

**NINTH QUARTERLY REPORT OF THE  
INDEPENDENT ATHLETICS INTEGRITY MONITOR  
PURSUANT TO THE ATHLETICS INTEGRITY AGREEMENT AMONG  
THE NATIONAL COLLEGIATE ATHLETIC ASSOCIATION,  
THE BIG TEN CONFERENCE AND  
THE PENNSYLVANIA STATE UNIVERSITY**

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## **I. INTRODUCTION AND SUMMARY**

This is the ninth quarterly report of the independent athletics integrity monitor (“Monitor”) pursuant to section III of the Consent Decree between the National Collegiate Athletic Association (“NCAA”) and The Pennsylvania State University (“Penn State” or the “University”), and article IV of the Athletics Integrity Agreement (“AIA”) among the NCAA, Penn State, and the Big Ten Conference.

During this reporting period, Penn State continued to fulfill its obligations under the AIA and follow through with initiatives commenced in response to recommendations made in the report by Freeh Sporkin & Sullivan LLP dated July 12, 2012 (the “Freeh Report”) and other efforts to advance its plan for continuous improvement. The University issued the results of a survey commissioned last year to better understand Penn State’s core values and culture and released for comment a draft statement of values; both are projects the University undertook in response to Freeh Report recommendation 1.1.

The Office of Ethics and Compliance continued to work with stakeholders across the University to address new legislation passed by the Pennsylvania General Assembly that will affect multiple Penn State policies and procedures and to deliver training on the protection of minors on campus. The Office led an effort to develop and publish a Code of Responsible Conduct and to adopt a new policy on gifts and entertainment. It also hired a specialist who will coordinate and oversee applicable training programs across the University. Athletics Integrity Officer Julie Del Giorno conducted quarterly meetings of the Athletics Integrity Council and with the Big Ten Conference as required by the AIA, and she maintained her focus on developing and delivering training and education to student-athletes concerning ethics and integrity.

This quarter, the Athletics Department hired a new deputy athletics director and appointed a new head coach for the men's and women's track and field and cross-country teams. The Athletics Department also updated its policy manual to reflect changes related to the delivery of healthcare to student-athletes and reorganized the athletic medicine staff. Athletics Department administrators and staff and colleagues from other University units continued the implementation of security measures at athletic and recreational facilities and the development of plans to relocate the Morgan Academic Support Center for Student-Athletes.

The Board of Trustees met several times this reporting period. After extended study facilitated by a governance expert, the Board adopted a package of reforms that altered its composition and size. The Board also debated whether to undertake its own review of the Freeh Report but voted not to do so. President Barron, however, announced his intention to conduct his own review of the Freeh Report and certain underlying materials, and Board of Trustees Chairman Masser agreed to allow trustees access to Freeh investigation materials subject to confidentiality and other terms.

We have continued to monitor external events that may affect the University's satisfaction of its obligations under the Consent Decree and AIA or otherwise add context to our work, which remains focused on Penn State's adherence to the terms of those agreements.

## **II. THE MONITOR'S ACTIVITIES THIS QUARTER**

This reporting period, we conducted several visits to the University Park campus to meet with Penn State administrators, faculty, and staff. We participated in meetings of the administration response team, the ICA Facilities and AD73 working group, and the Advisory Council for Continued Excellence. We continued to participate in quarterly meetings of the Athletics Integrity Council and meetings of the Ethics and Compliance Council, the Compliance

Training Committee, the Ethics Committee, and the Youth Programs Council. We regularly attended meetings related to renovation of a site on campus to consolidate the Morgan Academic Support Center for Student-Athletes in one location. We also attended the three Board of Trustees meetings this quarter held on September 18-19, 2014, October 28, 2014, and November 13-14, 2014.

Persons we met with since our last report include, among others: Vice President and General Counsel Stephen S. Dunham; Associate General Counsel Frank Guadagnino; Senior Vice President for Finance and Business David Gray; Vice President for Administration Thomas Poole; Athletic Director Sandy Barbour; Deputy Athletic Director Philip Esten, Jr.; Vice President for Human Resources Susan Basso; Vice President for Student Affairs Damon Sims; Director of University Ethics and Compliance Regis Becker; Athletics Integrity Officer Julie Del Giorno; Youth Programs Compliance Specialist Sandy Weaver; Ethics Specialist Tim Balliett; Communications and Training Specialist Denise Shivery; Associate Athletic Director for Facilities and Operations Mark Bodenschatz; Director of the Morgan Academic Support Center for Student-Athletes Russell Mushinsky; Clery Compliance Coordinator Gabriel Gates; Associate Athletic Director for Compliance Matthew Stolberg; Human Resources Manager for Intercollegiate Athletics Clinton Eury; Director of Athletic Medicine Dr. Scott Lynch; Director of Athletic Training Services Tim Bream; head football coach James Franklin; and head coach of women's tennis Christopher Cagle.

We continued to work with Guidepost Solutions, LLC to monitor the introduction of access controls and other enhancements to improve physical security at Penn State's athletics and recreational facilities. Our combined efforts included participation in meetings with

Athletics Department administrators, design and construction professionals from the Office of Physical Plant, and others to discuss the status of projects Penn State has undertaken.

### **III. OBSERVATIONS AS TO SPECIFIC AREAS**

#### **A. Penn State's Efforts to Implement the AIA**

Penn State continued to adhere to its ongoing obligations under the AIA, including annual training for all "Covered Persons," maintenance of its disclosure log and reporting mechanisms, and the quarterly meeting of Penn State's Athletics Integrity Council, among other requirements.<sup>1</sup>

#### **1. Activities of the Athletics Integrity Officer**

##### **a. General Activities**

Athletics Integrity Officer Julie Del Giorno maintained her many standing meetings and committee participation this quarter. She conducted her quarterly meeting with Big Ten Conference Representative Chad Hawley on September 5, 2014 and with President Barron on September 9, 2014. She presented her activities to the Board's Committee on Legal and Compliance on September 18, 2014 and November 13, 2014. Ms. Del Giorno interviewed candidates for positions in both the Athletics Department and Office of Ethics and Compliance, and she met with newly appointed Athletics Department personnel.

During the past reporting period, Ms. Del Giorno participated as a guest speaker in panel discussions and seminars hosted by external organizations who sought her perspective on topics such as diversity and inclusion in athletics programs and how to develop positive workplace ethics. She and Youth Programs Compliance Specialist Sandy Weaver also met with the

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<sup>1</sup> The AIA defines "Covered Persons" to include all student-athletes participating in NCAA-sanctioned intercollegiate athletics teams, coaches, team managers, University staff and employees who directly interact with those teams, the Board of Trustees, the president of the University, and members of the athletics director's executive committee.

leadership of a state university in Pennsylvania to help them develop policies and best practices related to youth programs on campus and intercollegiate athletics.

**b. Educational Activities**

Ms. Del Giorno continued her involvement in educational and training activities across campus. She currently is teaching an undergraduate course designed for student-athletes entitled “Coping with College: A First Year Transition Seminar.” In conjunction with Director of Honor and Integrity at the Smeal College of Business Jennifer Eury, Ms. Del Giorno provided ethics awareness training for the men’s lacrosse team, men’s rugby team, women’s rugby team, and baseball team. They also developed a staff-oriented workshop entitled “Navigating Ethical Dilemmas,” which they plan to offer to Athletics Department staff in the coming months.

This quarter, Ms. Del Giorno, Dr. Eury, and Stephanie Zonars, the coordinator of athletic programs for the women’s basketball team, developed a new Team Core Values workshop. The workshop is tailored to individual sport programs. Over the course of three one-hour sessions, student-athletes examine team core values and ethics, ethics awareness, and the integration of personal ethics into their understanding of team ethics. Ms. Del Giorno conducted a pilot of the workshop with the baseball team this fall and hopes to offer the workshop to other interested teams this year.

**c. Athletics Integrity Council Quarterly Meeting**

On September 17, 2014, Ms. Del Giorno chaired the quarterly meeting of the Athletics Integrity Council. The Council discussed several ongoing investigations and also discussed new content in the Quarterly Monitoring Report that serves as Penn State’s disclosure log under the AIA for athletics-related compliance reports and investigations. Ms. Del Giorno also discussed the annual Team Monitor and Athletic Director certifications. Mr. Stolberg updated the Council on his efforts to comply with the AIA’s annual requirement that all “Covered Persons” be trained



on NCAA, Big Ten Conference, and Penn State athletics compliance policies. Mr. Stolberg concluded the meeting with a detailed discussion of the previous year's secondary violations of NCAA rules.

**d. Ethics and Compliance Hotline Reporting**

Ms. Del Giorno received twelve new complaints during the course of this reporting period. One of the reports derived from an anonymous hotline call, one of the reports derived from an anonymous call to the Internal Audit Department, two of the reports derived from anonymous letters sent to University and Athletics Department leadership, one of the reports was anonymously sent to Ms. Del Giorno, and seven complaints came directly by email, telephone, or in person. The reports related to allegations including: resale of complimentary tickets to sporting events; inappropriate use of a University vehicle; recruiting violations; excessive academic assistance given to a student-athlete; the conduct of coaches toward student-athletes; and inappropriate behavior by student-athletes. Eleven of these complaints remain under investigation by Penn State, and one has been resolved and closed. These investigations include a review as to whether the alleged conduct necessitates self-reporting to the NCAA.

These violations also included allegations of student-athlete misconduct, with criminal charges brought against several student-athletes still pending. One of the student-athletes involved was charged with three criminal violations during this calendar year. Incoming Athletic Director Sandy Barbour is working with members of her department, the Office of Student Affairs, and other administrators to address the student-athlete disciplinary process. The goal is to provide a system that consistently upholds the standards expected of students who represent Penn State in intercollegiate athletics or other extracurricular activities but that also is fair to the accused student and produces equitable and consistent outcomes in instances of comparable misconduct. We will monitor the development of this new process.

## **2. Penn State Intercollegiate Athletics Policy Manual**

This quarter, Penn State completed revisions to the chapter of its Intercollegiate Athletics Policy Manual that concerns sports medicine. The revisions formalize the responsibility of athletic trainers to coordinate services for athletically-related injuries or illnesses with physicians and impose affirmative obligations on coaches, staff, and student-athletes to report any suspected eating disorders to the team physician or the director of sports nutrition. A link to the revised manual was timely distributed by e-mail to all Covered Persons.

### **B. Penn State's Efforts to Complete the Recommendations in the Freeh Report**

Penn State continued to implement the remaining outstanding long-term Freeh Report recommendations, including the adoption of a Human Resources Information System ("HRIS"), the institution of physical security measures at athletic and recreational facilities, and a review of the University's culture and ethics. Most significantly, this quarter Penn State released the results of the values and culture survey conducted last fall as well as the new Penn State values statement.

#### **1. Penn State Culture (Recommendation 1.1)**

##### **a. Penn State Values and Culture Survey**

This quarter, Penn State released the results of the values and culture survey conducted in October 2013 by the Ethics Resource Center.<sup>2</sup> The results, presented during the September 19, 2014 Board of Trustees meeting, evidenced strong personal connections to, pride in, and support for the University by the overwhelming majority of participants, helped to identify a set of shared values across the spectrum of University constituencies, and shed light on areas requiring attention, improvement, and action. There was a divergence in the results on the question of

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<sup>2</sup> The survey results are publicly available at the following link: <http://news.psu.edu/story/326751/2014/09/19/results-released-penn-states-values-and-culture-survey>.

football's importance at Penn State, with faculty and graduate students more likely than staff and undergraduate students to agree that Penn State overemphasizes football. The ACCE used the results of the survey to develop Penn State's proposed new values statement.

At the direction of President Barron, the Office of Ethics and Compliance has undertaken the challenge of addressing concerns raised by the survey results. These include: an apparent lack of information about, or distrust of, reporting processes; fears of retaliation for reporting wrongdoing; and observed incidents of intimidation and workplace bullying among certain University populations. Dr. Balliett is developing a plan to address these concerns in collaboration with 14 stakeholder groups across campus.

The University's response to the findings is the development of an "Ethical Culture Plan" which includes three components: (1) education; (2) communication; and (3) structural changes. The education component will involve development of an ethics awareness program and ethics training based on the new values statement and the ethical decision-making model for all faculty, staff, and students. It also includes Dr. Balliett's ongoing work to augment the ethical elements of supervisory, management, and leadership education offered by the Center for Workplace Learning and Performance. The plan also envisions future ethics seminars for the Board and senior administrators. The communication component will involve increased emphasis on Penn State's anti-retaliation policy and means for reporting misconduct, awareness-raising concerning the Office of Ethics and Compliance, continued education of students about the existence of the hotline, increased collaboration with the University Staff Advisory Council to identify and address issues related to the workplace environment and retaliation, and collaboration between the Office of Ethics and Compliance and the presidential task forces on bystander intervention and sexual violence and harassment. The structural component will include development of an

ethical decision-making model as prescribed by Freeh Report recommendation 1.1. Dr. Balliett is coordinating with the Ethics Committee, the Rock Ethics Institute, Professor Linda Trevino, and other experts on campus to conduct benchmarking of corporate decision-making models to ensure that leaders are aware of and incorporate the principles and values of the institution into their decision-making processes. Penn State also plans to develop investigatory protocols and an alleged misconduct tracking system that will be overseen by an investigations specialist.

**b. Penn State Values Statement**

This quarter, the ACCE completed its University-wide statement of values pursuant to Freeh Report recommendation 1.1 (fostering an ethical culture). The statement is a product of two years of work by a diverse array of University representatives. That group analyzed the values and culture survey results, gathered pre-existing values statements used by a variety of University departments and units, conducted benchmarking, and drew on its membership's expertise to identify six of the most highly ranked, shared ideals among Penn State's community. In September 2014, the ACCE presented the values to the President's Council, the University Staff Advisory Council, the University Park Undergraduate Association, and the Board, publicly releasing the values statement at the September 19, 2014 Board meeting. The proposed values statement is:

**INTEGRITY:** We act with integrity in accordance with the highest academic, professional, and ethical standards.

**RESPECT:** We respect and honor the dignity of each person, embrace civil discourse, and foster a diverse and inclusive community.

**RESPONSIBILITY:** We act responsibly and hold ourselves accountable for our decisions, actions, and their consequences.

**DISCOVERY:** We seek and create new knowledge and understanding, and foster creativity and innovation, for the benefit of our communities, society, and the environment.

**EXCELLENCE:** We strive for excellence in all our endeavors as individuals, an institution, and a leader in higher education.

**COMMUNITY:** We are Penn State, one University geographically dispersed, committed to our common values and mission, working together for the betterment of the University and the communities we serve and to which we belong.

Dr. Balliett is directing the effort to publicize the proposed new values statement and educate Penn State students, faculty, and staff across the University Park and Commonwealth Campuses about it and how it impacts their lives using town hall meetings and focus groups. The goal of this effort is to obtain feedback from various groups in the Penn State community before finalizing the definitions of the values and publishing them in May 2015 along with concrete examples of their application in daily life. Thus far, Dr. Balliett has targeted undergraduate students, meeting with 19 campus groups. He and Communications and Training Specialist Denise Shivery are developing an ethics website and further marketing materials. Dr. Balliett also continues to collaborate with the Center for Workplace Learning and Performance and Office of Human Resources to incorporate the values into Penn State's many leadership training courses, new employee orientations, and annual management review process.

## **2. The Office of Ethics and Compliance**

Director of University Ethics and Compliance Regis W. Becker made a presentation concerning his office's activities to the Board's Committee on Legal and Compliance during its meetings on September 18, 2014 and November 13, 2014.

### **a. The Ethics and Compliance Council**

Mr. Becker chaired three meetings of the Ethics and Compliance Council this reporting period at which he summarized the ongoing activities of the Privacy Council, Youth Programs Council, Compliance Training Committee, and Ethics Committee. The Council heard

presentations about Clery Act obligations and best practices from Clery Compliance Manager Gabriel Gates and a summary of the annual activities of the Athletics Compliance Office from Associate Athletic Director for Compliance Matthew Stolberg. The Council also discussed the status of the Penn State values statement, its presentation to University leadership and the public, and the process of educating the Penn State community about the new statement of values. It reviewed plans to respond to survey results identifying fears of retaliation for reporting wrongdoing among certain groups of employees.

This quarter, the Council oversaw finalization, approval, and publication of the Code of Responsible Conduct and a new policy related to gifts and entertainment. On September 16, 2014, Penn State published Policy AD88: “Code of Responsible Conduct.” The Code is a succinct document outlining the University’s compliance expectations for all faculty, staff, administrators, and students. It expressly prohibits any form of retaliation against individuals who make good faith reports of wrongdoing. On the same day, Penn State also published Policy AD86: “Acceptance of Gifts and Entertainment.” This policy provides guidance to employees on how to avoid potential conflicts of interest, undue influence, or the appearance thereof when receiving offers of gifts or entertainment.

#### **b. New Hires**

On November 3, 2014, Penn State hired Denise Shivery as the communications and training specialist in the Office of Ethics and Compliance. Ms. Shivery’s role involves coordination of the Office’s communications strategies and responsibility for maintaining the Office’s website. She also will publish an ethics and compliance newsletter to highlight important elements of the compliance program and messages the Office seeks to convey, advertise programs the Office organizes, promote Penn State’s values, and share compliance statistics with the broader University community. She will support the communications elements

of the “Ethical Culture Plan” by helping to better publicize the ethics and compliance hotline, reporting mechanisms, and the Office of Ethics and Compliance’s role on campus.

Ms. Shivery also will be responsible for coordinating and tracking all training University-wide in conjunction with the Center for Workplace Learning and Performance and the Office of Human Resources. In the future, she will help develop and administer training programs with those offices and will take over as chair of the Compliance Training Committee.

### **3. Oversight of Programs for Minors (Recommendation 7.3)**

#### **a. Recently Enacted Child Abuse Legislation**

Youth Programs Compliance Specialist Sandy Weaver focused much of her time this quarter on bringing Penn State’s policies, procedures, and trainings concerning the protection of minors into compliance with child abuse laws passed by the General Assembly this year, many of which go into effect on December 31, 2014. The new laws redefine child abuse and who qualifies as a mandated reporter, govern reporting obligations, prescribe the content and frequency of relevant training, and significantly enhance background check obligations. As of December 31, 2014, all University employees will be deemed mandated reporters of child abuse under state law.

As part of these efforts, Ms. Weaver also has been working closely with Mr. Becker and the Office of Human Resources to amend Policy HR 99: “Background Checks” and Policy AD72: “Reporting Suspected Child Abuse” to bring them into conformity with the new laws. In addition to the background checks currently being conducted by Penn State’s third party vendor, background checks for employees who have direct contact with children will need to include a Pennsylvania State Police criminal check, a Pennsylvania ChildLine child abuse check, and FBI fingerprinting clearances every three years. Penn State is still determining which employees qualify as individuals who interact routinely with minors and require training prior to

commencing work, annual training thereafter, and the enhanced background checks. Other employees will need to complete the training within 30 days of arrival and will only be required to re-train every three years. Ms. Weaver is updating the policy to reflect these and other changes. She and Mr. Becker are working with athletics staff and others whom they know routinely work with minors to obtain the required background checks and be prepared before the obligations go into effect on December 31, 2014.

Penn State is most concerned about two aspects of the new legislation: (1) the time and expense associated with implementing the enhanced background check obligations; and (2) the fact that the law defines minors as individuals under 18 years of age given that approximately 1600 undergraduate students fall into that category. The scope of the new law will cause faculty and unexpected populations of staff to be classified as individuals who routinely interact with minors and therefore must complete additional training and background checks. Penn State, in coordination with other Pennsylvania institutions of higher education, plans to seek clarification from the Commonwealth as to whether the Act is intended to apply to full-time college students under the age of 18. We will monitor the completion and implementation of Penn State's policy amendments in the coming quarter.

**b. Youth Programs**

The Youth Programs Council formed two subcommittees this quarter. The Youth Program Guide Subcommittee was charged with developing a standardized youth program manual to instruct new youth programs at all campuses with respect to the operational management of youth programs, human resources and staffing, health and wellness, site and food services, transportation, program aquatics, record keeping and retention, and program design, and it will include links to relevant policies, releases, and forms. Penn State also is reprogramming the youth programs inventory so that the person who registers a program



automatically will receive links to the policy manual and other relevant information. The Council also formed a subcommittee to review Policy AD39 “Minors Involved in University-Sponsored Programs” and propose changes to ensure its compliance with the new Pennsylvania legislation concerning child abuse and to clarify several aspects in response to repeated questions from staff.

Former Sports Camps Director Ed Franks accepted a new position within the University system this quarter and now serves as the facilities supervisor for the Bryce Jordan Center. Penn State is interviewing candidates to run the Sports Camps Office at University Park. Ms. Weaver serves on the search committee. She also continues to serve on the search committee for a state-wide Director of Child Care Program Services.

#### **4. Ethics Specialist (Recommendations 1.1, 1.2)**

This quarter, the Ethics Committee held three meetings chaired by Ethics Specialist Timothy R. Balliett. The Committee is editing Policy AD47: “General Standards for Professional Ethics” to include sections outlining both the universal professional conduct and ethics expectations of all faculty, staff, administrators, and student employees, and detailing Penn State’s specific expectations for each of these groups. It has decided to develop a separate policy to set forth the consequences for misconduct. Dr. Balliett conducted a Faculty Senate forensic meeting on October 21, 2014 to obtain input directly from that body, as well.

#### **5. Tracking Training (Recommendation 2.2.10)**

Freeh Report recommendation 2.2.10 requires Penn State to provide and track mandated employee training. In 2014 to date, a total of 35,744 employees, students, and volunteers have completed the “Reporting Child Abuse” online training, and 10,328 employees, students, and volunteers have completed online Clery Act training. Only 1,683 of 3,000 “campus security authorities” have taken the Clery Act training this year, however. This quarter, Ms. Weaver, Mr.

Gates, and Director of the Center for Workplace Learning and Performance Sue Cromwell engaged in a final push to promote completion of training by employees who have not taken it in the past. For over 7,500 employees, there is no record of their having taken the “Reporting Child Abuse” training, and there is no record for 218 “campus security authorities” of having completed the Clery Act training. In addition, training certifications have expired for over 6,100 employees as to child abuse training and over 515 “campus security authorities” as to the Clery Act. These statistics likely overstate any training shortfalls, however, because Penn State believes that approximately 1,500 individuals still in the tracking system are no longer employed at the University and approximately 1,100 individuals in the tracking system are employees at the Hershey College of Medicine and therefore are subject to different training requirements.

The Compliance Training Committee decided to coordinate with deans, chancellors, unit leaders, and other supervisors to focus their efforts on those employees without any history of taking the “Reporting Child Abuse” training. Mr. Becker and Ms. Basso emailed those campus leaders asking for their support in communicating the importance of completing these requirements. In November 2014, the Office of Ethics and Compliance sent targeted emails to the remaining group of noncompliant employees directing them to complete the trainings by December 12, 2014.

## **6. University Police and Public Safety**

### **a. The CALEA Accreditation Process**

Freeh Report recommendation 6.1 called for the external examination of the University’s police department by a professionally recognized accreditation body. As previously reported, Penn State applied for accreditation from the Commission on Accreditation for Law Enforcement Agencies, Inc. (“CALEA”) and has been pursuing this goal since March 2013. On September 8-10, 2014, CALEA conducted an on-site assessment of Penn State’s University

Police Department, and on October 22, 2014, Penn State received CALEA's assessment report. The report described a number of changes that Penn State then instituted to bring the department into full compliance with CALEA's standards, including 30 modifications to written guidelines and provision of additional proof of compliance with 44 standards. The report concluded that "the assessors reviewed all standards and found them to be in compliance with agency practices meeting the intent of CALEA standards."<sup>3</sup>

#### **b. Clery Act Compliance**

On September 23, 2014, Clery Act Compliance Manager Gabriel Gates published the 2014 Annual Security and Fire Safety Reports for all Penn State Campuses. The reports were made available to all current students and employees via email and also are available publicly online.<sup>4</sup> Penn State timely filed its Clery Act reports with the United States Department of Education, and that agency has accepted the reports as complete. Our review of the reports corroborates that they meet statutory standards.

In October 2014, the Pennsylvania Department of the Auditor General indicated its intention to conduct audits of Clery Act compliance and use of university funds at Penn State, the University of Pittsburgh, Temple University, and Lincoln University. The audit of Penn State's Clery Act compliance program is not expected to commence until 2015.

#### **7. Human Resources Information System (Recommendation 2.2.7)**

As previously reported, Penn State has combined the human resources information system project with a larger initiative called the Human Resources Transformation Project, which involves broader changes to the human resources function. At the September 19, 2014

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<sup>3</sup> See CALEA Assessment Report, Pennsylvania State University Police Department, 2014.

<sup>4</sup> See <http://www.police.psu.edu/clery/security-reports/index.cfm>.

Board meeting, Penn State approved procurement of Workday, Inc. as the provider of the new human capital management system. Penn State subsequently issued an RFP to solicit implementation partners to assist with the project and is now reviewing responses with plans to interview potential partners in December 2014. The initial pilots of the Office of Human Resources' new service delivery model in the College of Education and College of Arts and Architecture continued this quarter with positive reviews.

## **8. Facilities Security (Recommendation 5.2)**

With assistance from Guidepost, this quarter we observed Penn State's continued planning for and installation of security measures at recreational and athletics facilities. The process of installing Phase I security enhancements at a second set of athletic and recreational facilities is progressing. These upgrades, which include placing security cameras and equipping doors with electronic card swipe readers and audible alarms, are nearing completion at certain facilities. The upgrades are on hold at other facilities pending the advancement of Phase II construction. Penn State approved Phase II construction design drawings that will guide renovation projects to consolidate entry points, erect access control screening points, and enhance the University's ability to monitor the circulation of patrons inside the White Building, Recreation Hall, and McCoy Natatorium. Construction will commence once the Commonwealth of Pennsylvania's Department of General Services has approved the plans, finalized the budget with Penn State, and authorized the award of contracts to perform the work.

### **C. Phase II—The Plan for Continuous Improvement**

#### **1. Sexual Assault and Sexual Harassment Task Force**

The Sexual Assault and Sexual Harassment Task Force is nearing completion of its mission to examine current practices at Penn State related to sexual assault and harassment and make recommendations for improvements to ensure that the University is not only fully

compliant with Title IX requirements but becomes a national leader on the issue. President Barron has asked that the task force submit to him its report by the end of the calendar year.

The task force has met more than ten times since September 2014. It formed several subcommittees to address specific issues including, among others, policy changes, education and awareness, victim support, enforcement, the discipline process, and bystander intervention. The task force issued a preliminary recommendation to President Barron to establish a new position dedicated to Title IX compliance, with which he agreed. It has developed a position description for a Title IX coordinator and is working with the Office of Human Resources to advertise the position in advance of issuing its final report. Vice President Sims has asked each subcommittee to draft a portion of the report by early December to allow time to complete this project by the end of the semester. The task force expects to present numerous recommendations including: structural changes to the disciplinary process and Title IX administration; development of bystander intervention programming; an annual climate survey to measure attitudes about the University's program; and coordination with local secondary schools and law enforcement.

## **2. Crisis Management Plan**

In October 2014, Penn State republished the crisis management plan booklet it developed in response to Freeh Report recommendation 3.6. The plan was updated to reflect changes in Board membership, University administration, and academic leadership. Contact information in the booklet is now current.

#### **IV. OTHER EVENTS DURING THE REPORTING PERIOD**

##### **A. The Athletics Department**

###### **1. Personnel Changes**

This quarter, Penn State hired Phil Esten as deputy director of athletics and chief operating officer. Members of my team met with Dr. Esten on October 28, 2014. Dr. Esten will report directly to Athletic Director Barbour. He will be involved in the daily operation of the Athletics Department and will oversee the department's development, marketing, communications, facilities, and event management functions.

John Gondak became head coach of Penn State's cross country and track and field programs on September 17, 2014. Coach Gondak had been serving as the teams' interim head coach since the departure of Beth Alford-Sullivan in July 2014, and he had served as the associate head coach of the programs for the two years before then. Consistent with Freeh Report recommendation 5.3, Penn State advertised the job opening nationally via its website and the websites of the NCAA, the Black Coaches Association, and USA Track and Field. After an initial round of interviews with the seven leading candidates and subsequent, on-campus interviews with three finalists, the six-person search committee chaired by Assistant Athletic Director Jan Bortner selected Coach Gondak from a pool of 58 individuals who expressed interest in the position.

###### **2. Sports Medicine**

This quarter, Scott Lynch, M.D. succeeded Wayne Sebastianelli, M.D. as director of athletic medicine. A member of my team met with Dr. Lynch on November 12, 2014. Upon assuming his new role, Dr. Lynch expressed his intention to foster open communication among the University's sports medicine staff with an emphasis on collaboration across disciplines to deliver the best possible healthcare to all of Penn State's student-athletes.

In our fifth quarterly report, we reported that athletic trainers did not have access to the electronic medical records of the student-athletes they treat, and we pledged to continue monitoring the University's efforts to address that issue.<sup>5</sup> This quarter, a member of my team met separately with the director of athletic medicine and director of athletic training services, both of whom confirmed that the issue has been resolved: With appropriate safeguards in place to ensure adherence to privacy laws and permit access only to relevant medical history information, athletic trainers now have access to student-athletes' electronic medical records.

### **3. The Morgan Academic Support Center for Student-Athletes**

The NCAA's annual disclosure of academic performance data occurred this quarter. Penn State's varsity athletic programs achieved an aggregate 89 percent graduation success rate, which exceeded the overall Division I average by seven percentage points and tied the University for second among its Big Ten Conference peers. Eight of the University's intercollegiate athletic programs—men's and women's basketball, women's fencing, field hockey, men's golf, women's lacrosse, softball, and women's tennis—earned perfect graduation success rates. Penn State's football team earned a graduation success rate of 87 percent, which surpassed the Division I average by 16 percentage points and was second in the Big Ten Conference.<sup>6</sup>

Throughout the quarter, we monitored the efforts of a committee of Penn State administrators and staff tasked with developing plans to renovate a decommissioned athletic facility to serve as the single location out of which the Morgan Center would provide academic

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<sup>5</sup> Monitor's Fifth Quarterly Report at 29-30.

<sup>6</sup> See School-, conference-, and sport-specific graduation success rate data is available at <http://www.ncaa.org/about/resources/research/division-i-graduation-success-rates-search>. See also "Trends in Graduation Success Rates and Federal Graduation Rates at NCAA Division I Institutions," October 2014, available at <http://www.ncaa.org/sites/default/files/2014-d1-grad-rate-trends.pdf>; "Penn State Student-Athletes Continue Superlative Graduation Rates," available at <http://www.gopsusports.com/genrel/102814aae.html>.

counseling services to student-athletes. Currently, the Morgan Center serves student-athletes in four locations spread across the University Park campus, each with different amenities and in varying condition. The consolidation of the Morgan Center is intended to better integrate its operations, increase interaction among the athletic programs, enhance the delivery of academic services, and ensure parity of accommodations. Working with a team of architects, the committee has developed three sets of plans that present a range of possible designs to meet the Morgan Center's current and future needs. The committee is considering refinements to a preferred design option and is working with senior administrators and other stakeholders to secure the required funding for this long-term, capital-intensive project.

#### **4. Sanctions**

Last quarter, I recommended that the NCAA lift the post-season ban on the Penn State football team so that the student-athletes, many of whom remained loyal to the University despite the sanctions, may “have the opportunity to play in the post-season should they earn it on the field this year.”<sup>7</sup> The NCAA accepted that recommendation. On November 15, 2014, the Penn State football team became bowl eligible.

#### **B. Relevant Pending Lawsuits**

We continue to monitor lawsuits bearing on the University's obligations under the AIA and Consent Decree. There has been a great deal of activity in several of these lawsuits during the quarter. The more material developments are described below.

#### **1. The Paterno Lawsuit**

On September 10, 2014, the court presiding over the lawsuit filed by the estate of Joe Paterno and others issued its opinion and order with respect to preliminary objections to the

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<sup>7</sup> Monitor's Second Annual Report at 57.



plaintiffs' first amended complaint that had been filed by the NCAA and Penn State. The court overruled certain of the preliminary objections, sustained others, and ordered the plaintiffs to file a second amended complaint to cure noted deficiencies in the pleading. The court further ruled that the Penn State faculty members, former football players, and current trustees who were plaintiffs in the civil action must be dismissed from the lawsuit. The court reserved judgment as to whether it has jurisdiction to address claims asserted against NCAA President Mark Emmert and former NCAA Executive Committee Chairman Edward Ray.<sup>8</sup>

The plaintiffs filed their second amended complaint on October 13, 2014.<sup>9</sup> On November 10, 2014, the NCAA asserted preliminary objections to the second amended complaint seeking the dismissal of all claims filed against the Association and Drs. Emmert and Ray.<sup>10</sup> On the same day, Penn State answered the pleading and asserted as a new matter its position that the claims against it are legally deficient.<sup>11</sup> On December 1, 2014, the plaintiffs filed a brief opposing the NCAA's preliminary objections to the second amended complaint.<sup>12</sup>

## **2. Pennsylvania Institution of Higher Education Endowment Act Litigation**

Last quarter, the NCAA sought the dismissal of a civil action pending in the Commonwealth Court of Pennsylvania maintained by two public officials as an effort to compel

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<sup>8</sup> See Opinion and Order dated September 10, 2014, *Paterno v. Nat'l Collegiate Athletic Ass'n*, No. 2013-2082 (Ct. Com. Pl. Centre Co. May 30, 2013).

<sup>9</sup> See Docket, *Paterno v. Nat'l Collegiate Athletic Ass'n*, No. 2013-2082 (Ct. Com. Pl. Centre Co. May 30, 2013).

<sup>10</sup> See The NCAA Defendants' Preliminary Objections to Plaintiffs' Second Amended Complaint dated November 10, 2014, *Paterno v. Nat'l Collegiate Athletic Ass'n*, No. 2013-2082 (Ct. Com. Pl. Centre Co. May 30, 2013).

<sup>11</sup> See Penn State's Answer and New Matter dated November 10, 2014, *Paterno v. Nat'l Collegiate Athletic Ass'n*, No. 2013-2082 (Ct. Com. Pl. Centre Co. May 30, 2013).

<sup>12</sup> See Docket, *Paterno v. Nat'l Collegiate Athletic Ass'n*, No. 2013-2082 (Ct. Com. Pl. Centre Co. May 30, 2013).

use of the \$60 million monetary penalty imposed on Penn State through the Consent Decree consistent with the Pennsylvania Institution of Higher Education Endowment Act. Since its initiation, the scope of this lawsuit has expanded beyond an effort to enforce the Endowment Act to include a challenge to the validity of the Consent Decree.<sup>13</sup> On October 3, 2014, the presiding judge denied the NCAA's unopposed motion to dismiss the litigation and ordered that the lawsuit proceed.<sup>14</sup> The NCAA's subsequent appeal of the trial court's decision was rejected by the Pennsylvania Supreme Court.<sup>15</sup>

On October 15, 2014, the plaintiffs moved the court to grant partial judgment in their favor based upon the pleadings, contending that the Endowment Act is valid and does not violate either the United States or Pennsylvania Constitutions. On October 31, 2014, the court granted the plaintiffs' motion, declared that the Endowment Act is valid under both the United States and Pennsylvania Constitutions, and entered judgment in favor of the plaintiffs as to that issue.<sup>16</sup> On November 13, 2014, the NCAA filed a motion for partial summary judgment asking the court to rule that the plaintiffs cannot legally contest the validity of the Consent Decree on grounds that Penn State entered into that agreement under duress.<sup>17</sup> The plaintiffs filed a brief in opposition

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<sup>13</sup> See generally Opinion dated April 9, 2014, *Corman v. Nat'l Collegiate Athletic Ass'n*, No. 1 MD 2013 (Pa. Commw. Ct. Jan. 4, 2013).

<sup>14</sup> See Memorandum and Order dated October 3, 2014, *Corman v. Nat'l Collegiate Athletic Ass'n*, 1 MD 2013 (Pa. Commw. Ct. Jan. 4, 2013).

<sup>15</sup> See Order dated November 5, 2014, *Nat'l Collegiate Athletic Ass'n v. Commonwealth Court of Pennsylvania*, No. 153 MM 2014 (Pa. Nov. 5, 2014).

<sup>16</sup> See Memorandum and Opinion dated October 31, 2014, *Corman v. Nat'l Collegiate Athletic Ass'n*, 1 MD 2013 (Pa. Commw. Ct. Jan. 4, 2013).

<sup>17</sup> See National Collegiate Athletic Association's Motion for Partial Summary Judgment and Memorandum in Support dated November 13, 2014, *Corman v. Nat'l Collegiate Athletic Ass'n*, 1 MD 2013 (Pa. Commw. Ct. Jan. 4, 2013).

to the NCAA's motion on December 1, 2014.<sup>18</sup> On November 25, 2014, the plaintiffs requested that the court designate the lawsuit for mediation.<sup>19</sup> Also during this reporting period, numerous depositions were taken of current and former Penn State and NCAA officials. This lawsuit is set for a trial scheduled to begin on January 6, 2015.<sup>20</sup>

As a result of this ongoing civil action, certain e-mail correspondence and other evidence related to the imposition of the Consent Decree was released publicly through court filings and direct publication.<sup>21</sup> On November 19, 2014, sixteen members of Pennsylvania's delegation to the United States House of Representatives sent a letter to NCAA President Mark Emmert urging

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<sup>18</sup> See Docket, *Corman v. Nat'l Collegiate Athletic Ass'n*, 1 MD 2013 (Pa. Commw. Ct. Jan. 4, 2013).

<sup>19</sup> See *id.*

<sup>20</sup> See Order dated October 9, 2014, *Corman v. Nat'l Collegiate Athletic Ass'n*, 1 MD 2013 (Pa. Commw. Ct. Jan. 4, 2013).

<sup>21</sup> On November 2, 2014, plaintiffs filed a brief with the Commonwealth Court attaching as exhibits internal e-mail correspondence in which a NCAA official characterized the Association's approach to sanctioning Penn State as a "bluff." (See Senator Corman's Response to NCAA's Supplemental 'Statement' Regarding Documents Still in Dispute dated November 2, 2014, *Corman v. Nat'l Collegiate Athletic Ass'n*, 1 MD 2013 (Pa. Commw. Ct. Jan. 4, 2013).) On November 5, 2014, Penn State President Eric Barron and Chairman of the Board of Trustees Keith Masser issued a statement that reads, in part: "We find it deeply disturbing that NCAA officials in leadership positions would consider bluffing one of their member institutions, Penn State, to accept sanctions outside of their normal investigative and enforcement process." ("Statement from Penn State related to NCAA emails discussing proposed sanctions," available at <http://news.psu.edu/story/333525/2014/11/05/administration/statement-penn-state-related-ncaa-emails-discussing-proposed>.) On November 14, 2014, the NCAA publicly released via its website certain documents related to the imposition of sanctions on Penn State to "provide important context . . . ." ("Documents clarify Penn State consent decree," available at <http://www.ncaa.org/about/resources/media-center/news/documents-clarify-penn-state-consent-decree>.) This disclosure included an e-mail from a senior NCAA official stating, "[t]his [the events at Penn State] cuts so deeply into the value structure of intercollegiate athletics that in the interests of taking action to resolve a 'core issue of the Assn', the Exec Com [Executive Committee] exercised its jurisdiction and then permitted the staff to develop a set of conclusions based on the Freeh report and Sandusky trial as well as penalties, subject to Exec Com and sign off by the President of Penn State." (*Id.*)

both the removal of the remaining sanctions imposed on Penn State and the disclosure of all documents related to the NCAA's imposition of the Consent Decree on the University.<sup>22</sup>

The NCAA is challenging the constitutionality of the Endowment Act in a separate civil action in federal court. This quarter, the NCAA requested that the judge presiding over this parallel Endowment Act lawsuit expedite its review of the NCAA's pending motion for judgment on the pleadings.<sup>23</sup> On November 4, 2014, one of the defendants, Rob McCord, Treasurer of the Commonwealth of Pennsylvania and a plaintiff in the state court action, filed a cross-motion for judgment on the pleadings based upon the Commonwealth Court's October 31, 2014 decision upholding the constitutionality of the Endowment Act.<sup>24</sup> On November 28, 2014, the NCAA filed a brief opposing Treasurer McCord's motion.<sup>25</sup>

### **3. Other Pending Civil and Criminal Actions**

The criminal actions against Graham Spanier, Timothy Curley, and Gary Schultz are ongoing. In the only public activity in these cases this quarter, the presiding judge denied the defendants' separate motions to compel the disclosure of discoverable material.<sup>26</sup> A trial date has not been set.

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<sup>22</sup> See Letter dated November 19, 2014 from Representatives Dent, Thompson, Gerlach, Doyle, Kelly, Shuster, Barletta, Marino, Perry, Rothfus, Pitts, Brady, Cartwright, Fitzpatrick, Meehan, and Fattah to Mark Emmert.

<sup>23</sup> See Docket, *Nat'l Collegiate Athletic Ass'n v. Corbett*, 1:13-cv-00457-YK (M.D. Pa. Feb. 20, 2013).

<sup>24</sup> See *id.*

<sup>25</sup> See *id.*

<sup>26</sup> See Docket, *Commonwealth of Pennsylvania v. Spanier*, CP-22-CR-3615-2013 (Ct. Com. Pl. Dauphin Co. Aug. 1, 2013); Docket, *Commonwealth of Pennsylvania v. Curley*, CP-22-CR-3614-2013 (Ct. Com. Pl. Dauphin Co. Aug. 1, 2013); Docket, *Commonwealth of Pennsylvania v. Schultz*, CP-22-CR-3616-2013 (Ct. Com. Pl. Dauphin Co. Aug. 1, 2013).

On November 25, 2014, the court presiding over a civil action brought against the University by the former head coach of its men's and women's fencing teams heard oral argument concerning Penn State's motion to dismiss that lawsuit. The court's decision remains pending.<sup>27</sup>

On September 23, 2014, Penn State moved to dismiss a civil action filed against it in federal court by two former assistant football coaches who claim they were harmed as a result of alleged wrongful actions by Penn State in connection with the execution of the Consent Decree and the termination of their employment. On November 24, 2014, the plaintiffs filed an amended complaint against Penn State that adds a count for alleged breach of contract.<sup>28</sup> The University's response to the amended pleading is expected during the next reporting period.

### **C. Penn State Governance and Board of Trustees Activities**

#### **1. Governance Reforms**

On September 18, 2014, the Committee on Governance and Long Range Planning approved a governance reform proposal, which Committee Chair Keith Eckel presented to the full Board the next day. On November 14, 2014, the Board debated and then voted to adopt an amended form of the proposal, with nine "no" votes and one abstention. The adopted reforms increase the number of trustees to 38, including 36 voting members and 2 ex-officio, non-voting members—the University's president and the governor of the Commonwealth. These trustees will be comprised of: nine elected alumni; six gubernatorial appointments; six business and industry appointments; six agricultural organization representatives; three at-large trustees elected by the Board; a trustee representing the student body and elected by the Board; a trustee

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<sup>27</sup> See Docket, *Kaidanov v. Pennsylvania State University*, 2:14-cv-03191-GP (E.D. Pa. June 5, 2014).

<sup>28</sup> See Docket, *Paterno v. The Pennsylvania State University*, 2:14-cv-04365-LS (E.D. Pa. July 21, 2014).

representing the faculty and elected by the Board; and the immediate past president of the Penn State Alumni Association as an ex-officio, voting member, commencing July 1, 2015.

Chair Keith Masser explained that the addition of three at-large members will give the Board flexibility to include members with particular experience and expertise to support Board functions and promote consensus-building. The change was designed to ensure that no two of the following Board constituencies—agricultural, alumni-elected, business and industry, and gubernatorial appointees—can combine forces to form a voting majority without requiring votes from other constituencies.<sup>29</sup> Among other reforms adopted as part of the package, the Board voted to address trustee qualifications and the electoral process and to create a new subcommittee on risk. The University’s Charter, Bylaws, and Standing Orders also were amended to accommodate the adopted reforms.

## **2. Trustee Lord’s Resolution Regarding the Freeh Report**

At the September 19, 2014 executive session, the Board privately debated the resolution introduced by Trustee Al Lord at the Board’s July 11, 2014 meeting that called upon the Board to “undertake to identify those matters not fully investigated by [Louis] Freeh and complete the investigation of such matters.”<sup>30</sup> Chair Masser appointed a subcommittee led by Vice Chair Kathleen Casey and including Trustees Anthony Lubrano, Kenneth Frazier, and Adam Taliaferro to further discuss this topic and attempt to reach consensus on a resolution that the entire Board would support. On October 8, 2014, the University Park Undergraduate Association’s general

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<sup>29</sup> See “Board of Trustees adopts changes to composition,” November 14, 2014, at [http://news.psu.edu/story/334871/2014/11/14/administration/board-trustees-adopts-changes-composition?utm\\_source=newswire&utm\\_medium=email&utm\\_term=334868\\_TEXT&utm\\_content=11-14-2014-17-51&utm\\_campaign=daily%20newswire](http://news.psu.edu/story/334871/2014/11/14/administration/board-trustees-adopts-changes-composition?utm_source=newswire&utm_medium=email&utm_term=334868_TEXT&utm_content=11-14-2014-17-51&utm_campaign=daily%20newswire).

<sup>30</sup> Proposed Resolution Re: the July 12, 2012 “Report of the Special Investigative Counsel” issued by Freeh, Sporkin & Sullivan LLP (“Freeh Report”), July 11, 2014.

assembly approved by a vote of 21 to 15 a resolution to oppose an investigation by the Board of the Freeh Report.

The Board held a special meeting on October 28, 2014 at which Trustee Casey reported that, after a good faith effort, the subcommittee was unable to reach consensus on an alternative resolution that everyone could support because of “fundamental differences of opinion” among the trustees. At the special meeting, Trustee Lord presented an amended version of his resolution. The amended resolution proposed that:

[T]he Board of Trustees shall immediately appoint a four person Ad Hoc Committee (“Freeh Committee”) to include Al Lord, Anthony Lubrano and two members designated by the Chair, to examine the Freeh Report, meet with Freeh and his investigative team to pose relevant questions, review the full set of undisclosed communications between Freeh and University officials and Trustees, and report its findings and recommendations to the full Board. After deliberation, the Board will issue its own report to its several constituencies.<sup>31</sup>

After a spirited debate, the Board rejected the resolution by a vote of 17 to 9, with all of the alumni-elected trustees voting in its favor and all other trustees opposing it. The meeting was marred by outbursts from several members the public gallery, and several individuals were escorted from the room by security after making abusive comments.

The Board then considered, debated, and approved by a vote of 17 to 8 (with one abstention) a resolution proposed by Vice Chair Casey and Trustee Frazier that:

Consistent with its fiduciary duty and priorities, the Board shall continue to actively monitor the discovery and factual investigations that are part of the Related Proceedings and, upon

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<sup>31</sup> See Proposed Resolution (as amended) re: the July 12, 2012 “Report of the Special Investigative Counsel” issued by Freeh, Sporkin & Sullivan, LLP (“Freeh Report”), October 23, 2014 (originally submitted July 11, 2014).

conclusion of such proceedings, shall determine whether any action is appropriate and in the best interests of Penn State.<sup>32</sup>

Subsequent to these Board actions, the plaintiffs in the state court Endowment Act civil action and the NCAA each publicly disclosed documents bearing on the imposition of the Consent Decree as discussed above in section IV.B.2. On November 15, 2014, President Barron released a statement describing his intention to conduct his own review of the Freeh Report and certain supporting materials.<sup>33</sup> President Barron explained that his review is in response to questions the Report raised among the Penn State community and because he does “not want people to believe that Penn State is hiding something.”<sup>34</sup> On November 26, 2014, the alumni-elected trustees sent a letter to Chair Masser asking for his “assistance in obtaining the files related to the creation of the Freeh Report.”<sup>35</sup> Chair Masser agreed to grant access subject to confidentiality and other terms by letter of December 1, 2014.<sup>36</sup>

### **3. Trustee Lubrano’s Resolution Regarding the Endowment Act Litigation**

At the November 14, 2014 Board meeting, Trustee Anthony Lubrano introduced a resolution seeking to have Penn State realign itself with respect to the Endowment Act civil action pending in the Commonwealth Court of Pennsylvania in which the University currently is

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<sup>32</sup> See Resolution Re: the July 12, 2012 “Report of the Special Investigative Counsel” issued by Freeh, Sporkin & Sullivan, LLP (“Freeh Report”).

<sup>33</sup> See “Statement from Penn State President Eric Barron,” available at <http://news.psu.edu/story/334883/2014/11/15/administration/statement-penn-state-president-eric-barron>.

<sup>34</sup> See “Statement from Penn State President Eric Barron,” November 15, 2014, at <http://kbridgejbk.cac.psu.edu/story/334883/2014/11/15/administration/statement-penn-state-president-eric-barron>.

<sup>35</sup> Letter dated November 26, 2014 from Trustees Brown, Doran, Jubelirer, Lord, Lubrano, McCombie, Oldsey, Pope, and Taliaferro to Chair Masser.

<sup>36</sup> Letter dated December 1, 2014 from Chair Masser to all Trustees.



a defendant alongside the NCAA. Trustee Lubrano’s resolution was motivated in part by “the recent disclosure of internal NCAA email communications” related to the imposition of the Consent Decree discussed elsewhere in this report.<sup>37</sup> The Board voted to table discussion of Trustee Lubrano’s resolution until its January 2015 executive session where it will consult with University counsel.

## **V. AREAS OF FUTURE FOCUS**

This reporting period, we observed progress in effecting governance reform, promulgation of Penn State’s new values statement and Code of Responsible Conduct, implementation of facilities security projects, attention and adherence to the AIA, the continued expansion of the Office of Ethics and Compliance, and efforts to bring Penn State’s child abuse policies into conformity with new Pennsylvania laws taking effect on December 31, 2014. Penn State’s administration has remained fully cooperative throughout this time.

In the coming quarter, we will monitor the challenging process of implementing the required changes to Penn State’s policies, procedures, and trainings related to child abuse and background check obligations. We also will continue to observe Penn State’s efforts to develop an ethical decision-making model and socialize the new Penn State values, implement the recommendations of the Sexual Assault and Sexual Harassment Task Force, amend the student disciplinary process, construct the HRIS, further develop of the University’s compliance office, and uphold Penn State’s obligations under the AIA. We will monitor all activity related to the University’s fulfillment of its obligations under the AIA and Consent Decree.

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<sup>37</sup> “Proposed Resolution Re: Commonwealth of Pennsylvania Litigation,” dated November 14, 2014.