments as they pertained to the amendment of the motion.

Regent Wixom reread the motion.

Regent Sisolak asked if there were other material breaches in addition to the non-payment of the \$1.75 million that could be used later. Executive Vice Chancellor Klaich stated there were two major financial obligations that OEC has. There is the \$1.75 million gift and the ongoing support obligations to the students in the program. The \$1.75 million is not due until September 6, 2006. Executive Vice Chancellor Klaich stated he would defer to Mr. Linstrom if there were any other defaults at the present time. Mr. Linstrom was reluctant to go into this, because they were working on trimesters. Because they are working on trimesters the money becomes due on July 1, 2006. Mr. Linstrom pointed out that the \$1.75 million is due September 15 and September 6 would be the breach date, assuming that the letter is sent out immediately. Regent Sisolak asked if it was possible that the Board be notified prior to the October meeting if OEC was in breach of their contract. Regent Whipple directed the Chancellor's Office to report any modifications, changes or occurrences in relation to OEC in a Regent's Alert.

Regent Sisolak asked that if any of the students had obtained counsel to represent themselves, that System Counsel coordinate or inform their counsel of the Board's actions. Mr. Lindstrom stated they must be mindful of interfering with their contractual relationship. It was his understanding that all residents had terminated their relationship, with or without counsel, in very favorable financial terms.

### 3. Public Comment – *(Continued)*

Mr. Tom Garner, a scholarship student, stated that all first year, now second year residents had reached an agreement with OEC. The terms of the agreement cannot be disclosed. The residents are no longer bound to OEC.

### 2. Approved-UNLV Orthodontics Program and its Contractual Relationship with Orthodontic Education Company (OEC) – *(Continued)*

Via a roll call vote the motion carried unanimously.

Regent Geddes requested that Budget & Finance Committee review all future public-private partnerships.

The meeting recessed at 2:16 p.m. and reconvened at 2:28 p.m. with all members present.

4. Approved-UNLV Institute for Security Studies - The Board heard and discussed a report on the status of the UNLV Institute for Security Studies. The Board took action by approving a motion to wait for the completion of the internal audit to then make a determination as to whether a systemic audit would be requested. *(Ref. C and handouts on file in the Board office).*

President Ashley reported this was the most complicated issue because of all the different elements. As a result of some of the concerns that were raised, the Board of Directors of the Research Foundation requested two reviews. The first is a financial review being completed by Mr. Bomotti and his staff and the other is a performance review regarding the Institute's specific tasks and their goal statement, which is being performed by Dr. Mark Rudin, Vice President.

President Ashley stated the institute is fulfilling part, but not all of its mission. The same question as to whether UNLV will continue this program and if they do choose to continue in what form will it continue has to be answered. President Ashley believed that this institute should continue and that it will be of great value to the institution, System and State. Dr. Rudin's performance review of the program contains several recommendations. One of the recommendations is to move the control of the program from the Research Foundation to UNLV proper. President Ashley believed this recommendation was the right thing to do and they would proceed. They are also looking at a variety of issues regarding the oversight of other like institutes. There is a vacant position for Executive Director, and the recommendation is to fill that position expeditiously. UNLV will aggressively recruit from outside the current university. Dr. Ashley introduced Vice President Mark Rudin.

Regent Alden stated he had read all of the materials and felt it was very clear that there needs to be a full, independent assessment of the institute from both a financial and operation standpoint. This has to be an external review. He believed the review provided did not meet

#### 4. Approved-UNLV Institute for Security Studies – *(Continued)*

minimum standards. We need a report that the institute, UNLV, the Regents and the public can have confidence in.

President Ashley appreciated Regent Alden's suggestions. President Ashley was convinced that the reviews done to date and the one to be finished by the end of August will provide substantial information that will be useful to Board.

Dr. Rudin stated it was critically important to identify the accomplishments, shortfalls and recommendations in order to move this forward. At the beginning of July, the Chancellor's Office and the Research Foundation Board commissioned a financial audit to be conducted by Mr. Bomotti. At that time the Research Foundation Board thought in addition to a financial audit there should be a typical performance assessment of the program.

Regent Whipple asked what report he was referring to. Dr. Rudin stated it was the ISS Performance Assessment Report. Regent Sisolak assured Dr. Rudin that the report, dated July 28, had been thoroughly reviewed by Board members.

Dr. Rudin presented the findings and recommendations.

#### 1. Managerial Oversight – insufficient managerial oversight at the ISS. Recommendations:

- Implement formal project management practices.
- Accelerate the transition of the ISS to the UNLV Division of Research and Graduate Studies to be completed by August 31, 2006. All ISS grants will be administered using UNLV infrastructure and accounting procedures.

#### 2. Adherence to Goals – there has been progress on approximately half of the six goals.

Recommendations:

- Reevaluate and realign goals, talk with sponsoring agencies and bring strategic plan to appropriate bodies for review.

#### 3. Postponement of Executive Master's Degree in Crisis and Emergency Management – Was a pilot program in the Department of Administration.

Recommendations:

- Hire a program director in Fall 2006.
- Re-evaluate the degree program requirements and curriculum.
- Develop a student recruitment plan.
- Evaluate the effectiveness and viability of the program.

4. Hiring practices – ISS utilized a large number of sub-contractors for their work. Found that they were subject matter experts by a resume review. However, there was some indication about using proper university hiring procedures. Waiting for the financial audit to make recommendations on this finding.

5. Appearance of Secrecy – There has been much information that comes through ISS that is not classified or protected and therefore should be and will be released to the appropriate bodies. All protected information is

always available to the Board of Regents. Administrative and financial activities of the ISS needs to be released and available for public consumption.

4. Approved-UNLV Institute for Security Studies – *(Continued)*

6. Outsourcing Contracts – The original mission of the ISS was to perform research, conduct educational activities and involve the university. Many of the contracts were issued to non UNLV personnel. This was found to be a concern.

Recommendations

- Encourage greater collaboration with UNLV faculty and students.

Mr. Bomotti stated he had provided a preliminary status update on the financial audit of the ISS. Mr. Bomotti believed the audit would be complete by the end of August. The intent of this status update was to give the Regents an indication of where UNLV is in the audit. The audit started in late June. It is fairly detailed. Only the area of hiring practices has been completed. All other areas are still under review.

Regent Whipple noted that this information had been received after the agenda packet had been mailed. This is the first opportunity to review this information. Dr. Ashley believed the information was distributed in advance of the meeting. Mr. Wasserman clarified that the agenda packet went out on Thursday, July 27 with the reference materials that were available at that time. Subsequent information was forwarded to the Regents via email, with hard copies provided at this meeting. Regent Whipple asked that efforts be made to include all reference material with the agenda mailing.

Regent Wixom asked when the ISS was moved from the Department of Graduate Studies and made a part of the UNLV Research Foundation and why. Dr. Rudin understood that the ISS was established in August 2003, and was housed in the Graduate College. It was thought that additional research would be ongoing, which ended up being the wrong place to be housed, so it was transitioned to the Research Foundation. Regent Wixom asked Dr. Rudin to find out who made the decision. Regent Wixom asked why it has now been decided to move it back. Dr. Rudin stated that in Spring 2005 the Research Foundation Board made a motion to transition all the grant activity back over to the university. The decision was made for a number of reasons. The original mission of the Research Foundation was to secure grants and research activity. They became very successful, so successful that they started to develop a second research administration infrastructure at the Research Foundation. They had a parallel research infrastructure at the university. In a large operation, they had two similar bodies offering the same support services. Another reason was that it would be a great benefit to transition these programs over. It would diversify the research portfolio of the university and expand it into homeland security and counter terrorism activities. Regent Wixom stated that the program was originally promoted as part of Graduate Studies. It was taken away and then moved back. He wanted to understand who made the decisions to move it out and move it back. This program was envisioned as having degree programs.

Regent Wixom asked how President Wells addresses security issues at DRI. President Wells commented that any institution should have the ability to apply their knowledge. In applying knowledge it sometimes requires that it be classified. The process that DRI has established is to make sure that all senior administration has security clearances. This keeps the information flowing. DRI also has a security officer, which controls all the secure activity. DRI typically reports to the funding agencies on a regular basis. In response to Regent Wixom, President Wells confirmed that the security clearance issues do not prevent an audit

4. Approved-UNLV Institute for Security Studies – *(Continued)*

of DRI. Regent Wixom asked why security issues at UNLV would prevent a systemic audit of information when it does not at DRI. Regent Wixom stated that UNLV could establish the same procedures that are being used at DRI.

Regent Sisolak asked where in the law it provided that UNLV could keep this information confidential. Regent Sisolak cited from previous minutes where it was stated that under the public records law a public body could agree to keep material confidential. Mr. Linstrom clarified that the state records law states that all books and records of public entities are public, unless made confidential by law. So if there is a federal law that makes

something confidential it would bootstrap there. It is also stated the common law privileges can also keep certain things confidential. Regent Sisolak stated these contractual obligations were not confidential by law, but rather by an agreement. Mr. Linstrom stated they could only make those agreements in the cases where there is a common law privilege that would apply, such as trade secrets. Regent Sisolak stated the Board was the governing body being referred to that can agree to keep the information confidential. Regent Sisolak asked where in the law it states this information can be kept confidential. Mr. Linstrom stated you can keep the information confidential by acting through the Chancellor and the officers. If there is an appropriate signature delegation in place, and the contract is in compliance with the Handbook and the *Code*, then it can be made confidential. The issue surrounding the ISS is whether those individuals that signed the agreements had the authority to do so.

Executive Vice Chancellor Klaich reported the System attorneys have been reviewing this question. System attorneys have not completed research on this to determine confidential under applicable laws. He believed that if they took a relatively reasoned reading of the statute that Mr. Linstrom's guidance is probably correct. The questions are whether the Board has delegated authority to someone to execute a contract, and whether the person is dealing with subject matter that is proprietary. Are there matters which are the subject of contracts that involve NSHE that are probably proprietary? The answer is yes and it is going to involve some close discrimination. Just because parties agree that the subject matter should be confidential does not make it confidential with a public institution. Regent Sisolak agreed and stated that was his concern. In his review of the statute, there is no where that a public body can delegate the authority to override the law. Mr. Linstrom added that in the course of business, if they are entrusted with a trade secret, they cannot release the information. Mr. Linstrom stated that this is noted in the case law.

Chancellor Rogers hoped that they are not going to provide that we cannot do business with anyone who requires that we do not publish their company information. This will severely limit options. The President will need authority to keep certain things confidential. He asked that they do not enact a rule to be applied to every agreement or contract in which they enter. Regent Sisolak stated it was never disclosed that top secret information would be involved in this institute. Executive Vice Chancellor Klaich stated that this will require serious research. He understood that they owe an answer to the Board, institutions and the general public on this issue.

Regent Whipple believed that the agreements were based on trust. Executive Vice Chancellor Klaich stated that as Counsel they would provide information to individuals within the System as to what contracts they can and cannot sign, such as non-disclosure

#### 4. Approved-UNLV Institute for Security Studies – (Continued)

contracts. He stated he wanted to make sure that all information being provided from System Counsels would be the same.

Regent Sisolak asked how confidentiality agreements were signed with no copies kept. Mr. Linstrom stated he could describe the event without defending it. What happens is when a meeting is held elsewhere, the agreements are signed, and taken back to their office. That office may not always mail a copy to UNLV. Regent Sisolak stated he would never sign an agreement and not keep a copy. Regent Sisolak was concerned that the Foundation was entering into legal contracts with no legal counsel and not keeping copies of them. Mr. Linstrom understood that was what happened.

Regent Wixom noted in the report that they spent \$321,000 for the degree program and that approximately 15 students graduated in one class. The program was later terminated. Regent Wixom asked if there plans to reinstitute the degree program. Dr. Rudin stated the program was postponed. The initial cohort of students progressed through the program. Towards the end of that time, the Department of Public Administration conducted an assessment of the program and determined that it was not where they wanted it to be. There was a memo of understanding ( *MOU*) between the Research Foundation and the Graduate College that stated that the educational program would reside at the university and the research activities for the ISS would reside at the Research Foundation. The degree program was always to be administered out of the Department of Public Administration. The ISS always had a certain role to support the Department of Public Administration and the

administration of the program. The MOU clearly defined the role of the ISS in terms of the program and transitioned the research activities from the graduate college over to the research foundation. Regent Wixom asked if there was a specific plan to reinstitute the program. Dr. Rudin stated there is, and that they were in the process of hiring a program director.

Regent Howard asked what was meant when it was stated the program was not what they wanted it to be. Dr. Rudin stated that ISS played a role in supporting that program. There was a culture clash with ISS and academics in the Department of Public Administration. There were some issues or concerns about how to offer the program as well as the rigor of the program. Dr. Lee Burdick, Professor of Public Administration and Chair of the Department of Public Administration, stated that in regards to the program they were concerned with the structure, number of hours, number of courses, how the courses would be formulated, the number of credits and the order in which they were taken. It was a pilot program and they have tried to learn from it. They decided to look for guidance from the students and faculty to restructure the program. The Board approved the program in May 2003, in the Department of Public Administration. The issue of the MOU is the amount of advice and assistance provided, not the specific degree.

Regent Alden left the meeting.

Regent Howard asked how long the Executive Director position had been vacant. Dr. Rudin stated it had been vacant since Spring 2005, but it has been filled with an Interim Executive Director.

#### 4. Approved-UNLV Institute for Security Studies – *(Continued)*

Regent Sisolak stated that in review of the ARSA report it had specific actions that needed to be taken. This is the third year of the program and at the time it was presented to the ARSA committee UNLV estimated that there would be 170 FTE students. Dr. Rudin stated there are no students in the program at this time. Regent Sisolak stated this program has deviated from the original request. At the time Dr. Rudin was proposed as one of the original faculty members. In the reference material from the ARSA meeting there are pages of proposed coursework, curriculum, faculty obligations and staff needs. President Harter made specific mention of the availability of faculty and professionals for this because it would create a second career opportunity for all the individuals. Regent Sisolak asked with this in mind why could the position not be filled on a permanent basis. Dr. Burdick stated they must differentiate between the filling of the directorship, which was not in the original proposal and whether they can fill the teachings positions. There is no problem filling the teachings positions, the issue is who will manage the day to day program. When the program was designed it was envisioned that another program would provide assistance. Dr. Burdick, as chair of the department, realized that he would not be able to manage the program and still handle his duties as department chair. During the review, he asked that they try and recruit someone to manage the program. At this time they decided the best course of action would be to not recruit any additional students until they could assure an excellent program. Regent Sisolak asked how many students were in the first class. There were 25 students in the first cohort. The first projections showed 30 students in each cohort, with two cohorts per year, which totals 60 students. In a year and a half there would be 90 students. 90 students times the 11 credits would come out close to the 82 FTE. That is where the projection came from.

Chancellor Rogers believed they were getting off the point and in a sense completing their own audit. He was not comfortable with in-house personnel doing this audit. He has received phone calls every day about the operations of the Foundation and the Research Foundation and their strange and bizarre business practices, as well as their relationships with the community and DRI. He stated for him to have a certain comfort level he would want to see an outside auditing firm review the business practices.

Regent Whipple stated that this item was placed on the agenda because there was a lot of unflattering information being circulated. He asked what the Chancellor felt should be the focus point on this item. Chancellor Rogers stated that before you can attract investors and donors, it requires great credibility. The credibility of this organization has been questioned. He was uncomfortable with what he has been hearing and distressed by the isolationist attitude of the Research Foundation.

Regent Derby stated it sounds like an audit is required. There is an audit department at the System level, and

asked whether an external audit is required. Chancellor Rogers recommended that the Board take a look at the problems that relate to the whole System. We need the right way to do things and the right people in place. The barrage of information leads the Chancellor to be very suspicious. This is not an audit of where did the money go, but what was done with it. In response to Regent Derby, the Chancellor indicated that he would suggest the Board commission and direct an audit.

#### 4. Approved-UNLV Institute for Security Studies – *(Continued)*

Regent Sisolak wanted not only an external auditor, but a fact finder and investigator to get to the bottom line. The Foundation received this information a year ago, and the Board just received it. He believed that there needed to be something more than just numbers. Chancellor Rogers suggested they consult with another foundation, such as someone who has built and operated a large foundation that successfully raises funds.

Regent Wixom stated he was trying to lay the foundation for an audit. He was concerned with contract procurement, scope of supervision, audit and review, subcontracting and personnel. He recommended that the issues be addressed by a systemic audit, which serves as protection for those involved.

Regent Wixom moved approval of commissioning a systemic audit. Regent Rosenberg seconded.

Regent Sisolak asked if it includes an investigative and fact finding part of the audit. Regent Wixom believed that a systemic audit is by nature fact finding. The problem is that if you give the auditor many tasks it tends to dilute the effectiveness of the scope of the audit. After they have findings from the systematic audit, it would then be appropriate to follow-up on those findings if need be.

Regent Howard asked what happened to the first internal audit and whether it was confidential. She stated she did not understand why public records were being held confidential. Executive Vice Chancellor Klaich stated that in respect to the internal audit there was one completed approximately one year ago. Ms. Cardinal stated they did an audit of the UNLV Research Foundation, through the period of June 30, 2004. The audit that is being completed right now was initiated by the Chancellor and Mr. Bomotti and his staff was asked to complete it. Regent Howard recommended an external audit. Executive Vice Chancellor Klaich stated there are two audits. One is already done and was completed by the internal auditors. There is also the audit being completed by Mr. Bomotti, which is not complete, but once it is, it will be made available to all the Regents. Regent Howard asked who in ISS makes the decision as to what will be made public and what will not.

Regents Anthony and Derby left the meeting.

Dr. Rudin responded there is a security officer at the ISS that makes those decisions. Regent Howard asked if he was making his decisions based on the law. Dr. Rudin responded based on the law and Department of Energy orders. Mr. Linstrom stated that as a federal contractor there is a person that is delegated to place federal classifications on documents. Those particular documents are then confidential by federal law. Generally speaking, Dr. Rudin would make such determinations, and then there is a *Code* provision that if something is subject to a public records request and you are not going to disclose then it would go through Chief Counsel's office. Mr. Linstrom noted that except for materials secret by federal law, everything is available to officers of the System and Regents. The Regents' governance role allows them to see everything, unless it is top secret by federal law.

#### 4. Approved-UNLV Institute for Security Studies – *(Continued)*

Regent Howard was concerned with the perception that this has given UNLV. Senator Reid has been good about advocating funds for UNLV. She was concerned that this gave the perception that money was misappropriated and she wanted to ensure the public that it was not the case. Executive Vice Chancellor Klaich reported that he had spoken with Senator Reid's office and he believes this is a valuable program. He also believes there has been a loss of focus in this program, that there are more federal funds available for this program and encourages the oversight and the inquiries that this Board is looking into. He has not lost faith in the program.

Regent Sisolak asked for a point of clarification. He wanted to clarify that Senator Reid was encouraging of the academic side. Executive Vice Chancellor Klaich responded yes. Executive Vice Chancellor Klaich stated he was also encouraged by President Ashley's intense efforts to recruit an executive director.

President Ashley stated he was new to the university but he did see issues that need to be dealt with. He encouraged the Board to take actions that will reinforce their opportunity to make corrections, rather than make this a witch hunt. He stated it was important that he be given the opportunity to make constructive changes and do it rapidly so that they can do the kinds of things that Chancellor Rogers indicated, such as move forward with first class research organizations. There was a long discussion on classified and proprietary information and President Ashley believed that on that issue, President Wells, President Glick and he will collaborate to find what will serve all the institutions the best. President Ashley was concerned that there was a notion that a series of audits will provide the cure. President Ashley believed that what we are really looking for are the best practices and how they align to the goals. Regent Whipple felt there are tremendous people and resources that should be utilized.

Regent Leavitt asked whether President Ashley would prefer to look at this institutionally prior to the start of the systemic audit or in conjunction. President Ashley noted the decision has been made to move the ISS within the control of the university. He believed that looking at ISS under the Research Foundation will not provide the answers that he is looking for. He wants to determine best practices, and the types of controls and processes that are needed. President Ashley stated he was confident that the review being completed through Mr. Bomotti's office will discover anything egregious with regard to the stewardship of the funds and the management of contracts. He wanted to see the audit runs its course before any recommendations are made.

Regent Sisolak stated that he had a lengthy discussion with the Chancellor about information that was relayed to him by Mr. Williams. Regent Sisolak asked him to repeat the discussion. Mr. Thomas Williams, Interim Executive Director of ISS, stated he had a short discussion with the Chancellor as a result of an article in the Las Vegas Sun. The article made reference to an audit report, related to problems with the Department of Educational Outreach. One of these contracts that ISS had was a \$.5 million contract with a large private organization that asked to remain confidential. They called attention to the university as to what they believed was a serious problem with the voracity of invoicing. As a result, they discontinued their work efforts for the client and completed the work through a different contractor. Within the course of working with the contractor, there were improprieties in the manner in which

#### 4. Approved-UNLV Institute for Security Studies – *(Continued)*

money was handled, allocated and spent. At one time there was even an employee that was listed as an officer of the corporation of the contractor in that unit. He believed that his blowing the whistle, of what he believed to be improper actions was the genesis of the entire investigation and interest in the ISS. He felt it necessary to talk with the Chancellor and also felt that it has been handled appropriately by the university. He believed that the Department of Outreach was behind this smear campaign. This has put the jobs of 27 people in jeopardy for no good reason. Regent Sisolak stated there was mention of one specific dollar amount involving \$.5 million. Mr. Williams reported they became suspicious and concerned about duplicative invoicing from this vendor. They went to the university purchasing department to find out exactly how many invoices had been processed through the university. The university took notice that a lot of money had gone through this subcontract. Mr. Williams stated that his trials and tribulations are the result of him trying to do the right thing. Regent Sisolak asked how he would obtain a copy of this audit. Mr. Bomotti stated this has been the subject of the recent articles and he will make copies for all the Regents. The audit was issued April 2006 and was requested by the Provost's office.

Regent Geddes signed-off from the meeting.

Regent Gallagher stated that it was common practice that when there is a change in leadership that an audit is completed to make sure that the new leadership has a clean place to stand.

Regent Wixom withdrew his motion in light of President Ashley's comments and suggested that they wait for internal audit to complete their review, look at the results, and then determine the scope of the systemic audit.

Regent Sisolak noted a point of order. He stated Regent Wixom was withdrawing his motion. Regent Whipple stated Regent Wixom withdrew his motion and because Regent Anthony is gone he was going to allow the

withdrawal. Regent Sisolak stated that the motion could not be withdrawn in the absence of the Regent who seconded the motion. To dispense with the original motion Regent Wixom suggested that the original motion be voted down.

Mr. Wasserman re-read the original motion.

Upon a roll call vote the motion failed. *(Regents Leavitt and Sisolak voted yes. Regents Dondero, Gallagher, Rosenberg, Schofield, Whipple and Wixom voted not. Regent Howard abstained. Regents Alden, Anthony, Derby and Geddes were absent.)*

Regent Wixom moved for approval to wait for the completion of the internal audits and that upon the completion of the internal audits that they make a determination as they review the results of those audits as to whether a subsequent systemic audit would be required. Regent Dondero seconded.

4. Approved-UNLV Institute for Security Studies – *(Continued)*

Regent Howard left the meeting.

Executive Vice Chancellor Klaich noted that the last motion was voted down because of a procedural technicality and should not be reported as the Board deferring the audit or deciding an audit was not necessary. Regent Whipple noted the pending motion calls for a deferment until we hear from the internal audit to determine the scope of an external audit. Regent Rosenberg hoped this would give the presidents a chance to work together.

Upon a roll call vote the motion carried. *(Regents Dondero, Gallagher, Leavitt, Rosenberg, Schofield, Sisolak, Whipple and Wixom voted yes. Regents Alden, Anthony, Derby, Geddes and Howard were absent.)*

3. Public Comment – *(Continued)*

Mr. Richard Lee, Vice Provost for the Office of Educational Outreach, categorically denied that he had anything to do with the series of stories that have appeared in the press about the ISS. This is not a smear campaign. In addition, that the contractor to which there has been reference has been carefully examined by the university and other organizations. The report that has been referred to also had a long response from the contractor that was not included in the packet. This office if not responsible for the scrutiny Mr. Williams has sustained.

5. New Business – Regent Whipple stated the next Board of Regents meeting is in Elko, Nevada. The attire will be informal. Regent Sisolak asked how far behind the office was on posting the minutes. Mr. Wasserman stated the January minutes would be approved at the August meeting, the March and June minutes at the October meeting and the August and October minutes at the December meeting. Regent Sisolak stated that in reading of the public records law he understood that they had to be posted in 30 days. Regent Whipple stated they need to hire additional staff. Executive Vice Chancellor Klaich noted that Mr. Wasserman is looking into a number of ways for technology to assist.

The meeting adjourned at 4:33 p.m.

Scott G. Wasserman  
Secretary of the Board